

**University of the Witwatersrand**



**CONSUMERS' MOTIVATIONAL DRIVERS FOR STATUS CONSUMPTION AND  
LIFE SATISFACTION: A CASE OF SMARTPHONES AMONG THE GENERATION Y  
COHORT IN SOUTH AFRICA.**

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**DECLARATION**

I, Titus Mutsanya Sithole declare that this dissertation is a true presentation of my original research work as a student for the Master of Commerce at the University of the Witwatersrand. To the best of my knowledge, where contributions of others are involved, every effort is made to acknowledge and indicate this, with due reference to the literature used in the research. This dissertation has not been previously submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised education institution.

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Titus Mutsanya Sithole

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Date: 3/11/2018

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## **ABSTRACT**

One important motivating force that influences a wide range of consumer behaviour is the desire to gain status or social prestige from the acquisition and consumption of goods. More often than not, individuals purchase expensive and luxury goods to display their social standing. In addition, individuals purchase status products to fulfill their material desires and reinforce their group identity. This is often a case with regards to youth consumers who often purchase expensive, luxury smart-phone brands to portray status and impress their peers. This behaviour seems to be trending among student communities. This study sought to investigate the consumers' motivations for status consumption and life satisfaction for smartphone consumption in Generation Y. This study made use of a non-probability convenience sample. A self-administered questionnaire was designed, based on the scales used in previous studies. A sample of 250 students was chosen to collect the data.

A series scale check analysis was made to test the reliability and validity of measures using Statistical Package for the Social Sciences (SPSS) version 25. Also, structural equation modelling (SEM) analysed the hypothesised relationships using Amos version 25 software. The main findings of the study are that materialism has a significant influence on life satisfaction with a path coefficient value for hypothesis 1 is 0.371, which is an indication of a strong association and relationship between materialism and status consumption. Uniqueness has a positive and a significant influence on status consumption with a path coefficient value of 0.034 and the p-value of 0.847. Consumer ethnocentrism has a positive and a significant influence on status consumption with path coefficient value of 0.122 and the p-value of 0.176. Modern status orientations have a significant influence on status consumption with a path coefficient value of 0.717. Finally, status consumption has a significant influence on life satisfaction with a path coefficient value for hypothesis 5 is 0.719, which is an indication of a strong association and relationship between status consumption and life satisfaction.

The insights gained from this study will help marketers to better understand youth consumers in their engagement in status consumption, and life satisfaction, which, will ultimately assist the marketing practitioners' efforts in such a way as to appeal to this segment in an appropriate manner.

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## **CHAPTER 1: BACKGROUND AND ORIENTATION OF THE STUDY**

### **1.1 INTRODUCTION**

The rapid emerging interest in smartphones has made a buzz the world over. Presently, a large portion of Generation Y shoppers selects to have smartphones. The expansion and advances in cellphone businesses have expedited this furore among the general population about the product. Spending budgetary assets on extravagances to show wealth and upgrade one's social status is common (Miller, 2009). Similarly, past studies have used personal electronics (e.g., Janssens, *et al.*, 2011; Sundie, *et al.*, 2011) to measure status consumption. This study has selected smartphones as a product since mobile devices are conspicuous and easily perceivable (Gierl & Huettl, 2010). Moreover, past researches have demonstrated that mobile telephones are associated with status and used for status signalling and mate attraction (Lycett & Dunbar, 2000; Van Kempen, 2003). For example, in their study, Khare and Rakesh (2010:209) noted that smartphones are one of the products that fulfil both the functional and symbolic needs of the youth. UNECA (2009), defines youths as all young persons between the ages of 18 and 35. Pinheiro-Machado and Scalco (2012:108) assert that "consumers in this age category tend to make huge sacrifices to purchase expensive brands as a way to show status among the community members". Typically, the youths tend to identify brands as "indispensable in creating individual identity, a sense of achievement and individuality" (O'Cass & Frost, 2002:67).

Schiffman and Kanuk (2010:338) termed status as the "ranking of individuals in each social class using factors such as power, wealth and prestige". Generally, individuals seek status by consuming products or brands signifying their rank in their community (Kao, 2013:84). Similar to Kao's (2013:84) contention, Mazali and Rodrigue-Netro (2013:103) suggest that consumers buy certain products to show their social status. Also true, however, is the fact that certain individuals go to great lengths to buy products or services that people perceive to be high in status to project their social prestige from others (Grotts & Johnson, 2012:281).

