PREDICTORS OF BRAND TRUST AND BRAND EQUITY FOR ENERGY DRINKS IN GAUTENG TOWNSHIPS

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Strategic Marketing

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ABSTRACT

A massive growth area in the consumption of FMCG products in South Africa still largely lies within the Township areas. A significant amount of research has been conducted around building brand equity within the FMCG space, however very few if any studies in South Africa have investigated the predictors of brand trust and brand equity within the Energy Drinks Category.

The research intends toexploredrelationship between store image, distribution intensity and price deals, paying particular interest to the mediating role of brand trust in building brand equity amongst township energy drinks consumers.

Using a data set of 288 respondents, between the ages of 18-35, from the townships of Gauteng province in South Africa, the study examined the aforementioned respective relationships. A structural equation modelling approach using AMOS24 statistcal software was used to empirically test the proposed 4 hypothesis using the collected data set. The results indicate that store image, price deals and distribution intensity are predictors of brand trust and, brand trust is positively related to brand equity. However, what is evident is that distribution intensity results in a much stronger and important effect on brand trust. The research paper further discusses implications for both academic and marketing practitioners and lastly, future research directions are suggested.

DECLARATION

I, Poelano Khutsoane, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other University.

Poelano Khutsoane

Signed at…………………………………………………………………………….

On the…………………………………day of……………………………20…………..

ACKNOWLEDGEMENTS

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CHAPTER 1 –
INTRODUCTION

The continued growth of the consumption of energy drinks is a sign of undeniable caffeine craze among consumers. The likes of Red Bull and Monster have driven the growth of the category,. In South Africa off-trade sales have significantly increased margins are noted to have more than doubled in the past 6 years.

While still strongly rooted in the functional aspects of the beverage, energy drinks brands, established soft drinks brands and new brands are all expanding within the market place at a rapid rate. As more brands are introduced into the market, flavour and formulation alone will not improve sales, it is extremely important to identify the relative predictors that will convince consumers to consider a specific brand. From Figure 1 it is evident that the energy drink market will only continue to grow.

Sales of Energy Drinks
Off-trade Volume - million litres - 2002-2021

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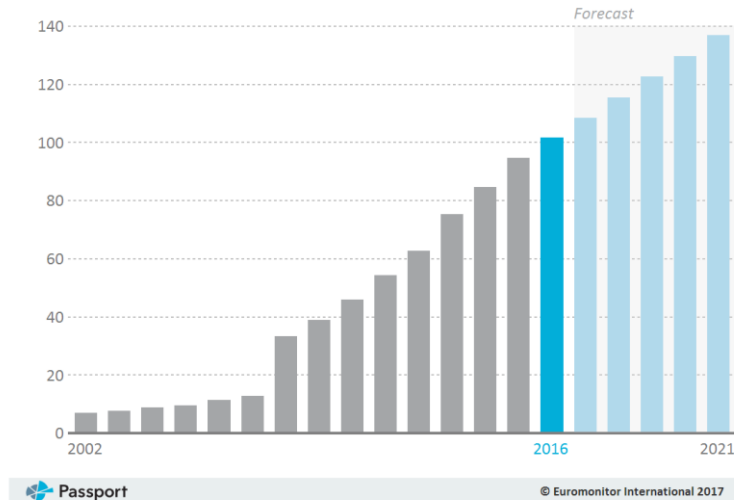
Figure 1: Source Euromonitor Sales of Energy drinks in South Africa

1.1 PURPOSE OF THE STUDY

The purpose of this research is to investigate the influence of store Image, price Deals and distribution intensity on Brand Trust and Brand Equity of energy drink consumption in the Townships of Gauteng.

1.2 CONTEXT OF THE STUDY

1.2.1 Traditional trade and the Energy Drinks Industry

According to a study recently conducted by Nielsen (2016), Traditional trade (TT) accounts for a third of consumer goods package sales in South Africa, which amount to approximately R46- billion rand. Traditional trade refers to all informal and independently owned stores in both urban and rural areas which are considered as a "permanent location comprised of physical bricks and mortar i.e. excluding hawkers and table tops", which house a minimum of one consumer goods product sold directly to consumers.

The same study Nielsen (2016) further suggests that a wealth of opportunity exists within this sector, as the majority (95%) of all retail stores in South Africa are considered Traditional Trade stores (Nielsen, 2016. Over time, a significant increase (790-2875) in the amount ofFormal branded "Hypers and Supers" stores has been noted. Furthermore, the growth of branded convenience stores has developed to over 4500 stores. Interestingly, Nielsen (2016) point out that in the last two decades, Traditional Trade has increased in a number of store outlets from 31 000 to 134 000.

According to Frow and Payne (2009) product based selling is generally associated with Fast Moving Consumer Goods (FMCG). Organisations within the FMCG sector are commonly centred around products and brands, with the performance of the brand being the focal point, yet more often than not, it is suggested that relationship building with customers is generally reliant on intermediaries. Frow and Payne, (2009) further argue that smaller retailers are characterised by a high frequency in purchases and the personal contact between the store owner and the customer is important in fostering a strong relationship.

In light of the above, the focus of this study is on the energy drinks market particularly relating to the energy-drinks consumption consumer within the Gauteng township market. Information from

Euro Monitor below illustrates the brand shares of the sports and energy drinks from 2010- 2015. Table 1.1 specifically focuses on the South African sports and energy drinks landscape, for the purpose of this study, on the researcher only focused on energy drinks,excluding Powerade, Energade and Lucozade. An interesting observation relating to the period 2010- 2015, illustrates that a significant increase in new products has resulted in shares moving from Red Bull who are considered as the first movers to the newly introduced products such as Power play, Monster and Dragon, gaining the most significant share between 2010-2015.

Brand shares (Global -Historical owner) Historic Off- trade Volume % Breakdown							
South Africa Sports and Energy drinks							
Brand	**Company Name (GBO)**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Energade	Tiger Brands Ltd	27.2	27.2	25.8	25.4	25.2	25.1
Powerade	Coca-Cola Co, The	24	23.6	20.9	22.3	21.8	21.4
Red Bull	Red Bull GMBH	14.9	13.4	11.5	11.4	11.3	11.9
Power Play	Monster Beverage Corp						10
Monster	Monster Beverage Corp			5.1	4.7	4.4	4.4
Lucozade	Suntory Holdings Ltd				2.9	3.1	3.2
Score	Chill Beverages International (Pty) Ltd	3.6	3.4	3.5	3.3	3.1	3.1
Dragon	Kingsley Beverages Pty Ltd		2	2.2	2.3	2.6	2.9
Rockstar	Rockstar Inc		1.1	1.1	1.1	1	1
Power Horse	Spitz Gesmbh.S		0.9	1	1	0.9	0.8
Psycho Skull	Lentas International Pty Ltd		0.6	0.7	0.7	0.8	0.8
Liquid Blast	Xtreme Beverages Pty Ltd			0.4	0.5	0.6	0.7
Bos Sport	Bos Brands (Pty) Ltd					0.5	0.5
Scheckter's Organic Beverage LTd				0.4	0.4	0.5	0.5
Volt	Lentas International Pty Ltd			0.4	0.4	0.5	0.5
USN Spike	USN (Pty) Ltd	0.5	0.8	0.5	0.4	0.4	0.4
Bioplus Energy drink	Adcock Ingram Ltd	0.9	0.7	0.4	0.3	0.2	0.3
V	Suntory Holdings Ltd	0.3	0.2	0.2	0.2	0.2	0.2
Power Play	Coca-Cola Co, The	8	9.3	10.3	10	10.4	
USN	USN (Pty) Ltd	1.2	1.4	1.5	2.2		
Lucozade	GlaxoSmithKline Plc	3.2	3.5	3.2			
Monster	Hansen Natural Corp	4.1	4.9				
Bioplus Energy drink	Tiger Brands Ltd						
Dark Dog	Dark Dog Trading GMBH						
Play	Coca-Cola Co, The						
Sportsade	Danone, Groupe						
V	Danone, Groupe						
Private Label	Private Lable	1	1.4	2.6	1.7	2.1	2.3
Others		11.1	5.7	8.4	8..8	10.4	10.2
Total	Total	100	100	100	100	100	100

Table 1.1: Research Sources: Soft Drinks: Euromonitor from trade sources/national statistics

According to a survey by BMI (2016), the RTD (ready to drink) energy drinks market grew to 153.1 million litres, with Gauteng from a local distribution accounting for 51.8% of the volume. .Intrestingly the bottom end channel (township focused) accounts for 11.4%, suggesting that 1.7 million litres are consumed within Gauteng Townships. A study by Jonckie, A. (2012) suggests that there are currently more than 4.4 million consumers of Sports and Energy drinks, which based on this would suggest that there are in excess of 497 200 energy drinking consumers in the Gauteng's Bottom end (Analytix, 2012).

People born between 1980 and 2000 mostly make up the youth structure of today and are regarded as Generation Y also commonly referred to as millennials (Williams, 2008); Gurau, 2012). The significance of this generation is largely due to the relative discretion taken by this youth structure in relation to their income in considering purchase decisions. Furthermore, in firms planning their customer lifetime value , this segment offers the ideal opportunity for firms to base their strategies in attaining more "mature" customers by investing in this generation (Gurau, 2012).

Generation Y is largely considered the most profitable segment in many developed countries based on it being the most dominant group in terms of demographics, furthermore, the segment plays an influential role when it comes to household spending in influencing the purchasing decision of parents.

The importance in marketers finding ways in developing relationships between firms and the above-mentioned segment is highlighted by (Lazarevic,2012), as this influence the brand loyalty within what is considered highly disloyal segment.

1.2.2   *Growth in SA townships*

A massive growth area in South Africa are the Townships, and over the years these areas have created an increased demand for consumer goods and services (Beneke, 2014). These areas are considered by some theorists as the 'second economy' based on the rate at which the informal sector is developing (Thomas,1999; Beneke, 2014). It is further suggested that the black middle class in South Africa are now responsible for almost half of the spending power in the country, as a result, increased attention in servicing this area is particularly noted from a retailers and product manufacturer perspective (Ligthelm,2004; Beneke, 2014).

1.3 PROBLEM STATEMENT

A significant amount of research has been conducted around building brand equity within the FMCG space (Chadhuri & Holbrook, 2001; Atilgan, Aksoy & Akinci, 2005; Delgado-Ballister et al., 2005; Tolba, 2011). . Very few, if any studies in South Africa have investigated the predictors of brand trust and Brand equity within the Energy Drinks Category. Nielsen (2016) reports have shown that the energy drink category is the fastest growing category within the beverage sector, yet not many studies exist in understanding how the predictors of brand trust and brand equity can be utilised in growing the sale of these beverages in the Township market. Understanding the above-mentioned predictors of brand trust and brand equity provides a justification for this study.

The perception of the different energy drinks brands within the township market have not been investigated, furthermore, the equity that each brand has within the township market is unclear. This study would be valuable for marketing practitioners who intend to target the township consumer, as well as any FMCG practitioner looking at rolling out a product in this market.

1.3.1   Objectives of the study

Research objectives will include the following:

Theoretical objectives:

1. To review literature on store Image
2. To review literature on Price deals
3. To review literature on Distribution Intensity
4. To review literature on brand Trust
5. To review literature on store Image

Empirical objectives include the following:

1. To investigate the influence of store image on brand trust among consumers of energy drinks in Gauteng Townships.

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2. To determine the effect of Price deals on the brand trust among consumers of energy drinks in Gauteng Townships.
3. To explore the impact of distribution intensity of energy drinks on brand trust among consumers in Gauteng townships.
4. To investigate the influence of brand trust on Brand Equity with respect to energy drinks consumed by Gauteng township residents.

1.4 RESEARCH QUESTIONS

The following Research Questions are derived.

1. Does store image influence brand trust of among consumers of energy drinks in Gauteng Townships?
2. To what extent do price deals influence brand trust among consumers of energy drinks in Gauteng Townships?
3. Does distribution intensity impact brand trust of energy drinks among consumers in Gauteng Townships?
4. To what extent does brand trust influence brand equity among consumers of energy drinks in Gauteng Townships?

1.5 JUSTIFICATION AND SIGNIFICANCE OF THE STUDY

There is little information on the predictors brand equity within the energy drinks category in Gauteng Townships. A number of studies have assessed numerous marketing mix elements in an attempt to build brand equity (Yoo et al., 2000; Rajh & Ozretić Došen, 2009). Moreover, the previously mentioned studies have been conducted in countries such as the USA and South Korea, most of them largely looking at other products including but not limited to athletic shoes, television sets and camera film (Yoo et al., 2000). Considering that the energy drinks category is driving the growth of the beverage industry (Beverage Daily., 2016), the focus will be on the neglected township sector. Interestingly (Yoo et al., 2000) suggest that a cross-cultural approach to research may expose different methods of brand equity formation in different cultures and as a result, cultural differences may moderate the effect of marketing efforts on brand equity (Yoo et al., 2000). This

study is useful to academics since it will generate and add new knowledge to the existing body of literature. Furthermore, this study is expected to assist marketing practitioners to better understand the township market.

1.6 DELIMITATIONS OF THE STUDY

Although this study has both academic and practical contributions, it has the following delimitations:

- This study focuses on respondents in Gauteng Townships only.
- This study only focuses on Generation Y consumers, those born 1980-2000.
- The study includes both males and females
- This study includes individuals of varying education levels
- The study may have limited generalizability, as it is specifically relevant to South African consumers.

1.7 DEFINITION OF TERMS

Store Image: refers to "the total impression represented in the memory as a gestalt of perceived attributes associated with the store, which is both independent and interdependent in consumer's memory, learned from current and previous exposure to stimuli" (Hartman & Spiro, 2005).

Price Deals: refer to short term- price reductions such as special sales, media distributed coupons, package coupons, media distributed coupons, rebates and refunds.

Distribution Intensity: Distribution is considered intensive when the availability of products is noted across a number of stores in a particular market (Yoo et al., 2000).

Brand Trust: the willingness of the average consumer to rely on the ability of the brand to perform its stated function (Wang & Emurian, 2005).

Brand Equity: Brand Equity (BE) is an outcome of strong planning and long-term investment around successful brands. BE creates points of differentiation from other brands and leads to competitive advantages, which in turn, lead to non-price advantages (Aaker, 1991).

Energy Drinks: Energy drinks refer to beverages that contain, besides calories, caffeine in combination with other presumed energy-enhancing ingredients such as taurine, herbal extracts, and B vitamins (Reissig, Strain, & Griffiths, 2009).

Generation Y: These are generally defined as the population of a country who were born between 1980 and 2000 (Gurau, 2012).

1.8 ASSUMPTIONS

There are various assumptions that are important in establishing a baseline for this study, and they are as follows:

- It can be assumed that the feedback of the sample of respondents is representative of Township-based South African energy drinks consuming population

- All respondents will be energy drinking township residing consumers

- The respondents will be biased in their responses considering that they will be answering question about brands that they personally consume

CHAPTER 2 - LITERATURE REVIEW

2.1 INTRODUCTION

This section consists of the theoretical and empirical review of the literature, with the theoretical grounding being discussed first, followed by the empirical literature . The theoretical part will focus on the Nicosia Model of Consumer Behaviour (Beckett, Hewer & Howcroft, 2000), while the empirical literature will review related literature on the bottom of the pyramid marketing, specifically on the research variables in the conceptual model, namely, store image, price deals, distribution intensity, brand trust, and brand equity.