Therefore, status consumers represent those consumers who buy expensive products to make a statement. Hence, the decision of buying a product cannot be explained by the motivation derived from using it, rather by what it symbolises to others (Corneo & Jeanne 1997:55). Studies indicate

that status consumption occurs through personal antecedents such as group identity, the need to conform to surrounding standards (Khare, 2014:333), materialism (Eastman, Fredenberger, Campbell & Calvert 1997:52), the need for uniqueness (Abdolvand & Reihani 2013:1012), and symbolic items like clothing (Goldsmith *et al.*, 2012:102). In conclusion, Clark, Zboja and Goldsmith (2006:45) observe that consumers buy expensive clothing, to seek peer approval and impress others. The pattern of purchasing costly and chic brands to show societal position is expanding rapidly (Dondolo, & Madinga, 2017). As indicated by O'Cass, Lee and Siahtiri (2013), present-day buyers are worried about what gadgets they are associated with and how others see them. Accordingly, buyers tend to depict their social standing through the purchase of status-upgrading brands (Goldsmith, Flynn & Clark 2012:105). Status-purchasing seems to be a signal as it can be utilised to flag a person's financial position inside one's gathering and to receive acknowledgement for one's feeling of self and acknowledgement from others (Kaus 2013). This is particularly the case among the Generation Y cohort. An investigation by O'Cass and McEwen (2004:32) detected that "the youth tend to display their status and materialistic possessions by purchasing expensive branded clothes". For instance, in their investigation, Khare and Rakesh (2010:209) noticed that smartphone is one of the items that satisfy both the useful and representative needs of the adolescents.

The wheel of development of any industry lies on the shoulder of how productive and creative the youthful populations are (Gyimah-Brempong & Kimenyi, 2013:44). Generation Y, in any society, are the engine of growth and development and their action and inaction can develop or destroy industries (Eugene & Eme, 2014:164). Interestingly, the transition of society from one generation to another is critical to the formative and developmental aspiration of such society (Gyimah-Brempong & Kimenyi, 2013:44). Besides, industries that harness youth for the sake of future aspiration will not only secure future development but, will prepare the next set of consumers for their products. Eugene and Eme (2014:164) added that youth are the cornerstone to industrial rejuvenation.

Pinheiro-Machado and Scalco (2012:108) note that those shoppers between the ages of 18 – 35 tend to make immense sacrifices keeping in mind the end goal to buy costly brands as an approach to extend status among the group of individuals. Normally, the young tend to see brands as basic in making an individual character, a feeling of accomplishment and distinction (O'Cass & Ice

2002:67). Schiffman and Kanuk (2010:338) allude to status as the positioning of people in every social class utilising variables, for example, influence, riches and glory. For the most part, people look for status by spending on items or brands connoting their rank in their group (Kao, 2013:84). Like Kao's (2013:84) conflict, Mazali and Rodrigue-Netro (2013:103) propose that purchasers purchase certain items to demonstrate their societal position. Additionally, notwithstanding, is the way that specific people put forth an admirable attempt to purchase items or services that individuals see to be high in status to extend their social status (Grotts & Johnson 2012:281).

In this way, status customers speak to those purchasers who purchase costly items to create an impression. Henceforth, the choice of purchasing an item cannot be clarified by the inspiration received from utilising it, rather by what it symbolises to others (Corneo & Jeanne 1997:55). Studies show that status utilisation happens through individual precursors, for example, that amass character, the need to adjust to encompassing benchmarks (Khare 2014:333), realism (Eastman, Fredenberger, Campbell & Calvert 1997:52), the requirement for uniqueness (Abdolvand & Reihani 2013:1012), and representative things like dress (Goldsmith et al., 2012:102). All in all, Clark, Zboja and Goldsmith (2006:45) observe that shoppers purchase costly apparel, to look for peer endorsement and inspire others.

## **1.2 PROBLEM STATEMENT**

The intentions in procuring extravagance brands were generally viewed as constrainable to the idea of "purchasing to inspire others", which still pretty much serves a vital role for the promotion and management of luxury brands (Tsai, 2005). According to The Star daily (2010) luxury brands are estimated to be worth US\$880mil in 2010 based on research by the Boston Counseling Group's (The Star, 2010). It is imperative to understand customer behaviour when purchasing luxury branded goods. Therefore, this study assesses motivational factors influencing status consumption and life satisfaction of the Generation Y cohort on smartphones consumption. Previous studies have been conducted on how branding strategy affects the consumer buying behaviour for high technology products (Hamann, Williams, & Omar, 2007), therefore the focus of this study is on luxury branded smartphones. Studies were also conducted on parental influence on the purchasing of luxury brands of infant apparel in Hong Kong (Prendergast & Wong, 2003). It is perceived that buying products with established brand names are associated with the quality the brand represents.

(Orth, McDaniel, Shellhammer & Lopetcharat, 2004). Hence, this study aims to assess motivational factors influencing status consumption and life satisfaction. Darian (1998:10) also proposes that "buying luxury brands reflects favourably on the financial status and to impress others via the appearance of their purchase". Although the media often highlight South Africans' materialistic and status consumption tendencies, there is a dearth of available quantitative research to confirm these observations. Also, the South African market for status goods is predominantly occupied by global rather than local brands (de Waal, 2008), yet little research has been made available on South African consumers' attitudes towards consumer ethnocentrism, even though such research may uncover opportunities for developing and marketing national status brands. Furthermore, despite the potential marketing opportunity that the Generation Y cohort in general and the students' segment of this cohort in particular offer, only limited research has been undertaken to profile their consumer behaviour characteristics.

### **1.3 PURPOSE AND JUSTIFICATION OF THE STUDY**

As the Smartphone market is growing fast, an appreciation of the consumer behaviour regarding the consumers' motivations for status consumption and life satisfaction for smartphone consumption in Generation Y is necessary. This study is significant to a wide spectrum of industries related to the smartphone to bring real-life changes in the marketing mix and marketing strategy as per the characteristics of consumers to enhance their sales. Besides, this research will be useful for students and future researchers intending to make further studies in the same field of consumer behaviour. Academically, this study will make a significant contribution to the existing body of literature on experiential marketing. For practitioners, the current study provides insights and recommendations to retailers on the value of experiential marketing.

### **1.4 THEORETICAL FRAMEWORK**

To understand status consumption and life satisfaction, three theories were used in grounding the study, namely: social identity theory, social comparison theory and the technology acceptance model. Social identity theory is based on the assumption that people want to belong to a certain group. Based on this theory, individuals' behaviour is influenced, among other things, by the people they associate with. Social comparison theory is based on the determination of own social

and personal worth based on how we are seen by others. As a result, people constantly make self and other evaluations across a variety of domains, for example, wealth. The following variables of the conceptual model are discussed in summary on the empirical literature namely: materialism; the need for uniqueness; consumer ethnocentrism; modern status orientation; status consumption and life satisfaction. The next section discusses the theories used to ground the study.

#### **1.4.1 Social identity theory**

Social personality has been used by psychologists to comprehend the connection between people and the elements of meetings (Hogg, 2016:3). Sociologists and psychologists see this as an extremely critical viewpoint in deciding human conduct (McKinley, Mastro & Warber 2014:1049). Solomon (2006:380), posits that a human is a social animal who requires having a place with a specific gathering in which they endeavour to adjust and utilise different people as it mirrors them.

Hogg and Abrams (1988:187) describe the social way of life as a person's information about his or her participation in a social gathering. Social gathering alludes to various people who share comparable social recognisable proof and view themselves as being a piece of a similar social classification (Stets & Burke 2000:225). These people regularly, through a social correlation process, judge themselves as "Us or Them" (Hogg 2001:186). Two fundamental groupings have been defined to arrange people into social gatherings. People with comparable qualities to self are named the in-gathering while unique people concerning the self are named the out-gathering (Campbell 1997:21). This categorisation of gatherings brings about assessment, where the in-aggregate is frequently judged decidedly and the out mass is judged adversely (Stets & Burke 2000:225).

The social character postulates an assessment on the impact of crowds, for example, companions, associates, family and the group of a person. The impact of such assessments brings about a connection by amassing individuals as far as their normal practices and desires are concerned (Brewer, 2000) and how they fit in a community (Pratt, Rockmann & Kaufmann, 2006). Therefore, gathering practices may constrain people to act specifically with the use of luxury goods (Brittain 1963). This is especially so concerning youthful buyers. As indicated by Bearden and Rose (1990),

youthful customers' esteem grows when, before they buy, they think about the perceptions of other people.