2.2 THEORETICAL GROUNDING

2.2.1 The Nicosia Model of Consumer Behaviour

Efforts have been made by marketing scholars to develop buyer behaviour models from the marketing practitioners point of view. The Nicosia model attempts to determine the link between a firm and its customers, how the activities of the firm influence the consumer and result in the consumer making a purchasing decision (Beckett, Hewer & Howcroft, 2000). The information from the company influences the consumer in purchasing the product, therefore the consumer develops an attitude toward the product causing him to search or make an evaluation around the product (McKechnie, 1992). Therefore, in this particular study, the three (3) predictors namely, store image, distribution intensity and price deals attempt to influence the brand trust that the consumer will perceive and this perception of brand trust will in turn influence the overall brand equity

2.3 EMPIRICAL LITERATURE

2.3.1 Bottom of the Pyramid Marketing

The notion of 'bottom of the pyramid' refers to the world's largest but poorest socio-economic group. Irrespective of their poverty levels, this segment is considered an increasingly attractive target market (Subrahmanyan, & Tomas Gomez-Arias, 2008; Chipp, Corder, & Kapelianis, 2012).

In South Africa it is suggested by (Chipp, Corder, & Kapelianis, 2012), that a third of the country's population forms part of the Bottom of the Pyramid, highlighting not only its importance but the opportunity as a target market based on the number of consumers in this segment. The segment is generally characterised by small personal incomes however, household incomes are higher and increase the appeal of South Africa's Bottom of the Pyramid to marketers and retailers alike (Chipp, Corder, & Kapelianis, 2012.

2.3.2 Store Image

The conceptualisation and development of the store image construct have gained significant attention amongst retail marketing theorists over the past 58 years. The formative work of Martineau (1958) described the following " the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes,". Following on from the work of Martineau many theorists have acknowledged the significance of the consumer's perception in building Store image, however many have differing opinions on the dimensions or rather the attributes related to store the image (Beristain & Zorrilla, 2011; Erdil, 2015).

Store Image is defined from a shopper's perspective as the way in which a store is perceived and orchestrated within a shopper's mind (Bloemer & de Ruyter, 1997, Cornelius, Natter and Faure, 2010). Schiffman and Kannuk (2008) define store image as the manner in which consumers view the store, that is, their respective impression or perception. Beristain and Zorrilla (2011) go a step further in defining store image as a set of brand associations based on the respective store's attributes and the perceived benefits in the mind of the consumer.

The definition the researcher used for this study followed "the total impression represented in the memory as a gestalt of perceived attributes associated with the store, which is both independent and

interdependent in consumer's memory, learned from current and previous exposure to stimuli" (Hartman and Spiro (2005).

2.3.2.1 Store image dimensions

Store image is a multi-dimensional construct founded on the perception of latent and manifest store attributes. Store image dimensions have been established around aspects relating to the quality and variety of products sold, the prices of the respective products, physical features of the store and finally the services provided by the sales force (Beristain & Zorrilla, 2011). Importantly Bloemer and de Ruyter (1997) suggest that a distinct image, which is based on the salient elements of the retail mix, may exist within the consumers' minds for each retail store and consumers are more likely to patronise a store with a favourable image (Osman 1993).

Grewal et al. (1998) suggest that a positive relationship exists between store brand and perceived quality of the merchandise, in saying that they highlight the importance in ensuring that the merchandise housed in the store fits the image they intend creating within the store. The perception of these stores varies by retailer, product and target market (Erdil, 2015).

A list of attributes that make up the store image has been critically reviewed. Lindquist (1974) identified 35 characteristics that contribute to the store image perceptions by consumers. These characteristics may be categorised into nine independents groups, which are: merchandise, service, clientele, physical, facilities, convenience, promotion, store atmosphere, institutional attributes, and post transaction satisfaction. A later study conducted by du Preez, Visser and Van Noordwyk (2008) classified store attributes into eight dimensions; namely, atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel and service. The majority of these studies explore image, taken as the consumer perception of the overall store image, relative to specific purchase behaviour contexts or specific store and service attributes, this points out that the quality of the brand will express positive cues to the image of the store. Kumar and Kim (2014) go further in highlighting that the store environment has a number of cues such as design elements relating to (colour, architecture and layout) which influence the consumers' evaluation of the store. In addition to the previously mentioned design elements, other factors such as social and ambient factors also need to be considered as these may add value and perceived to be of a higher quality based and in turn influence the cognitive evaluation made by the consumer (Kumar & Kim, 2014). This infers

that store satisfaction converts the implications of the image of the store and that store image can only influence store loyalty through the consumer being satisfied with the store (Bloemer & de Ruyter, 1997; Van Riel, Semeijn, Ribbink, & Bomert-Peters. 2012).

2.3.3 Price Deals

Generally, it is understood that retailers promote products as they can attain increased price margins by discriminating between products of high and low demand (Allender & Richards, 2012; Zhang, Seetharaman & Narasimhan, 2012). A number of theories over the years have differing opinions on the way in which price promotions are adapted within the trade (Murthi & Rao, 2012). A common thread, however, is noted from the market standpoint; whereby the market can be categorised into segments of consumers that vary by the strength of their demand, interestingly the strength of their respective demand is dependent on the degree in which a consumer is informed or uninformed (Allender & Richards, 2012; Murthi & Rao ,2012).

Initial work from (Aaker, 1991) emphasised that even if sales promotion may result in short-term benefits, it can still, however, be effortlessly imitated and countered and as a result, it is not necessarily the most appropriate tool in building brand equity (Villarejo-Ramos, & Sánchez-Franco, 2005).

Consumers within a given market are more often than not more loyal to one brand or the other, however, the potential in brand switching is increased when the price of the lesser favoured brand is low enough (Allender & Richards, 2012; Zhang, Seetharaman & Narasimhan, 2012). Interestingly, efforts based on lowering prices can place brands in jeopardy by aggravating consumer confusion, variability and inconsistency lead to an "image of unstable quality" (Villarejo-Ramos, & Sánchez-Franco, 2005).

A number of pricing strategies have been utilised in order to influence the purchase behaviour of consumers (Theodosiou & Katsikeas 2001; Herrmaan et al. 2007). The utilisation of these pricing strategies needs to be carefully considered as they need to be aligned with an organisations' overall positioning and their set commercial objectives which have proved to be found difficult by some (Herrmaan et al. 2007).

A study by Murthi and Rao (2012) exploring price promotions suggests that just under half of the purchases made by consumers are made using expectation of prices as opposed to posted prices. Furthermore, Grewal et al. (2012) and Murthi and Rao (2012) suggest that price promotions are effective amongst price-aware consumers, suggesting that even if a retailer offers a price deal, it must, in turn, communicate this deal to the consumer allowing the consumer to process and recognise the value offering.

For the purpose of the study, the researcher paid particular attention to the below-stated pricing strategies. Organisations may opt to price their products as high or low or merely be price followers (Paliwoda, 1999). The 'high and low prices' (HILO) and 'every-day low prices' (EDLP) approaches have also emerged as popular pricing strategies amongst companies (Pechtl, 2004). HILO price strategies are implemented by retailers in availing temporary price discounts for selected products these are generally implemented for a number of days followed by weeks with "normal" prices. Retailers to promote a basket of goods offering attractive low prices, which remain constant for a longer period, use EDLP strategies, these prices are generally lower than HILO stores however not as low as their price discounts offerings (Pechtl, 2004). Similarly, Madhu-Mohan and Jayanthi (2012) and Dhurup, Mafini, and Dumasi (2014) suggest that successful companies in most markets have adopted certain pricing tactics that include offering better single price points. Furthermore, it is also noted that cash discounts can be offered for bulk purchases or the purchase of a specific 'suite of products' (Madhu-Mohan and Jayanthi (2012) andDhurup, Mafini, and Dumasi (2014), essentially it is crucial for manufacturers to implement strategies which generate repeat purchases and motivate bulk orders.

2.3.4   Distribution Intensity

Considering its importance, Distribution Intensity has received very little to no attention in academic research. Distribution is associated with certain activities that involve offering products on the market within the most appropriate time frame, condition and place (Urbańska, 2010).

In their studies, Hanssens, Parsons and Schultz (2001) and Bucklin et al. (2008) suggest that distribution is one of the most important drivers in achieving sales and market share, however, this is dependent on the respective strategy that is implemented.

2.3.4.1 Distribution Strategies

Distribution strategy refers to the ability of a manufacturer to determine their long-term goals and relative activities in relation to the environmental and market changes alongside their respective Distribution Partners, who agree to distribute the manufacturer's product in the market (Urbańska, 2010). Some theorists (Frazier & Lassar, 1996; Frazier, 1999; Rosenbloom, 2004), suggest that the degree in which distribution intensity can be viewed is on a continuum varying from exclusive through selective and finally to intensive distribution.

Distribution is suggested as being intensive when the availability of products is noted across a number of stores in a particular market, usually, this requires the utilisation of intermediaries (Yoo et al., 2000; Rosenbloom, 2004; Kotler & Keller 2006). According to Van Bruggen, Antia, Jap, Reinartz, and Pallas (2010), distribution intensity is considered idyllic, when a brand is readily available enough in order to satisfy but not surpass target consumer needs as oversaturation will result in increased marketing expenses without the benefit of the product being sold (Urbańska, 2010).

2.3.4.2 Township and Distribution Intensity

The energy drinks market within South Africa is readily available across multiple channels, for example, Retail and Gas, Township Independents and Wholesale. An expanded view relating to presence per channel vs presence per multiple channels would need to be adopted as this approach clearly distinguishes the number of channels that a manufacturer is involved in and the relative intensity of that particular channel (Van Bruggen, et al., 2010). For the purpose of this study, we will focus on the presence of energy drinks within the Township channel. Importantly to consider is the notion that suggests that an expanded view of distribution intensity better represents the reality that manufacturers have freedom in how they operationalize their channel strategies, in the view of determining what the optimum level of distribution intensity is which in this particular case refers to the township channel.

Beneke (2014) highlights that Township retail outlets have different needs in comparison to the more formal traders found in urban areas. Increased efforts by Fast Moving Consumer Goods (FMCG) manufacturers in increasing the efficiency in which they service Township retailers have

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been noted (Beneke, 2014). These increased distribution efforts are subject to the product, furthermore, in order to improve a product's image and attain support from a retailer, organisations more often than not need to distribute selectively rather than intensively (Yoo et al., 2000).

From a consumer standpoint, it is suggested that consumers are more satisfied when a product is readily available across numerous stores relating to the products' availability at their respective moment of need (Yoo et al., 2000; Beneke, 2014). It is understood that intensive distribution "reduces the time consumers spend searching stores and travelling to and from stores, and further enables convenience and related services in purchasing the respective product." (Yoo et al., 2000; Beneke, 2014). In their study (Beneke, 2014) found that an outlet's decision on which brands to stock was largely influenced by the relative ease in which it could attain a product. Furthermore, they suggest that most products distributed within a township are attained via a third party distributor and that a positive relationship was noted between organisations outsourcing their distribution function and the growth in both their volume and their market share within a specific market which turn an improved overall customer satisfaction.

Therefore, it can be deduced that consumers perceive more value from the wide availability of products across stores as the time saved from having to locate a product is proportionately decreased. Similarly, a study by Tolba (2011) which looked at the fuel market in Egypt, found that the consideration in developing a robust distribution network should not be taken lightly as it helps develop convenience and availability for the consumers and further increases their respective brand preference and overall loyalty. This increased value prompts customer satisfaction and brand trust and consequently greater brand equity.

2.3.5   Brand Trust

A vast amount of literature surrounding the topic of brand trust can be found across numerous academic disciplines, as well as more pragmatic areas such as marketing and management. This information has enriched research concerning brand trust as a construct, however, difficulty in integrating and finding a consensus within this construct is noted. Nonetheless, a commonality amongst the varied literature suggests that "confident expectations" and "risk" are critical components in defining trust (Delgado-Ballister et al., 2005). Therefore, trust is defined as "the confidence that one will find what is desired from another rather than what is feared (Deutsch,

1973)."Accordingly, to trust a brand implicitly suggests that there will be a high probability or expectancy that the brand will result in positive outcomes for the consumer"(Delgado-Ballister et al., 2005). Furthermore, Brand Trust is defined as the inclination of a typical consumer to depend on the ability of a particular brand to perform its stated function (Chaudhuri & Holbrook, 2001). This concept is relative to situations of uncertainty and information asymmetry and allows customers to feel more comfortable with their brand.

Therefore, in considering Brand Trust as expectancy, it is dependent on the extent in which consumers believe that the brand has particular qualities that are reliable, consistent and so forth. This research follows the work of Delgado-Ballister et al. (2005), which acknowledges that trust, in this case, is based on the "dispositional attributes" made by the consumer about the product manufacturer's behaviour, qualities and intentions. Therefore, the key take-out is to identify which of these attributes form brand trust.

Earlier research by Delgado et al. (2003), suggests that these attributes have two dimensions to them. The first dimension of brand trust has a "technical element" to it (reliability) which relates to the ability and willingness to not only keep promises but also further satisfy consumer needs.

The second dimension relates to the "attribution of good intentions to the brand in relation to the consumer's interests and welfare". In other words, a trustworthy brand is a brand that consistently delivers its value proposition through the way the product is manufactured, sold, serviced and promoted.

Based on the above it is noted that brand trust is conceptualised as having two specific dimensions that reflect different perspectives from which a brand may be considered trustworthy. Moreover, in-depth marketing literature suggests that trust is considered as a key element in developing brand attachment and has been dubbed as a major tool in improving the brand performance of an organisation (Carroll & Ahuvia, 2006; Chinomona, 2013). Importantly, some researchers suggest that repetitive interactions with a brand and brand experiences are key drivers in building brand trust (Wang & Emurian, 2005; Schau et al., 2009). In this study, brand trust is defined as the willingness of the average consumer to rely on the ability of the brand to perform its stated function (Wang & Emurian, 2005). Keller, (2002) suggests that management across many organisations recognise the importance of branding, as a substantial amount of value has been placed on the intangible value

associated with brands. Over the years Brands have played an integral role in differentiating their respective goods and services from those of their competitors, and as a result, have been noted to create a competitive advantage, which would yield financial returns for an organisation. Brand equity is described as the intangible asset that reflects the inherent value created through competitive advantage of the brand. Therefore, brand equity is a "market-based intangible asset that can be leveraged" to improve an organisation's performance.

2.3.6 Brand Equity

The marketing literature contains various conceptualizations of brand equity (Moon, Park, & Choi, 2010; Çifci et al., 2016), and Brand Equity is generally approached from a consumer or firm-based perspective. The consumer-based perspective shows that the creation of brand value stems from consumer based outcomes, such as perceptions, attitudes, knowledge, and behaviour (Çifci et al., 2016; Christodoulides & de Chernatony, 2010). The firm's point of view focuses on firm-level objectives and outcomes such as market share, price, revenues and cash flows, (Ailawadi et al., 2003; Çifci et al., 2016).

Attention towards measuring brand equity has increased significantly in recent years in an attempt to understand what impact BE has on the consumer decision around brand choice, brand commitment and the overall performance of the business (Moon, Park, & Choi, 2010; Çifci et al., 2016). Aaker, (1996) defines Brand Equity as "a set of assets (and liabilities) linked to a brand's name and symbol that adds or subtracts from the value provided by a product or service to a firm and/or that firm's customers". Furthermore, Yoo, Donthu & Lee (2000) suggest that brand equity can also be defined as the difference in consumer choice between a product that is branded vs an unbranded product. In this report, the term brand equity is used to denote customer-based brand equity. The majority of literature suggests that brand equity offers a strong foundation in the introduction of new products, in highlighting key points of differentiation from competitors and lastly in allowing the given brand to avoid competitive spells.

2.3.6.1 Dimensions of Brand Equity

Aaker, (1991) suggested that the four most significant dimensions that encompass brand equity include the following(Yoo et al., 2000; Yoo and Donthu, 2001):

- Brand name/image awareness: The strength of a brand's presence in the consumer's mind, and measured by recognition and recall Aaker, (1991). Considered as the first step in building brand value (Gartner & Konecnik Ruzzier, 2011) Aaker (1991) and Keller (1993) identify brand awareness as an important asset for brand equity. Keller (2003) defines brand awareness as the ability of a consumer to recall and recognize the brand, this is mirrored by their ability to pinpoint the brand under different conditions and further make the relative linkages to the brand name, the brand logo and all other relative associations within the customer's memory.