#### **1.4.2 Social comparison theory**

Suls and Wheeler (2013) maintain that the theory of social comparison presents the concept that people look to referent groups and individuals to assess their abilities and opinions. Individuals tend to compare themselves to people with whom they interact in social situations. Festinger (1954) focused on the assessment of skills and abilities in his initial work, suggesting that beginning chess players would not compare their abilities to those of exceptional accomplishment and talent. Social comparison is particularly ambiguous when comparative traits are subjective rather than objective, thus applications of this theory have been hypothesised and tested for a variety of behaviours, including the level of aspiration, opinion (Hochbaum, 1953), and comparison of ability (Whittemore, 1925). Festinger's general observation regarding the way people use social reference groups to assess their achievement levels was that uniformity of opinions leads to social order. Self-monitoring can become a process by which one attempts to control every aspect of his or her physical appearance. This can extend beyond simple daily beauty modifications, such as wearing make-up and styling hair, to potentially dangerous and health-threatening behaviours such as watching, documenting and severely reducing calorie intake. Self-monitoring can be a daily activity or a circumstantial activity (Snyder, 1979). For instance, while one person may self-monitor all day every day, another may self-monitor in anticipation of certain events to address social anxiety associated with the events.

#### **1.4.3 Technology Acceptance Model**

Davis (1989) used TAM to explain computer usage behaviour as revealed in Figure 2.1. The aim of Davis' (1989) TAM is to elucidate the overall factors of computer acceptance that lead to enlightening users' behaviour across a broad range of end-user computing technologies and user populaces. The TAM model comprised and verified two precise beliefs: Perceived Usefulness (PU) and Perceived Ease of Use (PEU). Perceived Usefulness alludes to the potential user's subjective likelihood that the use of a certain system will improve his/her action and Perceived Ease of Use refers to the degree to which the potential user expects the target system to be effortless



(Davis, 1989). The belief of the person towards a system may be influenced by other factors, referred to as external variables in TAM.

## 1.5 PRELIMINARY LITERATURE REVIEW

This section provides a preliminary review of the research constructs used in the study. The constructs of interest include materialism, need for uniqueness, consumer ethnocentrism, modern status orientation, status consumption and life satisfaction. Subsequently, the main review of this study is covered in chapter 4.

**Table 1.1: Definitions of Research Constructs**

| <b>Variable</b>           | <b>Definition and Source</b>                                                                                                                                                                                                                                      |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Materialism               | Materialism is the degree to which people endeavour to take part in the development and support of the self through the obtaining and utilisation of items, services, encounters, or connections that are seen to give attractive responses (Shrum & Wong, 2013). |
| Need for uniqueness       | consumer need for uniqueness as “a person's information about his or her acceptance to a community” (Cheema & Kaikati, 2010:553)                                                                                                                                  |
| Consumer Ethnocentrism    | Consumer ethnocentrism refers to consumers’ tendency to make normative judgements about the appropriateness of supporting the national economy by buying domestic-made products and not buying foreign-made ones (Josiassen, Assaf & Karpen, 2011:667).           |
| Modern status orientation | Foreign brands are often attached to luxury products, the high modern status orientation consumers identified (Tambyah, Nguyen & Jung, 2009)                                                                                                                      |
| Status consumption        | Status consumption is defined as a consumer’s degree of contentment with the consumption experiences associated with luxury products, specifically with consumption for the sake of status (Eastman & Liu, 2012).                                                 |

|                   |                                                                                                                                                                                  |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Life satisfaction | Life satisfaction as an overall assessment of feelings and attitudes about one's life at a particular point in time ranging from negative to positive (Diener & Diener, 2009:71) |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Source: Compiled by the researcher**

**Source: Compiled by the researcher**

## **1.6 RESEARCH OBJECTIVES**

**To** achieve the purpose of the study, the main objective of this study is therefore to investigate the consumers' motivational drivers for status consumption and life satisfaction for smartphones consumption in Generation Y in Johannesburg.