- Brand loyalty: considered the most important dimensions of brand equity is the willingness of customers to repurchase the same brand (Aaker, 1991). Chow et al., (2016) suggest that many industries find difficulty in recruiting new and infrequent customers as it is both costly and time-consuming, therefore focus on keeping existing customers is more economical, particularly when the consumers perceive satisfaction with the brand. It can, therefore, be said that brand loyalty can reduce the gains made by competitor products and further preserve marketing expenses.

- Perceived Quality: the willingness of a customer to pay a price premium and reasons surrounding their purchase intent (Aaker, 1991). Importantly the increased awareness of a branded product does not necessarily equate to the same product being perceived as being of high quality.

- Brand associations: The attributes that consumers associate with a brand (Aaker, 1991). Generally classified into 3 major categories which include: attributes, benefits and attitudes (Keller, 1993). Attributes include the features of a brand, which refers to the combined perception within a consumer's mind relating to what the brand has to offer. The benefits relate to the values related to the features of the brand in question, and finally, the brand attitudes refer to the overall evaluation of the brand by the consumer (Chow et al.,2016).

Interestingly, Yoo and Donthu (2001), identify with a fifth category known as "other proprietary brand assets"; these include patents, trademarks and channel relationships, these, however, are not relevant to consumer perception and as a result, only the above mentioned four categories will be

regarded as relevant to brand equity. The mounting number of brands in international markets requires the advancement of valid and reliable brand equity measures that can be generalised across different countries (Buil, de Chernatony, & Martínez, 2008).

Therefore, it is suggested that brand equity affords a customer value by enhancing their interpretation or processing of information, confidence in the purchase decision and the satisfaction attained from using the product. In addition, Aaker, (1996) further posits that organisations attain value by improving the "efficiency and effectiveness of marketing strategies, brand loyalty, price/margins, brand extensions, trade leverage and competitive advantage".

2.4   CONCEPTUAL MODEL AND HYPOTHESIS DEVELOPMENT

Following from the above literature review, Figure 1 below provides the research conceptual model. In this conceptual model, there are three predictor variables namely store image, price deals and distribution intensity. Brand trust is the mediator while Brand equity is the sole outcome variable.

Figure 1: Conceptual Model
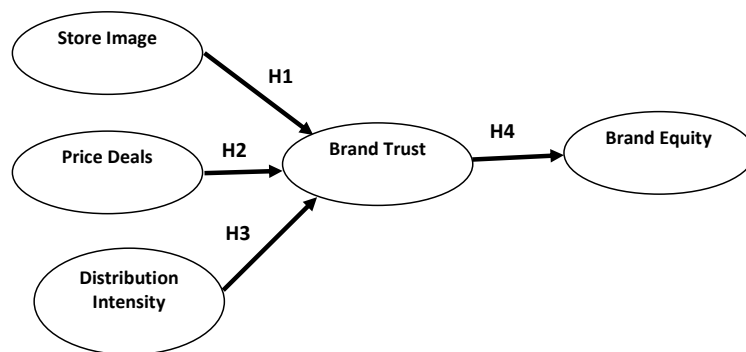
2.4.1   Hypothesis Development

2.4.1.1   Store Image and Brand Trust

Store image is defined as "the total impression represented in the memory as a gestalt of perceived attributes associated with the store, which is both independent and interdependent in consumer's memory, learned from current and previous exposure to stimuli" (Hartman & Spiro (2005). Verhoef et al. (2009) argue that the antecedents of store image, such as retail atmosphere, merchandise assortment and salespeople, can impact the in-store experience of consumers and therefore their brand experience, Moreover, they suggest that store image and brand experience strongly impact brand attitude, brand attachment, and brand equity (Dolbec, & Chebat, (2013). Furthermore, they suggest that brand experience positively influences the general appreciation of a brand, and further fosters a deeper attachment to the store. Borghini et al. (2009) further state that In-store brand experiences lead shoppers to "create, revise, recover, and recycle" memories that enhance the brand-self connection, Therefore, we expect in-store brand experiences to increase brand attachment. Similarly, Wang and Emurian (2005) and Schau et al. (2009) found that recurring interactions with a brand and brand experiences are key drivers in building brand trust. In this case, these brand experiences extend to all the events and promotions and that these respective brands employ into the community. This allows us to come up with the following hypothesis:

H1: There is a positive association between store image and brand trust of energy drinks in Gauteng Townships.

2.4.1.2   Price deals and Brand Trust

Consumers have continuously used price as a significant extrinsic cue and have for many years been utilised as an indicator of the quality of a brand (Yoo, 2013). Highly priced products are generally perceived to be of greater quality and less susceptible to competitive price cuts, than lower priced products (Grewal, Krishnan, Baker & Borin, 1998; Yoo, 2013). Interestingly, Grewal et.al., (1998) point out that while price deals may increase foot traffic into a retail store, such deals may have negative effects on the brand's quality and internal reference prices. Therefore, it can be said that price is positively related to perceived quality. A study by Chi, Yeh and Chiou (2009) suggests that a customer's perceived quality, will influence the brand trust, brand affect and in turn further affect brand attitude and the overall purchase behaviour. Which leads us to the following hypothesis:

H2: There is a positive relationship between price deals and brand trust of energy drinks in Gauteng townships.

2.4.1.3 Distribution Intensity and Brand Trust

It is argued that intensive distribution reduces the time consumers must spend searching the stores and travelling to and from the stores, Intensive distribution allows convenience in purchasing, and makes it easier to get services related to the product (Yoo, 2013). The consumer, in turn, perceives greater value as a result of the time saved in acquiring the product readily available and therefore results in the consumer having more satisfaction.

Oliver (1997) defines satisfaction as "the consumer's fulfilment response". It is a judgment that a product or service feature, or the product or service itself, has provided (or is providing) a pleasurable level of consumption-related fulfilment. Anderson and Sullivan (1993) go further in suggesting that customer satisfaction or dissatisfaction needs 'an experience' with the product or service, and is affected by the perceived performance and the value of the products or services, which in this case would be the Distribution Intensity. Delgado-BaHester and Mimuera-Aleman (2001) purport that customer satisfaction is closely related to brand trust. The dissatisfaction of customers may lead to a negative word of mouth, which in this study refers to the inability of the distributor to meet the customer's needs. Conversely, the ability of the distributor to meet the customers' needs will result in customer satisfaction and lead to positive word of mouth communication and in turn increase the brand trust (Hong-Youl, & Perks, 2005). For the present study, given the nature of the product categories used in the survey (Energy drinks), trust in the manufacturer and brand trust can be used interchangeably Based on this, high distribution intensity will result in greater satisfaction of the end consumer and in turn leads us to the following hypothesis.

H3; There is a positive association between distribution intensity of energy drinks and brand trust in Gauteng Townships.

2.4.1.4 Brand Trust and Brand Equity

In order to achieve our objective in assessing the role that brand trust plays in developing brand equity, one would need to consider the "relationship network" in which brand trust is found, more specifically its relationship with Brand Loyalty, which is suggested as the main antecedent to brand trust and a major asset of brand equity (Delgado-Ballister et al., 2005).

Based on the literature reviewed earlier, it can be said that brand trust is a result of a past experience or previous interaction as its development is most often depicted by an individuals' relative experiential learning over a period of time. In other words, it is a summation of a consumer's knowledge and experience with the brand over time. The experiential attribute is influenced by any direct (sampling) or indirect (Events, Promotions, etc.) contact with the brand that a consumer may come across. Amongst all the potential touch points, the consumption experience is regarded the most relevant and considered the most significant source of brand trust. The reasoning surrounding the consumption experience is based on the opportunity given to the consumer to associate, make inferences and give overall thought based on their respective experience. Based on the above, it can therefore be said "the overall satisfaction as a general assessment of the consumption experience with the brand, generates brand trust."

From the above, it is reasonable to consider brand trust as a relational market-based asset, which suggests that developing and sustaining trust are the fundamental principles of brand equity as it forms the foundation of any successful long-term relationship (Delgado-Ballister et al., 2005). In considering that the characteristics of relationships and the overall notion of loyalty are mostly intangible, the common thread found in literature is that trust is the key driver for loyalty as it generates highly valued exchange relationships. Brand Loyalty as suggested by Aaker (1991) refers to how likely an individual is likely to switch brands as a result of a change in either price or product features. Keller (2003), scrutinised brand loyalty under the term brand resonance which refers to the state of the customer brand relationship and the how the customer resonates with the respective brand (Atilgan, Aksoy & Akinci, 2005). It is further suggested that customers that truly resonate with brands have a high degree of loyalty.

Importantly, in the context of this study brand loyalty does not exclusively focus on repeated purchases but further explores the related dispositions or attitudes towards the brand, the mere focus

on behaviour would not allow a complete understanding of the relationship that exists between the brand and the consumer (Atilgan, Aksoy & Akinci, 2005). As a result, it suggested that brand loyalty plays a crucial role in developing and sustaining a valued relationship that is founded on trust.

Several researchers support the above view. More specifically, Sheth and Parvatiyar (1995) suggest that the main objective surrounding a brand is the transmission of trust to the market, particularly when direct contact between the manufacturer and the consumer is limited. Furthermore (Chadhuri & Holbrook, 2001) suggest that the unique value perceived between two brands by consumers is mostly owed to the consumer having a greater degree of trust in the one brand compared to the other. The large amount of consumers within the FMCG domain, there is some difficult for manufacturers to have personal relationships or customized strategies with each one, as a result consumers are forced to engage with the brand and develop relationships with the brand, which allows the brand to act as a substitute for one on one contact between the organisation and the consumer. In stating this, it is suggested that trust can, therefore, be developed through this relationship between the consumer and the brand (Chadhuri & Holbrook, 2001).

H4: There is a positive relationship between brand trust and brand equity of energy drinks in Gauteng Townships

2.5 CONCLUSION

The literature reviewed suggests that store image, price deals, and distribution intensity seem to influence brand trust and as a result brand equity. Several hypotheses were developed from the literature which will be tested through empirical research. From a South African viewpoint, it would be interesting to determine if the above-mentioned variables do influence brand trust and overall brand equity of energy drinks consumedin Gauteng Townships.

CHAPTER 3 - RESEARCH METHODOLOGY

INTRODUCTION

Research is described by Saunders and Thornhill (2007) as the methodical gathering of information which requires interpreting and deducing of information in order to produce a result from a set objective.

The review of related literature allowed the researcher to gain further insight in understanding Store image, Price deals, Distribution Intensity, Brand Trust and Brand equity. Importantly to note the impact of Store Image, Price deals and Distribution Intensity on brand trust as a moderating variable and its overall influence on brand equity of energy drinks consumed in Gauteng townships warrants further research.

This chapter explains the research approach and design.

The research design followed paying particular attention to the sampling design, instrument design, data collection techniques. The chapter is concluded with the data analysis approach and the assessment of reliability and validity.

3.1 RESEARCH PARADIGM

A quantitative research approach will be conducted for the purpose of this study. According to Polit and Hungler (1995:13), a quantitative approach makes use of an organised procedure and techniques to gather information under controlled conditions and highlights objectivity through statistical analysis. The research philosophy will mainly focus on the positivist paradigm, therefore, a quantitative approach is more appropriate given the nature of the study at hand.

3.2 RESEARCH DESIGN

Research design places emphasis on the procedure and techniques that were utilised in conducting the research (Hair et al., 2007). The researcher identified an efficient design which delivered

relevant information based on the set empirical objectives. Furthermore (Hair et al., 2007) suggests that there are three designs which exist.

- Exploratory research is utilised when little information surrounding the problem is known by the researcher. It is designed in order to reveal themes, patterns relationships and ideas.

- Descriptive research correlates data which describes the characteristics of the topic of interest in the investigation. The approach is broken down into two:

  o Cross- sectional analysis: describes the overview of business elements

  o Longitudinal analysis: describes events over a period of time.

- Causal research examines if one event influences another

For the purpose of this investigation causal research design was utilised. This design is quantitative in nature and set out to determine if the dependent, moderating and independent variable, one or more of the events influenced each other.

3.3 POPULATION AND SAMPLE

3.3.1 Target population

Bryman, (2012) defines a population as the universe of units that are used to select a sample. Furthermore it can be regarded as a group of elements that a researcher will use in order to obtain information from and make inferences based on the data at hand (Malhotra, 2014) . The target population for this study comprised both males and female Gauteng township residents, specifically City of Johannesburg, Ekurhuleni, City of Tshwane, Sedibeng, Metsweding and West Rand.

 born in years ranging from 1980-2000. The energy drinking consumers within Gauteng Townships were targeted, according to BMI research 1.7 million litres .are consumed within the bottom end by more than 497 200 consumers (AMPS, 2012).. The consumer sample was selected within Soweto

and Vaal Townships. It can be assumed that the findings obtained whilst studying this research context may to some extent be representative of a township in South Africa

3.3.2 Sampling and Sampling Methods

Sampling is a process of selecting a segment for research from the population or universe (Bryman, 2012). The purpose of any sampling method is to extract a sample from the population in order to generalize the results back to the sampling frame. The sample was derived in such manner that is closely representative of the population (Salkind, 2010). Probability sampling method was selected by the researcher, as this method represents a process where a sample is randomly selected, in order for each unit within the population to have an equal chance of being selected. It is generally assumed that a representative sample is more likely to be the outcome when this method of selection from the population is employed. Stratified sampling was used to decide which areas and which energy drinking consumers within (Soweto and the Vaal) each member of the research team would go to and obtain questionnaire responses from. Population was segmented based on shared particular characteristics into a number of groups or strata (Salkind, 2010). The shared characteristics in this study involved two strata in the form of males and females consumers of energy drinks born between 1980-2000, residing in townships.

3.3.3 Sampling Frame

Bryman, (2012) defines a sampling frame as the representation of all units in the population from which the sample will be drawn., or in other words the listing of all units in the population from which the sample will be selected. For this study the researcher used energy drinking consumers within the City of Johannesburg, Ekurhuleni, City of Tshwane, Sedibeng, Metsweding and West Rand.

3.3.4 Sample Size

For the purpose of this study, an online sample calculator was used to calculate the sample size. The sample size comprised of 300 respondents, distributed equally between male and female participants. Given the time constraints set out in the research proposal and limited resources the suggested sample size allowed the Researcher to maximize the amount of questionnaires sent out.

Finding energy drink consumers during a set timeframe proved extremely difficult, hence the suggested 300 respondents.

3.4 THE RESEARCH INSTRUMENT

A questionnaire was developed and used to collect data for this study, since it is the most widely used research instrument in quantitative investigations and as a result was used as the research instrument because of some of its intrinsic benefits (Creswell, 2009).

The questionnaire encompassed five sections; Section A, B, C, D and E. Section A requires the respondents to fill in their general background information in order to build consumer profiles.

Sections B, C, D and E will measure Store image, Price Deals, distribution Intensity and Brand Trust respectively. The research constructs were defined in accordance with previous works , and modifications were made in order to fit the current research context and purpose (Fagarasanu & Kumar, 2002). A five item scale will be adopted from (Beristain and Zorrilla, 2011). In order to measure "store image" the store image items deal with the quality of all product categories that the store housed. Price deals deals scale was adapted from Yoo (2013) 4 point scale which measured the relative frequency in which a consumer perceived relative frequency of the price deals presented for a focal brand. Distribution Intensity was measured by a three point by adopting the scale from Smith (1992). Brand trust followed the work of (Delgado-Ballister et al., 2005) and adapted their 11 measurement items to a 5 point.

All scale items were measured in 5 point Likert scale these scales are regularly used in measuring the attitudes, knowledge, perceptions, values and behavioural changes (Vogt, 1999). The 5 point Likert scale ranged from 1=strongly disagree to 5= strongly agree. Statistical analysis using the SPSS (Version X) statistical package and AMOS was be used to analyse the data.

3.5 DATA COLLECTION TECHNIQUE

A pilot study was conducted among a sample of 10 respondents in order to avoid any potential limitations in the design and the administration of the instrument. Furthermore, the data gathered from the pilot study was used to assess the validity and the reliability of the scales (Bryman, 2012).

The survey method of data collection (questionnaire) was adopted and a self administred questionnaire was designed and employed. Bryman, (2012) highlights the associated benefits of such a questionnaire which include the following: they are inexpensive in administering, faster to administer, no interviewer variability, and respondents have flexibility in completing the questionnaire at their own time (Bryman, 2012). The disadvantage associated with self-administered questionnaires include:) the inability of respondents prompting the administrator if something is unclear, The inability of the researcher prompting respondents to clarify or elaborate an answer, and the response rate can be low (Bryman, 2012).

3.6 DATA ANALYSIS APPROACH

The quantitative data were extracted from the responses and imported into Excel and coded accordingly before analysis. In order to gain a better understanding of the attributes of each variable, descriptive analysis was conducted in the form of a mean and standard deviation of each variable using SPSS.. Furthermore, deeper insight was attained by making use of the multivariate analysis approach, this approach assists in the concurrent assessment of three or more variables (Bryman, 2012). In addition, Structural Equation Modelling (SEM) which encompasses Path Modelling and Confirmatory Factor Analysis (CFA), was utilised as SEM incorporates multi-item scales and has the ability to identify precise estimates of measurement errors associated with such scales (Bryman, 2012).

The data analyses procedure followed an orderly process and was directed as follows:

1) Data was coded on Excel and then imported data onto SPSS and AMOS

3) Conducted descriptive statistics analysis, Confirmatory factor analysis and Path modelling

3.7   LIMITATIONS OF THE STUDY

The limitation of the study wase the fact that the study was limited to a sample of consumers in Gauteng townships, the results will not fully represent the entire population.

3.8   RELIABILITY AND VALIDITY ASSESSMENT

According to Bryman (2012) reliability refers to the "consistency of a measure of a concept". Factor analysis specifically relating to factor loadings, Cronbach's alpha and Composite Reliability were utilised in order to assess the reliability and the internal uniformity of the measurement items. The researcher made use of SPSS and AMOS software in order to determine the Cronbach's alpha values and the composite reliability values in assessing the reliability of the measurement items.

Furthermore, factor analysis was employed in order to assess the underlying variance structure of a set of correlation coefficients. Confirmatory factor analysis was employed in order to obtain the standard regression weights. Model fit indicators such as Chi-square/degrees of freedom, Goodness of Fit Index (GFI), Augmented Goodness of Fit Index (AGFI), Normed Fit Index (NFI), Incremental Fit Index (IFI), Tucker-Lewis Index (TLI), Composite Fit Index (CFI) and RMSEA were utilised in assessing the model fit.

The validity of research assessed whether or not an instrument measures what it intended to measure (Bryman, 2012). For the purpose of this study, convergent and discriminate validities were utilised in order to determine the uniqueness and distinctness of the measurement items.

3.9   Path Modelling

The model fit had been assessed using Path Modelling which encompasses further using the AMOS 21.0 software package. Path modelling described the relationships between observed or measured variables and theoretical constructs (Roche, Duffield & White, 2011:1480) and further tests the structural paths of the proposed research model. The SEM technique demonstrated and tested the theoretical foundations of this particular hypothesised model and the importance of the relationships between model constructs.

SEM specifies a technique where separate relationships are allowed for each set of dependent variables and provide an estimation technique for a series of separate multi-regression equations to be estimated simultaneously. It further encompasses two mechanisms namely the structural model, which is the path where independent, and dependent variables were linked and the measurement model enables this study to use several indicators for a single independent variable. In this particular study, several attributes were identified as having an effect on building brand equity. The multi-item scales for each construct were developed. Therefore, it was critical to assess each relationship simultaneously rather than separately, by integrating all the multi-scale items to account for measurement errors with each scale.

3.9.1   External validity

According to Hardy and Bryman (2004),external validity is the ability of a study to generalise the findings of their study beyond their specific research context, therefore in considering the above-mentioned statement, it will be important for similar research conducted in the future.

3.9.2   Internal validity

Bryman (2012) suggests that internal validity seeks to address whether a study and its conclusions are rigorous and binding, specifically when a causal relationship exists between two or more variables.

3.10 Ethical Considerations

It is extremely important for a researcher to apply the necessary responsibility and apply ethical behaviour whilst conducting social research. Ethical behaviour is mainly centred around four main themes, namely, harm to participants, a lack of informed consent, invasion of privacy and deception of participants (Bryman, 2012).

The study was carried with full consideration of the ethical themes. The researcher obtained voluntary informed consent from the respondent where a consent form was used. The researcher explained the purpose of the research and participants responded voluntarily and anonymously in order to protect their identities. .In addition, the research has been carried out according to the ethical policy of Wits Business School research committee.

3.11 SUMMARY

This chapter set out to define the research design and methodology that was used in order to solve the research objectives, whilst bearing in mind all ethical considerations. The following chapter will discuss the analysis and findings of the results, which are later interpreted and presented.

CHAPTER 4

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF EMPIRICAL FINDINGS

4.1 INTRODUCTION

The previous chapter explained the research design and methodology of the study. A description of the sample selection and composition, the questionnaire development, as well as the data collection and statistical analysis thereof were provided. The current chapter reports on the analysis, interpretation and discussion of the empirical findings. In the main survey, characteristics of the research participants are described through descriptive analysis. In addition, confirmatory factor analysis and structural equation modelling will be utilised in order to assess the adequacy and overall fit of the measurement model. The relationship between the respective constructs will be established through SEM and finally, hypothesis testing will conclude the chapter.

4.2 MAIN SURVEY RESULTS

A total number of 288 questionnaires (of the 300 distributed), were completed and returned, and 12 of which were unusable. Figure 4 shows the different stages of data analysis and interpretation adopted for the study.

4.3 BIOGRAPHICAL INFORMATION OF THE SAMPLE

Demographic data indicates socio-economic descriptors of the participants involved in the survey, which is referred to as the classification of information (Malhotra 2010:350). The information obtained is presented by means of bar graphs. Section A of the questionnaire relates to the demographic information of the total sample, which refers to the participants' gender, place of habitation, age category, highest academic level, occupation, net monthly income, house is located within the township. Each of these characteristics is discussed in the following subsections.

4.3.1.1 Gender

According to Figure 4.1, the majority of the respondents were male 61 percent (n=175) and the remainder 39 percent (n=113) were female.

Figure 4.1: Gender of the respondents

Gender				
			Valid	Cumulative
	Frequency	Percent	Percent	Percent
Valid Male	175	60.8	60.8	60.8
Female	113	39.2	39.2	100.0
Total	288	100.0	100.0	
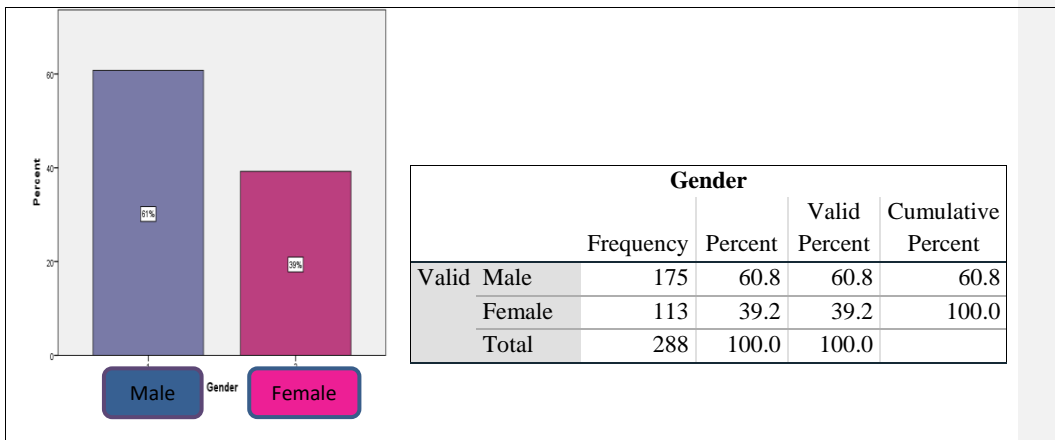
4.3.1.2 Place of habitation

Figure 4.2 provides information on the respondents' place of habitation. The findings indicate that the majority (36.8%) of the respondents reside in the City of Johannesburg, followed by 26.7% who reside in Ekurhuleni. Of the 288 respondents, 15.3 % of the reside in the City of Tshwane, 11.1 % reside in the Sedibeng District, 8.3% of the respondents reside within the Metsweding District and lastly a small number of the respondents 1.7% were from West Rand.

Figure 4.2: Place of habitation
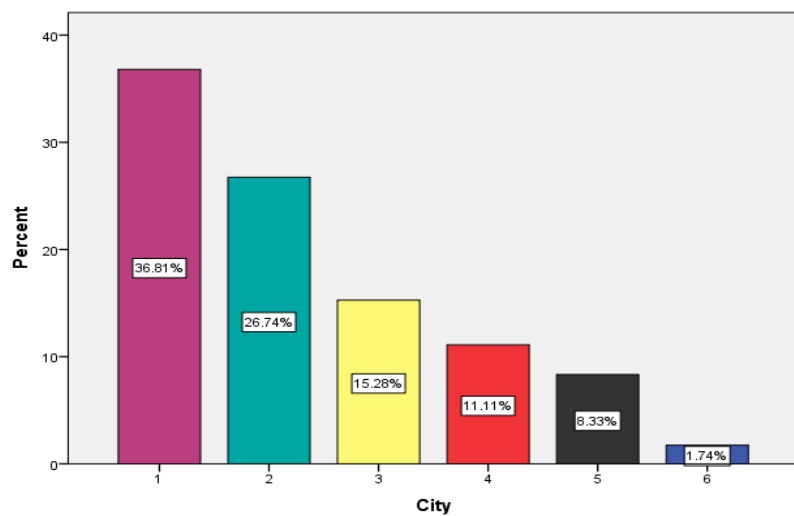
	Frequency	Percent	Valid Percent	Cumulative Percent
Johannesburg	106	36.8	36.8	36.8
Ekurhuleni	77	26.7	26.7	63.5
Tshwane	44	15.3	15.3	78.8
Sedibeng	32	11.1	11.1	89.9
Metsweding	24	8.3	8.3	98.3
West rand	5	1.7	1.7	100.0
Total	288	100.0	100.0	

Figure 4.3: Age category

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
18 – 34 years	117	40.6	40.6	40.6
26 -35 years	114	39.6	39.6	80.2
36 – 45 years	57	19.8	19.8	100.0
Total	288	100.0	100.0	
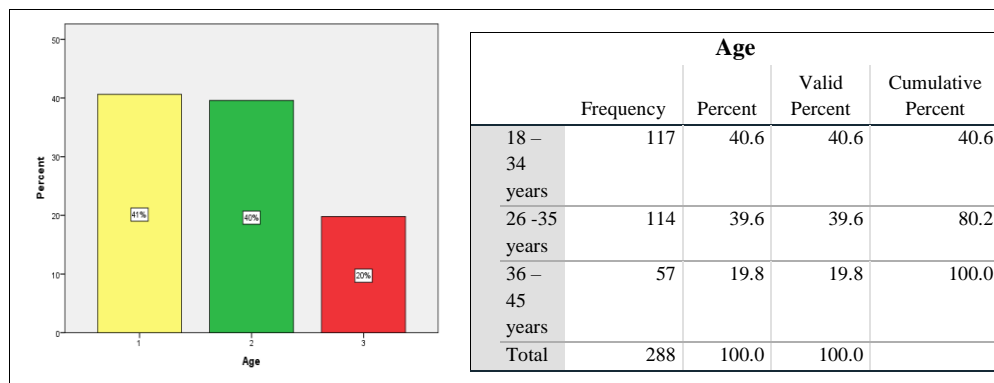
4.3.1.3 Age Category

Figure 4.3 is an illustration of the respondents' age. Most of the respondents were between 18 – 34 years and this represented 41% of the sample. This was then followed by those respondents who indicated that they were between the ages of 26 -35 years, representing 40 % of the total sample. The remaining percentage which is 20%, were between 36 – 45 years of the total sample.

4.3.1.4 Highest academic level

Figure 4 is an illustration of the respondents' qualification. Most of the respondents had graduate degrees and represented 49.7% of the sample. These were followed by those who had diplomas represented by 28.5%, those who had post-graduate degrees representing 21.9% of the total sample.

Figure 4.4: Highest academic level

Qualification				
	Frequency	Percent	Valid Percent	Cumulative Percent
Diplomas	82	28.5	28.5	28.5
Graduate degree	143	49.7	49.7	78.1
Postgraduate degrees	63	21.9	21.9	100.0
Total	288	100.0	100.0	
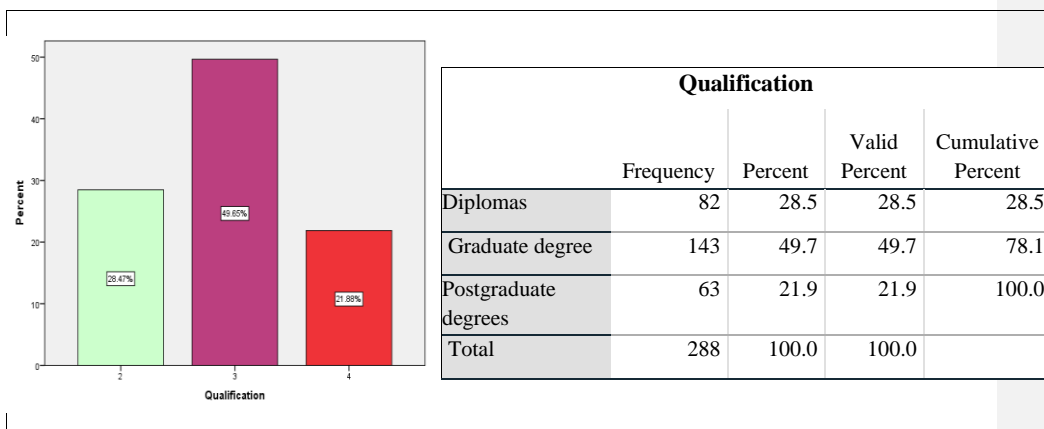
4.3.1.5 Occupation

Figure 4.5 is an illustration of the respondents' occupation. Most of the respondents were employed and this represented 46.9% of the sample. This was then followed by those respondents who indicated that they were self-employed, representing 17% of the total sample. The remaining percentage which is 36.1% indicated that there were unemployed.