### **1.6.1 Theoretical objectives**

To review the literature on both theories and variables of the research, which is, on Social identity theory; social comparison theory and Technology Acceptance Model; materialism; the need for uniqueness; consumer ethnocentrism; modern status orientation; status consumption and life satisfaction.

### **1.6.2 Empirical objectives**

- To assess the impact of hypothesised relationships of research variables of the study namely: materialism; the need for uniqueness; consumers' ethnocentrism and modern status orientation on status consumption and life satisfaction.
- To make some recommendations

### **1.6.3 Research questions**

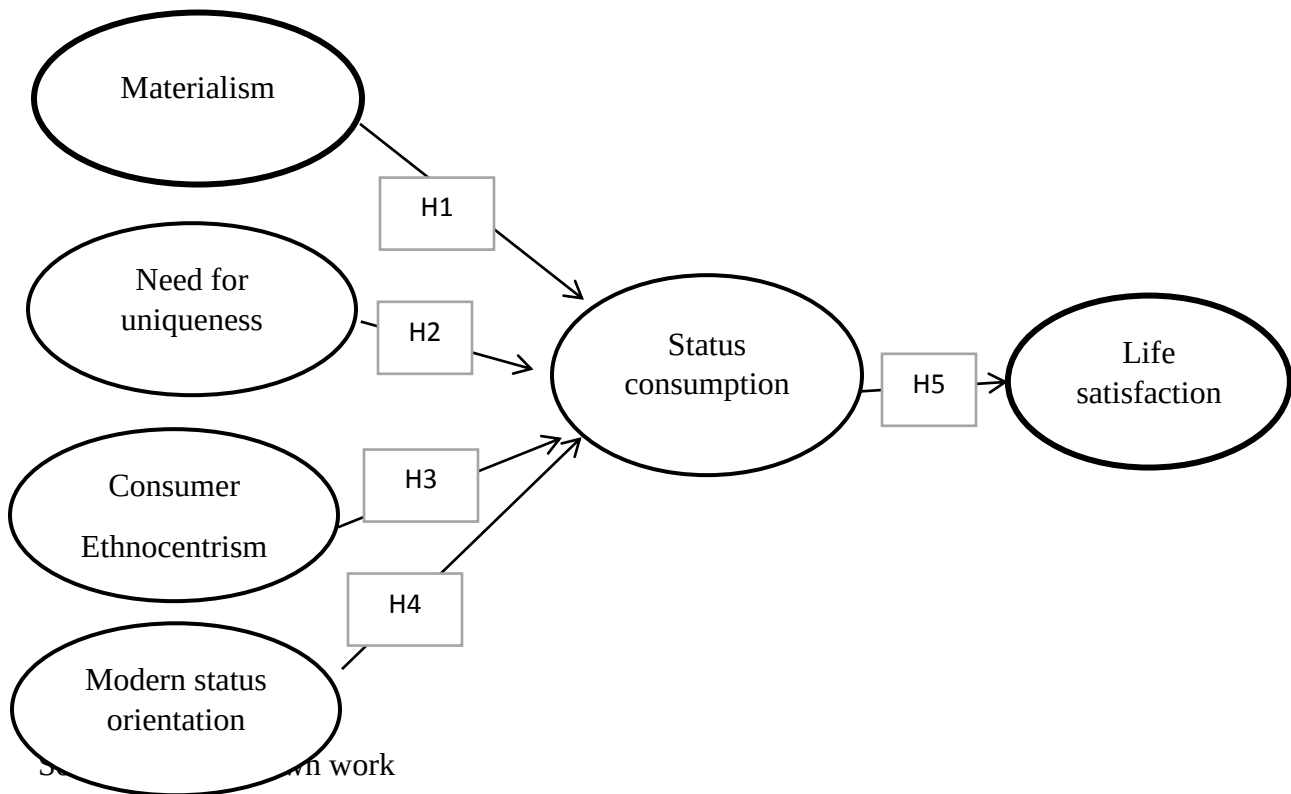
- Is there any relationship between materialism and status consumption among the Generation Y cohort?
- Is there any relationship between the need for uniqueness and status consumption among the Generation Y cohort?

- Does consumer ethnocentrism affect consumer status consumption among the Generation Y cohort?
- Is there an association between modern status orientation and status consumption among the Generation Y cohort?
- Does status consumption affect life satisfaction among the Generation Y cohort?