Figure 4.5: Occupation

	Occupation			
	Frequency	Percent	Valid Percent	Cumulative Percent
Employed	135	46.9	46.9	46.9
Un-employed	49	17.0	17.0	63.9
Self-employed.	104	36.1	36.1	100.0
Total	288	100.0	100.0	
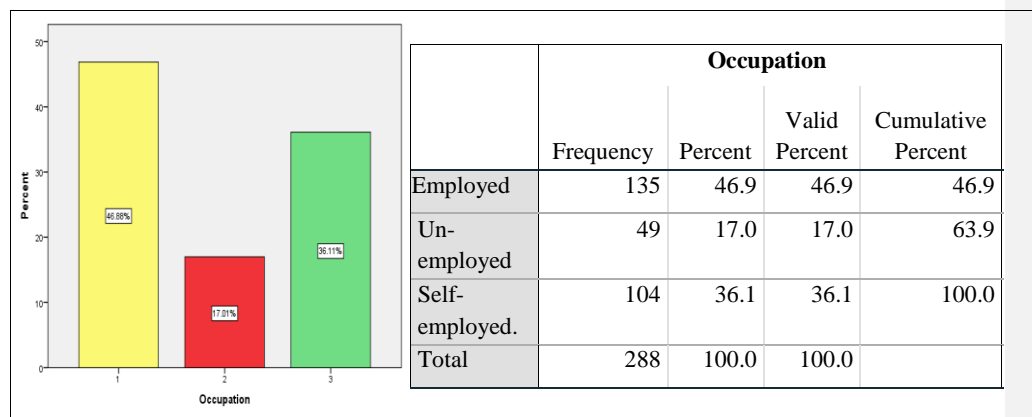
4.3.1.6 Net monthly income

Figure 4.6 is an illustration of the net monthly income for the respondents. Most of the respondents (36.5%) indicated that they earn they earn between R0 – R10000, this was followed by 28.5% of those who indicated that they earn between R11 000 – R20 000 and R 21 000 – R30 000 respectively. Lastly, the remainder of the respondents (6.6%) indicated that they earn between R31 000 – R40 000.

Figure 4.6: Net monthly income

Income				
	Frequency	Percent	Valid Percent	Cumulative Percent
R0-R10000	105	36.5	36.5	36.5
R31000-R40000	19	6.6	6.6	43.1
R11 000 – R20 000	82	28.5	28.5	71.5
R11 000 – R20 000	82	28.5	28.5	100.0
Total	288	100.0	100.0	
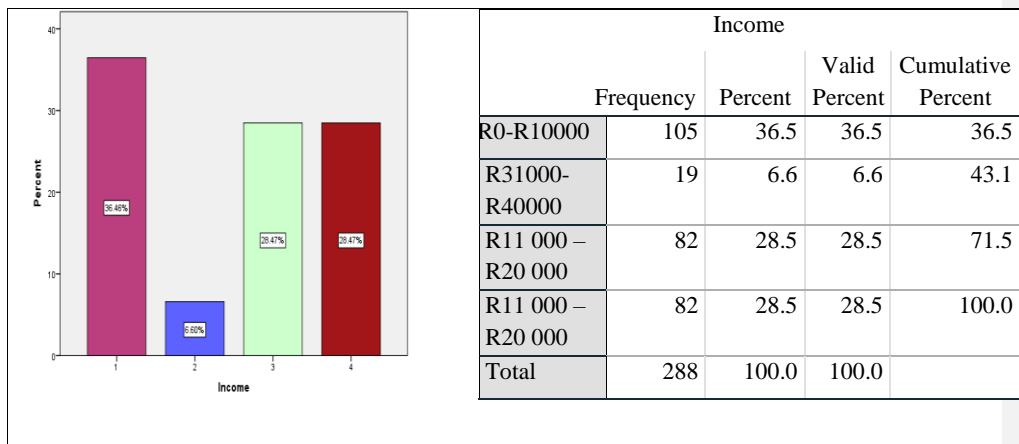
4.3.1.7 House is positioned

Figure 4.7 indicates that the majority (41%) of the respondents indicated that their house is positioned as free standing. This was then followed by 39.6% who indicated that their house is positioned in a secured flat/ duplex. In addition, 15.3% of the respondents indicated that their houses are in a informal settlement. The remainder of the respondents 4.2% specified that their respective houses were positioned as "other"

Figure 4.7 House is positioned

	House			
	Frequency	Percent	Valid Percent	Cumulative Percent
Free standing	118	41.0	41.0	41.0
Secured flat	114	39.6	39.6	80.6
Informal settlement	44	15.3	15.3	95.8
Other	12	4.1	4.1	100.0
Total	288	100.0	100.0	
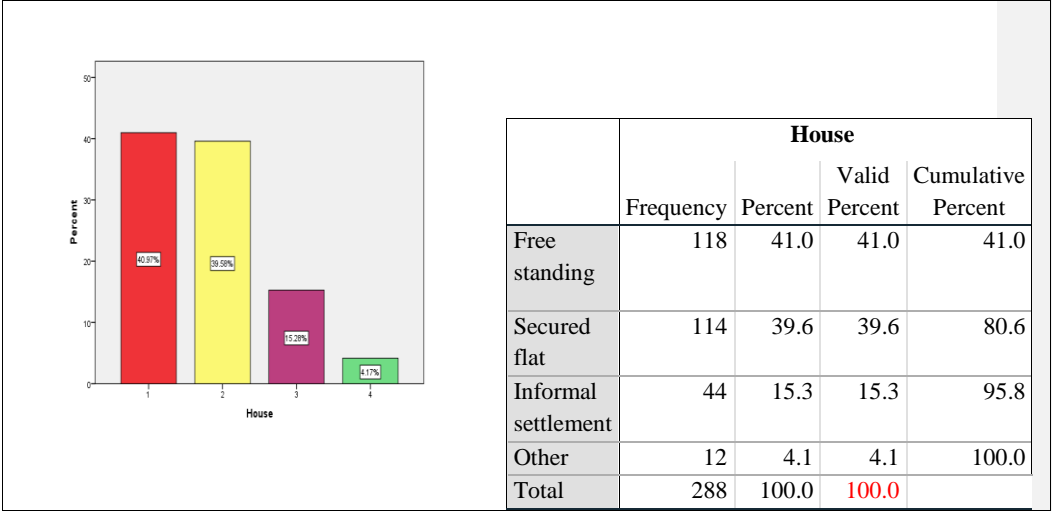
4.4 DESCRIPTIVE STATISTICS

The analysis proceeded determined the degree in which to which respondents' agreed or dis agreed with each construct. The following figures report on the basic descriptive figures comprising of the questions of the predetermined constructs.

The stores where I can buy energy drinks carry products of high quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	.7	.7	.7
	Neutral	7	2.4	2.4	3.1
	Agree	161	55.9	55.9	59.0
	Strongly Agree	118	41.0	41.0	100.0
	Total	288	100.0	100.0	

Table 2: The stores where I can buy energy drinks carry products of high quality

Table 2 reflects that (55.9%) of the participants agreed with the statement. These were followed by those 41% who 'strongly agreed', 2.4% who were neutral and finally 0.7% who 'strongly disagreed' with the statement.
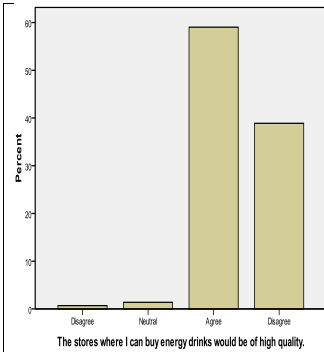
The stores where I can buy energy drinks are be of high quality.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	.7	.7	.7
Neutral	4	1.4	1.4	2.1
Agree	170	59.0	59.0	61.1
Disagree	112	38.9	38.9	100.0
Total	288	100.0	100.0	

The stores where I can buy energy drinks would be of high quality.

Table 3: The Stores I can buy energy drinks from are of high quality Table 3 reflects Most of the participants agreed with the statement and represented 59.0% of the total sample. These were followed by those who disagreed (38.9%), those who were neutral (1.4%) and finally those who strongly disagreed with the statement representing 0.7% of the sample.
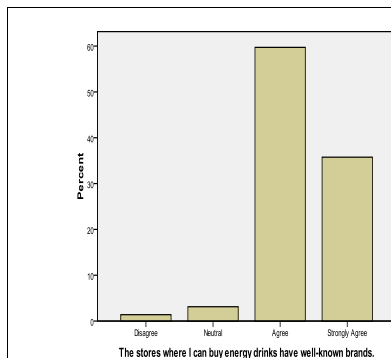
The stores where I can buy energy drinks have well-known brands.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	1.4	1.4	1.4
	Neutral	9	3.1	3.1	4.5
	Agree	172	59.7	59.7	64.2
	Strongly Agree	103	35.8	35.8	100.0
	Total	288	100.0	100.0	

The stores where I can buy energy drinks have well-known brands.

Table 4: The Stores I can buy Energy drinks from have well known brands

Table 4 illustrates that Most of the participants agreed with the statement and represented 59.7% of the total sample. These were followed by those strongly agreed (35.8%), those were neutral (3.1%), those and finally those who disagreed with the statement representing 1.4% of the sample.
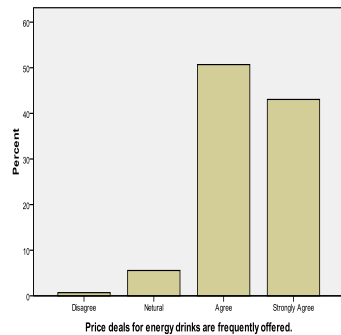
Price deals for energy drinks are frequently offered.

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	.7	.7	.7
Neutral	16	5.6	5.6	6.3
Agree	146	50.7	50.7	56.9
Strongly Agree	124	43.1	43.1	100.0
Total	288	100.0	100.0	

Price deals for energy drinks are frequently offered.

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Price deals for energy drinks are over emphasized

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	17	5.9	5.9	5.9
Agree	121	42.0	42.0	47.9
Strongly Agree	150	52.1	52.1	100.0
Total	288	100.0	100.0	
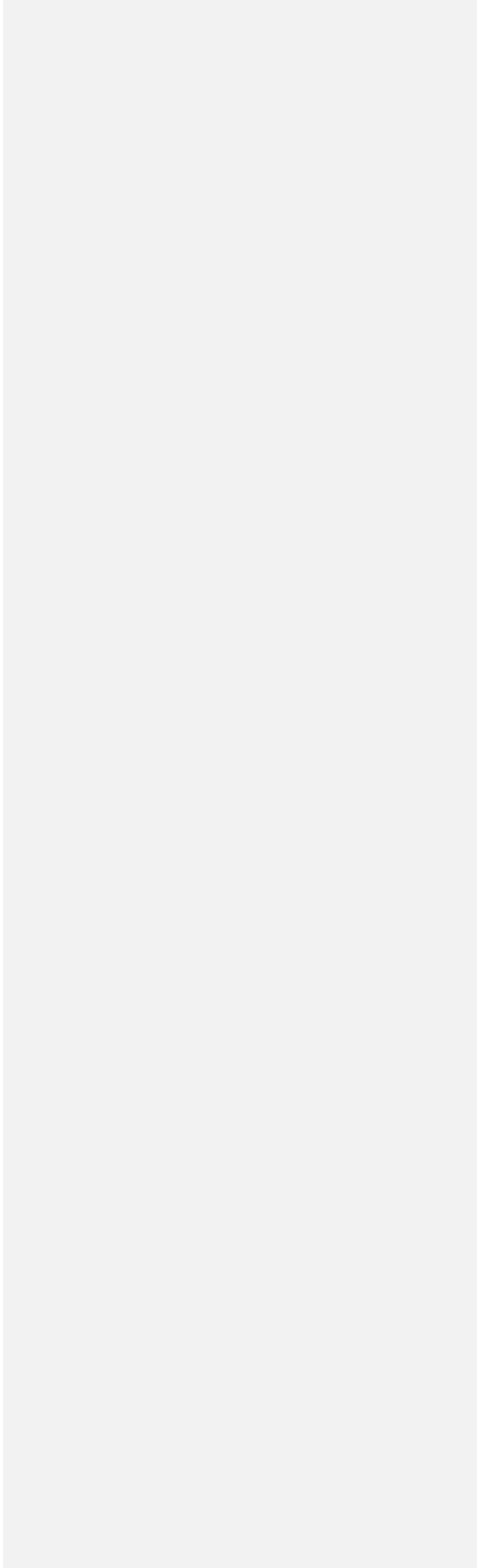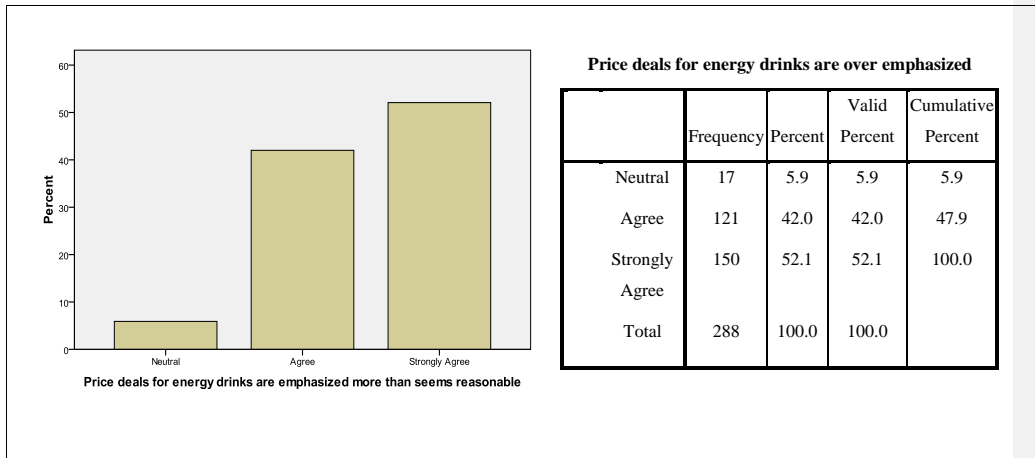
Table 7: Price deals for energy drinks are over emphasized

Table 7 illustrates that most of the participants strongly agreed with the statement and represented 52.1% of the total sample. These were followed by those agreed (42.0%) and finally those who were neutral with the statement representing 5.9% of the sample.

More stores sell energy drinks as compared to its competing brands.

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	14	4.9	4.9	4.9
Agree	129	44.8	44.8	49.7
Strongly Agree	145	50.3	50.3	100.0
Total	288	100.0	100.0	
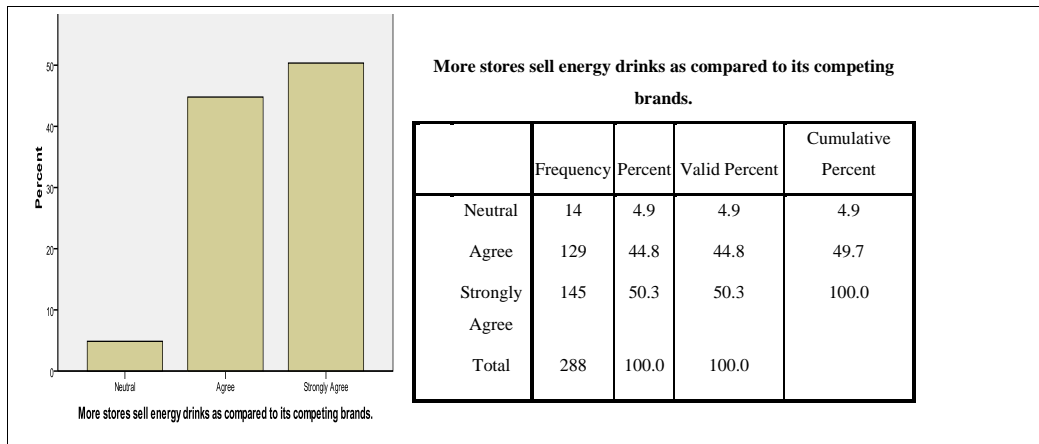
Table 8: More stores sell energy drinks compared to competing brands

Table 8 illustrates that most of the participants strongly agreed with the statement and represented 50.3% of the total sample. These were followed by those who agreed (44.8%) and finally those who were neutral with the statement representing 4.9% of the sample.

The number of the stores that deal with energy drinks are more than that of its competing brands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	6	2.1	2.1	2.1
	Agree	125	43.4	43.4	45.5
	Strongly Agree	157	54.5	54.5	100.0
	Total	288	100.0	100.0	
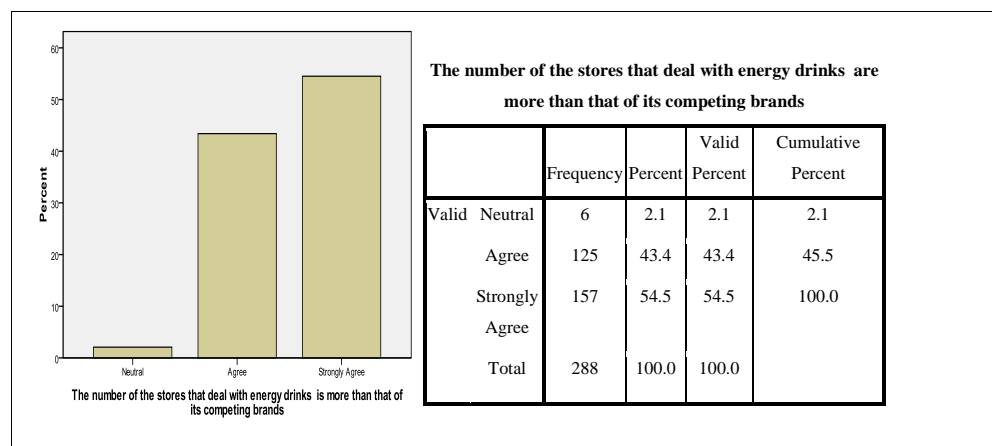
Table 9: Number of stores that deal with energy drinks are more than that of its competing brands

Table 9 illustrates that most of the participants strongly agreed with the statement and represented 54.5% of the total sample. These were followed by those who agreed (43.4%) and finally those who were neutral with the statement representing 2.1% of the sample.

Energy drinks are distributed through as many stores as possible.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	9	3.1	3.1	3.1
	Agree	122	42.4	42.4	45.5
	Strongly Agree	157	54.5	54.5	100.0
	Total	288	100.0	100.0	

Table 10: Energy drinks are distributed in as many stores as possible

Table 10 illustrates that most of the participants strongly agreed with the statement and represented 54.5% of the total sample. These were followed by those who agreed (42.4%) and finally those who were neutral with the statement representing 3.1% of the sample.

I trust this brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	1.4	1.4	1.4
	Neutral	18	6.3	6.3	7.6
	Agree	131	45.5	45.5	53.1
	Strongly Agree	135	46.9	46.9	100.0
	Total	288	100.0	100.0	
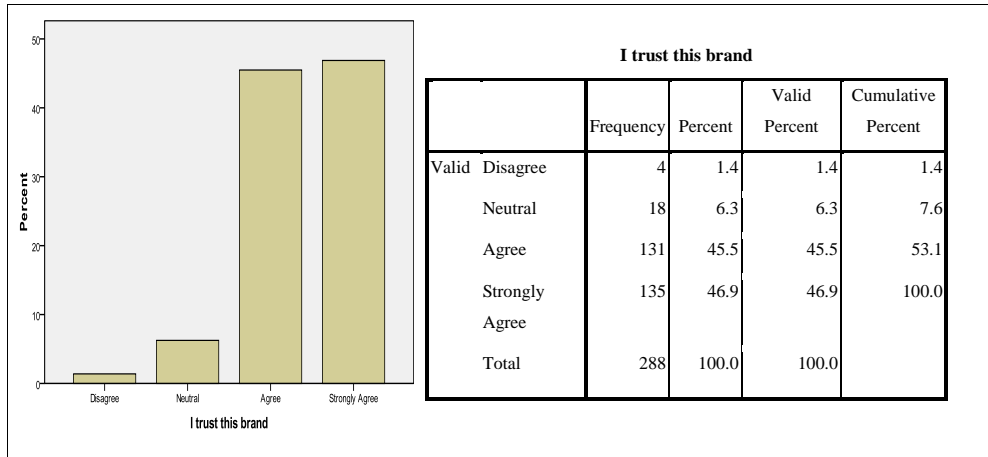
Table 11: I trust this brand

Table 11 illustrates that about 46, 9% of the respondents strongly agree with the statement. About 45.5% agreed with the statement, 6,3% were neutral and 1,4% disagreed with the statement.

This brand is safe

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	16	5.6	5.6	5.6
	Agree	139	48.3	48.3	53.8
	Strongly Agree	133	46.2	46.2	100.0
	Total	288	100.0	100.0	
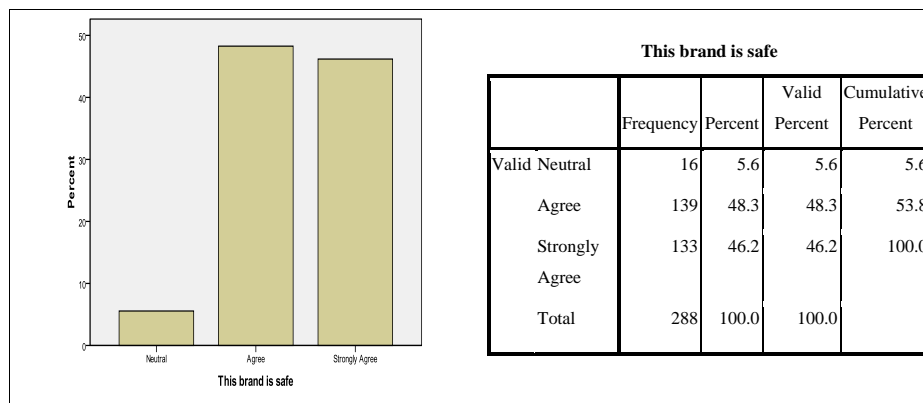
Table 12: This brand is safe

Table 12 illustrates statement **"The brand is safe".** It was observed that about 48,3% of the respondents agreed with the statement, 46,2% strongly agreed and 5,6% neutral with the statement.

This is an honest brand

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	5	1.7	1.7	1.7
Neutral	36	12.5	12.5	14.2
Agree	199	69.1	69.1	83.3
Strongly Agree	48	16.7	16.7	100.0
Total	288	100.0	100.0	
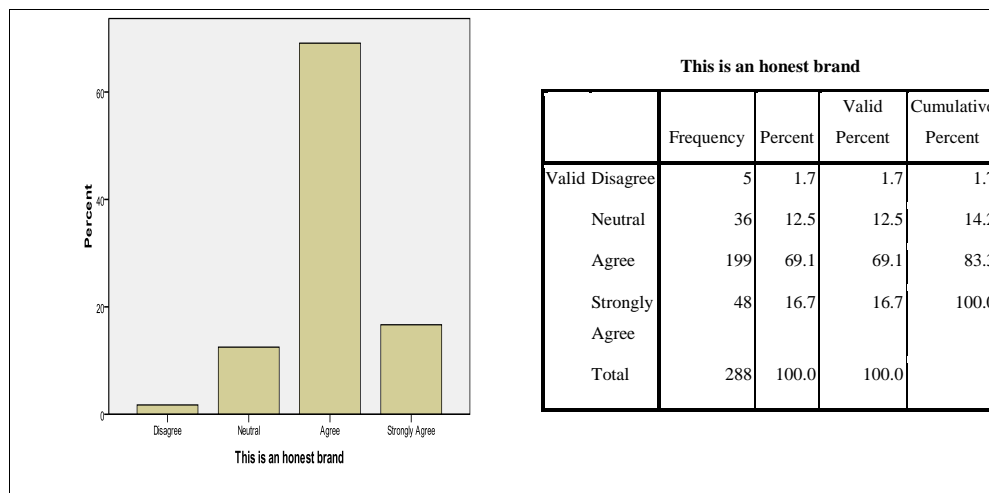
Table 13: This is an honest brand

Table 13 illustrates the statements **"this is an honest brand".** It is found that about 69,1% agreed with the statement, 16,7% strongly agreed, 12,5% were neutral and 1,7 disagreed with the statement.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	1	.3	.3	.3
Neutral	46	16.0	16.0	16.3
Agree	184	63.9	63.9	80.2
Strongly Agree	57	19.8	19.8	100.0
Total	288	100.0	100.0	
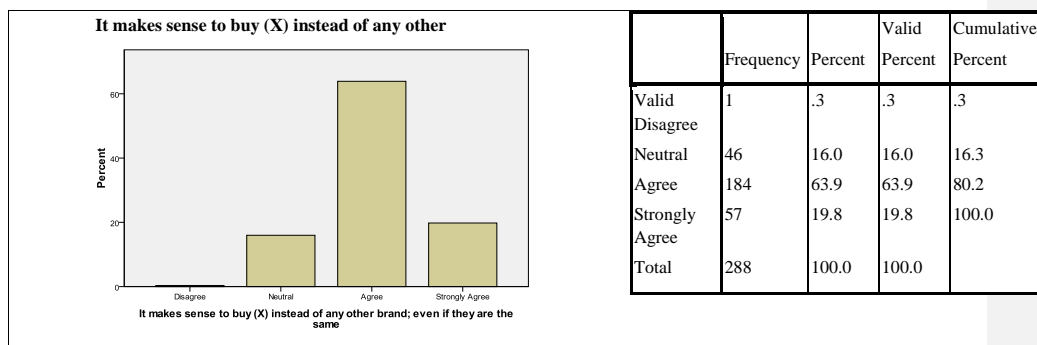
Table 14: If another brand is not different from (X) in any way; it seems to purchase (X)

Table 14 above illustrates the statement "**If another brand is not different from (X) in any way; it seems to purchase (X)".** It was observed that 63.9% agreed with the statement, 19.8% strongly agreed and 16% were neutral with the statement.

Even if another brand has the same features as (X); I would prefer to buy (X)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	1	.3	.3	.3
Neutral	53	18.4	18.4	18.8
Agree	182	63.2	63.2	81.9
Strongly Agree	52	18.1	18.1	100.0
Total	288	100.0	100.0	
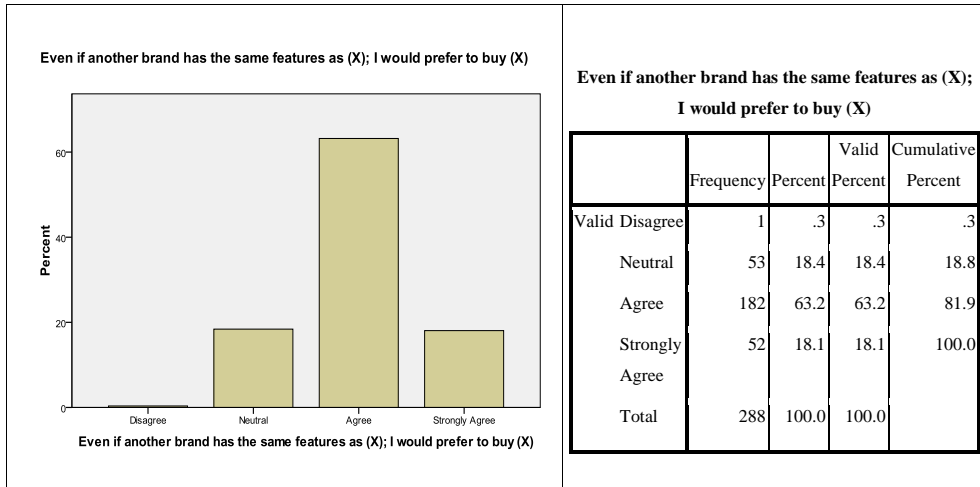
Table 15: Even if another brand has the same features as (X); I would prefer to buy (X)

Table 15 illustrates that most of the respondents 63.2% indicated that they agreed with the statement. This was then followed by 18.4% of those who were neutral with the statement. In addition; 18.1% of the respondents indicated that they strongly agreed with the statement and the remainder 0.3% disagreed with the statement.

If there is another brand as good as (X); I prefer to buy (X)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	1	.3	.3	.3
Neutral	74	25.7	25.7	26.0
Agree	104	36.1	36.1	62.2
Strongly Agree	109	37.8	37.8	100.0
Total	288	100.0	100.0	
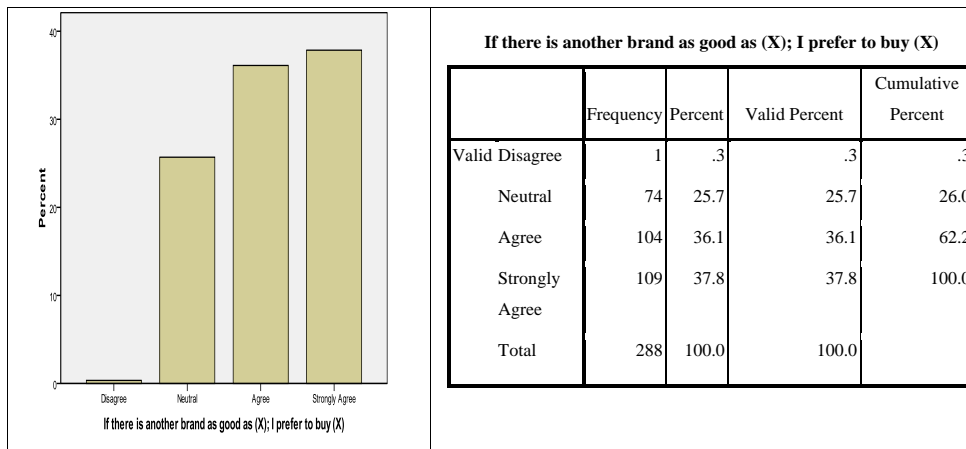
Table 16: If there is another brand as good as X, I prefer to buy X

Table 16 suggests that 37.8% strongly agreed with the statement, 36.1% agreed and 25.7% who were neutral with the statement. Lastly, the remainder 0.3% indicated that they disagreed with the statement.

If another brand is not different from (X) in any way; it seems to purchase (X)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	4	1.4	1.4	1.4
	Agree	94	32.6	32.6	34.0
	Strongly Agree	190	66.0	66.0	100.0
	Total	288	100.0	100.0	
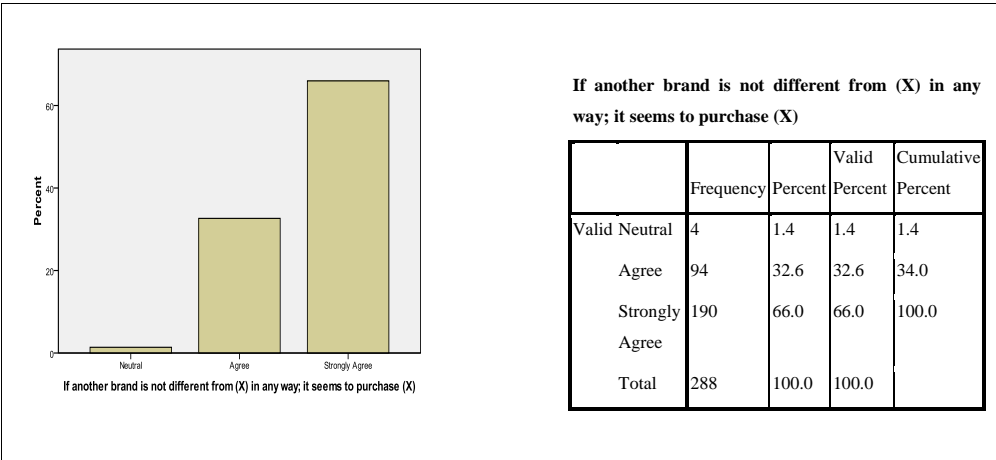
Table 17: If another brand is not different from (X) in any way; it seems to purchase (X)

Table 17 suggests that 66% strongly agreed with the statement, 32,6% agreed and 1,4% were neutral with the statement.

4.5 MEASUREMENT MODEL ASSESSMENT

The statistical measures of accuracy tests shown in Table 18 specify the different measures that were used to assess the reliability and validity of the constructs for the study.

Research constructs	Descriptive Statistics		Cronbach's alpha test		CR	AVE	Factor loadings
	Mean	SD	Item- total	Alpha value			
Store image	**13.02**	**1.517**	-	**0.834**	**0.85**	**0.65**	-
SI1	4.36	0.604	0.665				**0.746**
SI2	4.36	0.549	0.789				**0.946**
SI3	4.30	0.597	0.639				**0.704**
Price deals	**13.33**	**1.463**	-	**0.772**	**0.77**	**0.54**	
PD1	4.36	0.620	0.529				**0.550**
PD2	4.51	0.534	0.714				**0.912**
PD3	4.46	0.607	0.714				**0.704**
Distribution intensity	**13.49**	**1.419**	-	**0.791**	**0.80**	**0.57**	-
DI1	4.45	0.589	0.561				**0.798**
DI2	4.52	0.540	0.678				**0.810**
DI3	4.51	0.560	0.665				**0.655**
Brand trust	**12.79**	**1.588**	-	**0.809**	**0.83**	**0.63**	
BT	4.38	0.667	0.771				**0.884**
BT	4.44	0.595	0.685				**0.851**
BT	4.01	0.605	0.536				**0.618**
Brand equity	**16.78**	**1.948**	-	**0.755**	**0.77**	**0.47**	-
BE1	4.03	0.610	0.617				**0.744**
BE2	3.99	0.616	0.626				**0.801**
BE3	4.11	0.799	0.557				**0.647**
BE4	4.65	0.507	0.553				**0.508**

SI= Store image; PD= Price deals; DI = Distribution intensity; BT = Brand trust; BE= Brand equity

Table 18: **Accuracy analysis statistics**

4.6. RELIABILITY ANALYSIS

Construct reliability of the research measures was examined by the computation of three different methods, namely Cronbach's alpha reliability test (Cronbach α), the composite reliability test (CR) and the average value extracted (AVE) tests.

4.6.1. *Cronbach's coefficient alpha test*

The Cronbach's coefficient alpha was used to assess the internal consistency of each construct employed in the study. The closer the co-efficient is to 1.00, the greater is the internal consistency of the items in the scale (Malhotra 2010:724). All alpha values ranged from 0.755 to 0.834, they exceeded the recommended threshold of 7.0 suggesting that all the items in the scale tap into the same underlying constructs (Hair *et al*., 2010:44). In addition, the item-total correlation value lies between 0.529 and 0.789, which is above the cut-off point of 0.5 as recommended by Anderson and Gerbing (1988:411). The higher inter-item correlations reveal convergence among the measured items.

4.6.2. *Composite reliability (CR)*

The CR estimates reported in Table 18 were calculated using the formula, whereby CR is calculated as the square of the summation of the factor loadings divided by the sum of the square of the summation of the factor loadings and the summation of error variances (Bewick, Cheek & Ball 2004:131). The formula is illustrated in the following manner:

$$CR\eta = (\Sigma\lambda yi)^2 / [(\Sigma\lambda yi)^2 + (\Sigma\varepsilon i)]$$

Where:

CRη = Composite reliability

$(\Sigma\lambda yi)^2$ = Square the sum of the factor loadings $(\Sigma\varepsilon i)$ = Sum of error variances.

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The results of composite reliability are shown in Table 18. The results yielded CR indexes between 0.77 and 0.85. The exhibited CR level exceeded the estimated criteria of greater than 0.70, which is recommended as adequate for internal consistency of the constructs (Nunnally 1978:247; Chin 1988:320), thus finding support for the scales satisfactory composite reliability.

4.6.3. *Average variance extracted (AVE)*

Average variance extracted (AVE) is the third reliability test and it is calculated as the summation of the squared factor loadings divided by the sum of the summation of the squared factor loadings and summation of error variances (Bewick, Cheek & Ball 2004:131). The formula below was applied when examining AVE.

$$V\eta = \Sigma\lambda yi2 \; / \; (\Sigma\lambda yi2 + \Sigma\varepsilon i)$$

AVE = summation of the squared of factor loadings / {(summation of the squared of factor loadings) + (summation of error variances)}

The AVE estimates in Table 18 reflected that the overall amounts of variance in the indicators were accounted for by the latent construct (Neuman, 2006:59). All AVE values were above 0.4, thus acceptable (Fraering & Minor 2006:249). AVE values indicated indexes between 0.47 and 0.65. These results provided evidence for acceptable levels of research scale reliability.

4.7.   VALIDITY ANALYSIS

To examine the validity of the latent constructs and corresponding measure measurements four rules of thumb or principles were used in this section, namely convergent validity and discriminant validity as discussed in Chapter 3.

4.7.1. Convergent validity

Convergent validity was assessed by checking if individual item loadings for each corresponding research construct were greater than 0.5 as recommended by (Anderson and Gerbing 1988). As shown in Table 18, the item loadings ranged between 0.508 and 0.946, this means that the instruments loaded well on their respective constructs. The results also indicate an acceptable individual item convergent validity as more than 50 percent of each item's variance was shared with a respective construct. The results imply that all items converged well on the construct they were supposed to measure and hence, confirmed the existence of convergent validity.

4.7.2. Discriminant validity

4.7.2.1. Correlation Matrix

Another approach used to test for discriminant validity of the research constructs was the evaluation of whether the correlations among latent constructs were less than 1.0. As indicated in Table 18 the inter-correlation values for all paired latent variables were lower than 1.0, therefore positing the presence of discriminant validity. All the latent variables had values less the recommended 0.7 (Nunnally &Bernstein, 1994).

4.7.2.2. Inter-construct correlation matrix

The inter-construct correlation matrix was used to check for discriminant validity of the research constructs. Correlations among latent constructs were evaluated in order to see if they were lower than 1.0. A value lower than 0.7 for research constructs is recommended to confirm discriminant validity (Nunnally & Bernstein, 1994). The values for the constructs presented below are marginally accepted as they range from 0.299 to 0.716. Below is Table 19 illustrates the relationships among constructs.

	SI	PD	DI	BT	BE
SI	1				
PD	.510**	1			
DI	.327**	.696**	1		
BT	.345**	.525**	.716**	1	
BE	.299**	.388**	.516**	.644**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Table 19: Correlations between constructs

> **Note: Research structure model fits:**
>
> **SI= Store image; PD= Price deals; DI = Distribution intensity; BT = Brand trust; BE= Brand equity**

4.7.3. *Confirmatory factor analysis (CFA)*

Figure 4.15, is a diagrammatic representation of the CFA model. Latent variables are signified by the circular or oval shape while observed variables are represented by the rectangular shapes. Adjacent to the observed variables are measurement errors, which are represented by circular shapes as well. The bi-directional arrows connote the relationship between latent variables.

Figure 4.15: CFA model
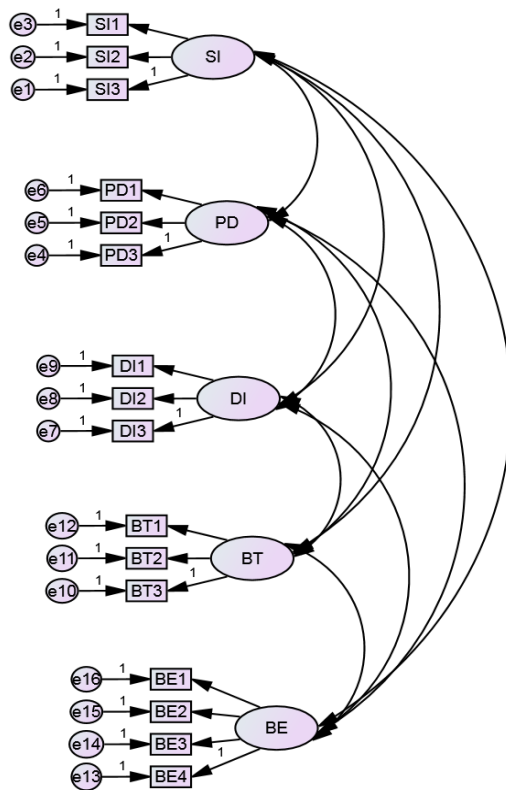
Note: Research structure model fits:

SI= Store image; PD= Price deals; DI = Distribution intensity; BT = Brand trust; BE= Brand equity

4.7.4.   *Conceptual model fit assessments*

CFA was implemented to determine measures of accuracy of the measurement instruments for the respective construct using AMOS Version 24.0. Table 4.11 indicates the results pertaining to the conceptual model fit assessment which is discussed hereafter.

Model Fit criteria	CMIN	(DF)	Chi-square (χ^2 /DF)	(GFI)	(NFI)	(RFI)	(TLI)	(IFI)	(CFI)	RMSEA
Indicator Value	155.579	65	2.394	0.939	0.946	0.900	0.939	0.968	0.967	0.070

Table 20: Model fit results (CFA)

The results in Table 19 show the acceptable goodness-of-fit of the model as discussed in Chapter 3. In light of the aforementioned results, it could be suggested that all the indicators are meeting the acceptable thresholds of equal or greater than 0.9 for GFI, NFI, RFI, TLI, IFI, CFI and equal or less than 0.08 for RMSEA. All these measures confirm a robust and acceptable model fit (Schreiber, Stage, King, Nora & Barlow 2006:330).

4.7.5. Structural Equation Modelling Analysis (SEM)

Since the acceptable confirmatory factor analysis measurement model fit was secured, the study proceeded to the next stages of the analysis of the SEM model fit and the structural model path analysis.

Table 21 SEM model fit analysis

The measurement of model fit of this study was done using the following indices chi-square value over degree of freedom, GFI, NFI, RFI, TLI, CFI, and RMSEA as specified in Table 20 which reports the structural equation model fit results.

Table 21: SEM model fit indexes

Model Fit criteria	CMIN	(DF)	Chi-square (χ2 /DF)	(GFI)	(NFI)	(RFI)	(TLI)	(IFI)	(CFI)	RMSEA
Indicator Value	155.579	65	2.394	0.939	0.946	0.901	0.939	0.968	0.967	0.070

In light of the results shown in Table 20, it could be suggested that all the indicators are meeting the acceptable thresholds of equal or greater than 0.9 for GFI, NFI, RFI, TLI, IFI, CFI and equal or less than 0.08 for RMSEA (Benteler, 1990:243; Browne & Cudeck, 1993:137; Marsh, Hau & Wen, 2004:323). Therefore, it could be could be concluded that the data confirms and fits acceptability of the model.

4.8. THE STRUCTURAL MODEL

The structural model path analysis involves the estimation of presumed causal relations among observed variables (Garson, 2008:2). In SEM, relationships between variables are referred to as path coefficients and are depicted by single-headed arrows. The path diagram for the model structure is reflected in Figure 4.16. Much like the CFA model, the circle or oval shapes represent the latent variables while measurement items are represented by rectangles. Adjacent to measurement items in circular shapes are measurement errors and the uni-directional arrows between latent variables are used to convey the causal relations.

Figure 4.16: SEM path model structure
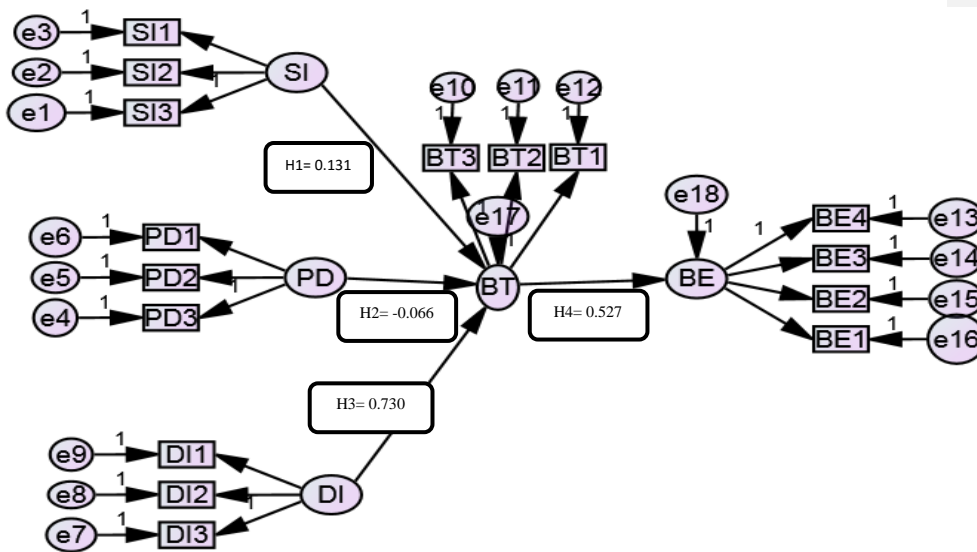
Note: Research structure model fits:
SI= Store image; PD= Price deals; DI = Distribution intensity; BT = Brand trust; BE= Brand equity

Path / proposed hypothesis relationship	Hypothesis	Path coefficient estimate	CR	P Value	Decision rejected/supported
Store image ➜ brand trust	H1(+)	0.131	3.242	0.001	Supported and
Price deals ➜ brand trust	H2(+)	-0.066	-2.162	0.031	Not Supported
Distribution intensity ➜ Brand trust	H3(+)	0.730	9.640	0.000***	Supported and significant
Brand trust ➜ Brand equity	H4(+)	0.527	6.726	0.000***	Supported and significant

* Significance level <0.05; ** significance level <0.01; *** significance level <0.001

Table 22 results of structural equation model analysis

These results affirmed the adequacy of the model and affirm that the four hypothesis were supported. The model fit statistics shows that the proposed conceptual model converged well. The next section outlines hypotheses testing results.

The conclusion on the various hypotheses is presented below.

4.8.1 Discussion of hypothesis 1

An examination of the store image and brand trust has been scrutinised by many researchers in the previous studies (Hartman and Spiro 2005;. Verhoef et al 2009; Dolbec, and Chebat, 2013; The first hypothesis (H1) stated that there is a positive association between store image and brand trust of energy drinks in Gauteng Townships. As a result of the survey, it emerged that store image positively and significantly influences brand trust as indicated by the path coefficient value of 0.131 and the p-value of 0.001. This is supported by (Grewal et al.,1998) who suggest that a positive relationship exists between store brand and the perceived quality of the merchandise. In agreement are, Kumar and Kim (2014) highlight that a store environment is affected by a number of cues such as design elemnets which influence the consumer's evaluation of the store. Furthermore, it is evident that store satisfaction converts the implications of the image of the store and that store image can

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only influence store loyalty through the consumer being satisfied with and as a result trust the store (Bloemer & de Ruyter, 1997; Van Riel, Semeijn, Ribbink, & Bomert-Peters. 2012). It is therefore evident, that the result signals that the hypothesis is supported. By implication this suggests marketing managers of energy drinks can also adopt strategies and create experiences within the store targeted at influencing and improving the image of a store through a set of cues in order to change a consumers perception of brands within the store Borghini et al (2009) .

4.9.1   hypothesis 2

The second hypothesis (H2) stated that there is a positive relationship between price deals and brand trust of energy drinks in Gauteng townships. It emerged that the relationship between price deals and brand trust is insignificant, as indicated by the path coefficient value of -0.066 and the p-value of 0.031. This is echoed by the initial work from (Aaker, 1991) who emphasised that even if sales promotion may result in short-term benefits, it can still, however, be effortlessly imitated and countered and as a result, it is not necessarily the most appropriate tool in building brand equity. As some studies (Grewal, Krishnan, Baker & Borin, 1998; Yoo, 2013)   suggest that consumers use price as a significant extrinsic cue more specifically as an indicator of the quality of the brand, it is evident from the results of this study that this is not always the case. The results of this study further confirms the work of Grewal et.al., (1998) who highlighted that while price deals may increase foot traffic into a retail store, such deals may have negative effects on the brand's quality and internal reference prices. Importantly (Grewal et al., 2012; Murthi & Rao 2012) emphasize the importance in communicating a price deal to a consumer, allowing the consumer to process and recognise the value offering. From this study it is evident that consumers do not necessarily find a product to be trustworthy as a result of the price deals offered. Therefore, the result signals that the hypothesis is not supported, this further highlights the work of (Herrmaan et al. 2007) who suggest that marketing practitioners need to carefully consider their utilization of pricing strategies and ensure that their strategies are aligned with their orgainsations overall positioning

4.9.2   Discussion of hypothesis 3

H3 hypothesised that there is a positive association between distribution intensity of energy drinks and brand trust in Gauteng Townships. The path coefficient value for H3 is 0.730, which is an indication of a strong association and relationship between distribution intensity and brand trust. The

P value indicates a 0.001 level of confidence, which, therefore, means that the hypothesis is supported and significant. It is clear that the ability of the distributor to meet the customers' needs through the availability of products will result in customer satisfaction and lead to positive word of mouth communication and in turn increase the brand trust (Hong-Youl, & Perks, 2005). It is however evident that manufacturers cannot be intensive across all channels simultaneously which therefore stresses the importance of the view point that distribution intensity should be viewed on a continuum varying from exclusive through selective and finally to intensive distribution (Frazier & Lassar, 1996; Frazier, 1999; Rosenbloom, 2004).   This is further confirmed by the work of (Yoo, 2013) suggests that a consumers satisfaction is generated through the convenience in purchasing products as a result of intensive distribution. It is extremely important for marketing practitioners to maintain   an ideal level of distribution intensity as an over-saturation will only result in increased marketing expenses and may run the risk of not having the benefit of the product sold (Urbańska, 2010). Moreover it is important for the manufacturer to ensure that the relative ease in which an outlet can attain a product is emphasized. Marketing practitioners can make use of 3rd party distributors to distribute the products in these township areas, a positive significant relationship has been noted between organisation outsourcing their Distribution function and growth in value and market share which resulted in an improved overall customer satisfaction has been noted (Beneke, 2014)

4.9.3   Discussion of hypothesis 4

With reference to the fourth hypothesis (H4), the study hypothesised that there is a positive relationship between brand trust and brand equity of energy drinks in Gauteng Townships. The path coefficient value for hypothesis 4 is 0.527, which is an indication of a strong association and relationship between brand trust and brand equity. The P value indicates a 0.001 level of confidence, which, therefore, means that the hypothesis is supported and significant. (Chadhuri & Holbrook, 2001) suggest that the unique value perceived between two brands by consumers is mostly owed to the consumer having a greater degree of trust in the one brand compared to the other. The degree of trust is based on the dispositional attributes made by the consumer about the product manufacturer's

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behaviour, qualities and intentions. It is therefore important for managers and practitioners to identify which attributes form brand trust within the mind of the consumer (Delgado-Ballister et al., 2005). It is extremely important for marketing practitioners to be reliable and consistently deliver their value proposition through the way the product is sold, serviced and promoted (Delgado et al 2003). Furthermore the consideration of the relationship network in which brand trust can be fostered can be achieved through good distribution and a positive store image. The ability of manufacturers to promote brand trust will result in consumers being brand loyal. Brand loyalty plays an extremely significant role and this loyalty is affected by the experiences and interactions offerrred by a brand.over time.. It is therefore vital for marketing practitioners to develop a number of touch points that will lead a consumer to develop a relationship with the brand, trust is developed through the relationship between the consumer and the brand.

4.9. CONCLUSION

This chapter analysed and presented a report on the results of the empirical study. The reliability and validity of the measuring instrument were found to be sufficient and acceptable. Data analysis was undertaken on the data set through descriptive analysis, confirmatory factor analysis and structural equation modelling was performed to assess the adequacy and overall fit of the measurement model. The relationship between the constructs was established through SEM. Hypothesis testing concluded the chapter. The ensuing chapter will provide the main conclusion, recommendations and implications of the study.

CHAPTER 5
OVERVIEW, RECOMMENDATIONS, LIMITATIONS AND CONCLUSION

5.1 INTRODUCTION

The previous chapter provided the analysis, discussions and interpretations of the empirical findings. The data was analysed and summarised using descriptive analysis, confirmatory factor analysis, reliability and validity analysis and structural equation modelling (path modelling) (SEM). This chapter provides a general overview of the study by placing the theoretical and empirical objectives into context.

The purpose of the study was to investigate the predictors of brand trust and brand equity for energy drinks in Gauteng Townships. Arising out of the theory and the empirical study, recommendations are made in order to assist marketing practitioners who intend to target the township consumer, as well as any FMCG practitioner looking at rolling out a product to this particular market. It concludes with the benefits, limitations and implications for future research.

5.2 OVERVIEW OF THE STUDY

In order to draw the relevant recommendations and conclusion from this study, it is imperative to use the inputs obtained over the previous four chapters in the study. The primary objective of this study as stated in Chapter 1 is revisited in Section 5.3.1, followed by the theoretical objectives reviewed in Section 5.3.2 and the empirical objectives in Section 5.3.3.

5.3 THE EVALUATION OF THE OBJECTIVES OF THE STUDY

All research objectives had to be addressed based on the generated data from the study to ensure that the intended purposes of the study were achieved. The theoretical and empirical objectives are revisited in the next section in order to demonstrate the attainment of the objectives within the framework of the study.

5.3.1 Primary objective

The purpose of this study was to investigate the predictors of brand trust and brand equity for energy drinks in Gauteng Townships . Each of the objectives as identified in Chapter 1 are stated, after which the research results are summarised.

5.3.2 Theoretical objectives

The theoretical objectives as set out in Chapter 1 under Section 1.3.1 are outlined and reviewed. For marketing managers and researchers to make informed decisions and derive value from this study, all research objectives were addressed based on the data generated from the survey in order to ensure that the initial purposes of the study were achieved.

- **To review literature on store Image**

Store image was reviewed in Section 2.4.2 of Chapter 2 in order to comprehensively understand what store image entails.

- **To review literature on price deals**

In the accomplishment of theoretical objective 2, an extensive literature review was undertaken to comprehensively understand price deals. A combination of academic journal articles, textbooks and other literature sources were useful to the researcher when elucidating on the concept of price deals as discussed in Section 2.4.3

- **To review literature on Distribution Intensity**

This objective is achieved under Section 2.4.3of Chapter 2. This chapter provided an overall understanding of the conception of distribution intensity.

- **To review literature on brand trust**

Brand trust was reviewed in Section 2.4.4 of Chapter 2 Encyclopaetodia comprehensively understand what brand trust involves.

- **To conduct a literature review on brand equity**

This theoretical objective were dealt with under Section 2.4.5 of Chapter 2. The section explained what was meant by brand equity.

5.3.3   Empirical objectives

The empirical objectives, as set out in Chapter 1 of this study, are revisited in the next sections.

- **To investigate the influence of store image on brand trust among consumers of energy drinks in Gauteng Townships.**

The first empirical objective set out in Chapter 1 was to determine whether store image impacts brand trust. SEM was used to determine whether store image influences brand trust (refer to Table 4.13). The results of structural equation model analysis revealed that store image positively and significantly influences brand trust as indicated by the path coefficient value of 0.131 and the p-value of 0.001.

- **To determine the effect of price deals on the brand trust of energy drinks in Gauteng Townships.**

The second empirical objective formulated in Chapter 1 was to ascertain whether the price deals impact brand trust of energy drinks within Gauteng Town Ships. As with the second empirical objective, the relationship was also confirmed using SEM (refer to Table 21). Results of structural equation model analysis revealed that the relationship between price deals and brand trust is negative as well as insignificant as indicated by the path coefficient value of -0.066 and the p-value of 0.031. Therefore, the result signalled that the hypothesis was not supported.

- **To explore the impact of distribution intensity of energy drinks on brand trust in in Gauteng Townships.**

The third empirical objective set out in Chapter 1 was to determine whether distribution intensity impacts brand trust. Again, SEM was used to determine whether distribution intensity influences brand trust (refer to Table 4.13). The results of structural equation model analysis exposed that there

was a strong association and relationship between distribution intensity and brand trust as indicated by the path coefficient of 0.730 as well as the P value which showed a 0.001 level of confidence.

- **To explore the impact of brand trust of energy drinks on brand equity in Gauteng Townships.**

The fourth empirical objective set out in Chapter 1 was to determine whether brand trust impacts brand equity. SEM was used to determine whether brand trust influences brand equity (refer to Table 21). The results of structural equation model analysis exposed that the path coefficient value was 0.527, which was an indication of a strong association and relationship between brand trust and brand equity. The P value also showed a 0.001 level of confidence, which, therefore, meant that the relationship between brand trust and brand equity was supported and significant.

5.4   IMPLICATIONS OF THE STUDY

5.4.1   *Store image (SI) and Brand Trust (BT)*

The findings indicate that this relationship is significant at a p-value of 0.001 and is positive as indicated by the path coefficient of **0.131.** This also means that while store image has a positive association with brand trust the relationship is strong and significant. This implies that the brand trust is influenced by the store image, which is perceived by the township consumers.

5.4.2   *Price deals (PD) and Brand trust (BT)*

Findings have revealed that this relationship is insignificant at a p-value of -0.066 and is positive as indicated by the path coefficient of **0.031**. This implies that price deals have no influence on brand trust of energy drink consumption in the townships of Gauteng.

5.4.3   *Distribution intensity and brand trust*

Findings indicate that this relationship is significant at a p-value which showed a 0.001 level of confidence and the relationship is positive as indicated by the path coefficient of 0.730. This also means that while distribution has a positive association with brand trust the relationship is strong and significant. This implies that the brand Trust is influenced by the distribution intensity.

5.4.4   Brand trust and brand equity

Findings indicate that this relationship is significant at a p-value which showed a 0.001 level of confidence and the relationship is positive as indicated by the path coefficient of 0.527. This also means that while brand equity has a positive association with brand trust the relationship is strong and significant. This implies that the brand trust is influenced by the brand equity.

5.5   CONCLUSION

5.5.1   Conclusion on the influence of store image on brand trust

The findings revealed that store image has to some extent a direct influence on brand trust. However, such influence is not that very important as that of distribution intensity. Therefore, it can be accepted that store image has a positive direct influence on brand trust; such an influence is more pronounced through other interacting variables such as brand trust. The findings also revealed that the relationship between the two variables is significant. It is therefore submitted by the study that when compared to other constructs in the conceptual model, that store image plays a significant role in influencing brand trust.

5.5.2   Conclusion on the influence of price deals on brand trust

The findings also revealed that the relationship between the two variables is insignificant. Therefore, it is now understood that the relationship between price deals and brand trust, is negative and insignificant.

5.5.3   Conclusion on the influence of distribution intensity on brand trust

The study's third empirical objective was to investigate the influence of distribution intensity on brand trust. The findings obtained after analysis revealed that distribution intensity will have a positive and strong influence on brand trust. It can, therefore, be concluded that distribution intensity will have a potent effect on brand trust. Findings also made it evident that the relationship between the two variables is very significant. Therefore, it can now be understood that for township consumers to establish brand trust, manufacturers would need to ensure that distribution is intensive. .

5.5.4   *Conclusion on the influence of brand trust on brand equity*

The findings revealed that brand trust will have a positive and strong influence on brand equity. It can, therefore, be concluded that brand trust will have a potent effect on brand equity. Findings also made it evident that the relationship between the two variables is very significant. Therefore, it can now be understood that for township consumers to establish brand equity, consumers are supposed to trust the brand.

5.5.5   *Overall conclusion*

It was identified that store image, price deals and distribution intensity are predictors of brand trust and brand trust is positively related to brand equity. However, what is evident is that distribution intensity results in a much more potent and important effect on brand trust.

5.6   RECOMMENDATIONS

5.6.1   *Recommendations on the influence of store image on brand trust*

Although the findings revealed that store image has a positive and significant influence on brand trust, As such, it is recommended that store image should be used to impact on other important variables. These variables may includeaspects relating to the quality and variety of products sold,the prices of the respective products, physical features of the store and finally the services provided by the sales force in order for it to have optimal impact on brand trust (Beristain & Zorrilla, 2011).

5.6.2   *Recommendations on the the influence of price deals on brand trust*

Price deals have a negative and insignificant impact on brand trust. . This study, therefore suggests that a great deal of consideration needs to take place by marketing practitioners in determining their respective pricing strategies, it is noted across literature that efforts based on lowering prices can place brands in jeopardy by aggravating consumer confusion, variability and inconsistency lead to an "image of unstable quality" (Aaker, 1991; Villarejo-Ramos, & Sánchez-Franco, 2005). It is further recommended that marketing practitioners strive to effectively communicate deals to consumers in order to allow the consumer to process and recognise the value offering (Grewal et al., 2012; Murthi & Rao 2012)

5.6.3   Recommendations on the the influence of distribution intensity on brand trust

Distribution intensity has a significant positive and strong influence on brand trust.. The study therefore recommends that distribution intensity be prioritized within the township. The development of a robust distribution network should be a priority as it helps develop convenience and availability for the consumer (Tolba, 2011).

5.6.4   Recommendations on the influence of brand trust on brand equity

Brand trust has a positive significant influence on brand equity. . As such, the study recommends that orgainsations focus on improving their efficiencies and effectiveness of their marketing strategies, their price deals and margins, this in turn will help enhance brand loyalty and aasist in attaining competitive advantage (Aaker, 1996).

5.6.5   Overall recommendations

In a nutshell, this study recommends that marketing managershould concentrate on distribution intensity as well as establish a good store image so as establish brand trust, which ultimately influences brand equity of energy drinks in the townships of Gauteng.

5.7 LIMITATIONS AND FUTURE RESEARCH OPPORTUNITIES

The most obvious limitation of this s study is that the population was small as it included only township consumers within the Gauteng region, a single province in South Africa. This limits the possibility to generalise the results to include township consumers in the rest of South Africa. The results of the study, therefore, may be applicable only to township consumers around the Gauteng Province. Perhaps, if data collection is expanded to include other regions in South Africa the research findings might be more insightful and testing the conceptual model might be a valuable future research direction.

This study could be used by consumer scienctists, retail management and marketing students as a point of departure for future research on township consumers as well as other subcultural groups of energy drinks consumers in South Africa. It will be in the interest of South African energy drink

retailers or marketing managers to gain knowledge on the concept of store image, price deals, distribution intensity, brand trust and brand loyalty. Furthermore, the findings are restricted to the beverage market, focusing on only one product category, which is energy drinks. Therefore, this presents an impetus for researchers to extend their future studies to other product types. It would be necessary for future researchers to have a comparative analysis in this regard among other product categories (such as fast moving consumer goods like groceries, health care as well as beauty products, cleaning detergents, appliances, motor vehicles and the like). This may help to understand further on the antecedents to brand trust and brand equity.

Another limitation concerns the use of a single method of data collection. This study employed a quantitative research approach. Future research may consider both a qualitative and quantitative research design using triangulation methodology, where a qualitative design could be used in generating rich ideas and explanations. It will be worthwhile to utilise both qualitative and quantitative paradigms to supplement each other. A qualitative design may be helpful in making follow-ups to the responses provided in the quantitative design. Consequently, the quantitative responses are validated by these follow-ups.

5.8 SUMMARY

This chapter was intended to make inferences from the findings and to make recommendations. The chapter was structured under five main headings which are the evaluation of objectives, implications for the study, conclusion, recommendations, limitations and future research opportunities. Firstly, a recap of the overall primary objective was provided. This was followed by highlighting how theoretical and empirical objectives were achieved. Thereafter, implications for the study were discussed and this was then followed by conclusions of the study. Recommendations were then made and the chapter ended with a discussion on the limitations that were encountered and suggestions were made for future studies.

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