## 1.7 THE CONCEPTUAL MODEL

Figure 1.1 illustrates the research model of the study.

### Conceptual model



### 1.7.1 Hypotheses of the study

The following hypotheses were formulated from the conceptual model and they are presented as follows:

*H1: There is a positive relationship between materialism and status consumption*

*H2: There is a positive relationship between the need for uniqueness and status consumption*

*H3: There is a positive relationship between consumer ethnocentrism and status consumption.*

*H4: There is a positive relationship between modern status orientations and status consumption*

*H5: There is a positive relationship between status consumption and life satisfaction*

## **1.8 RESEARCH DESIGN AND METHODOLOGY**

The current study is situated in the positivist research methodology and expects a deductive approach within the quantitative approach to test the stated hypotheses. Moreover, for the empirical study, data was gathered from 250 respondents through the distribution of self-administered survey questionnaires to a chosen sample. This study used convenience sampling to arrive at the required number for the study. The survey questionnaire was based on the variables of the predictive model: materialism; the need for uniqueness; consumer ethnocentrism; modern status orientation; status consumption and life satisfaction. The questionnaire was divided into six sections: A, B, C, D, E and F. 'Section A' represented the demographic data; 'Section B' C; D, and E represented questions on mediating variables, while F had questions on the dependent variable. A total of 30 employees were sampled as part of the pilot testing. Pilot testing was done to make adjustments to improve the efficacy and clarity of the questionnaire (O'Neill, 2000; Malhotra, 2010). The changes were made to questions whose loadings were below 0.5 through the application of 'Item-to-item correlation' and 'Cronbach's alpha if item deleted' columns applying the SPSS statistical analysis. Questions that attracted complaints from respondents after the pilot testing was also noted and compared with the outcome of the preceding analysis to determine their limitations before they were eliminated or corrected to reduce errors in the actual field data collection. The estimating instrument was designed from existing scales, which were adjusted and altered to suit the present examination. All factors were customised from previous scales on a five-point Likert scale).

## **1.9 ETHICAL CONSIDERATIONS**

Ethical consideration alludes to the assurance of the members' rights, getting educated assent and the institutional audit procedure of the moral endorsement (Klopper, 2008). Protection of human

rights of the respondents involves the privilege to security, the privilege to self-assurance, the privilege to reasonable treatment, appropriate to self-rule and secrecy, the privilege to insurance from distress and damage and additionally, acting in compliance with common decency by disclosing to respondents all data that is applicable. The researcher acquired informed consent from the respondents by using a signed consent note attached to the questionnaire.

Besides, the researcher clarified the motivation behind the research and members were assured of anonymity. No respondent details were captured and the data was secured and not available to anyone other than the researcher and his supervisor. For this reason, the researcher obtained the necessary ethics clearance from the School's Ethics Committee as well as the necessary authorisation from any relevant authorities (that is, University of the Witwatersrand - where the research was carried out).

### **1.10 JUSTIFICATION AND CONTRIBUTION OF THE STUDY**

- The study contributed to theory building on conceptualisation, measurement and methodology of the research construct proposed in the academic world through its findings.
- The managerial contribution practice; the study proposed guidelines for the real execution of marketing managers.
- At a personal level, the research assisted the researcher in personal development, in terms of acquiring knowledge and thus the ability to think outside the box.

### **1.11 STRUCTURE OF THE DISSERTATION**

The following is an outline of the organisation of the current study:

#### **Chapter one (1): Overview of the study**

Chapter one covers the overview of the entire study which includes the introduction, problem statement, the main aim of the study, objectives and research questions, methodology, justification and scope of the study, as well as ethical considerations.

#### **Chapter two (2): Literature review and conceptual model and hypothesis development**

This chapter presents the literature for both theories that ground or anchor this study and empirical literature covering the variables of the research model.

### **Chapter three (3)**

The focus is on conceptualizing the model of research, as well as hypothesis development.

### **Chapter four (4): Research design and methodology**

Here reiteration of the objectives of the research, elaborated research questions, description of the research sample and data collection process, explains the questionnaire development and discusses the research methodology, including the conduct of variables and statistical analysis to be used in analysing the quantitative data obtained through survey research.

### **Chapter five (5): Data analysis and results interpretation**

The results of the research are discussed, thereby answering the individual questions of the research study as stated in Chapter 1 of this thesis. The research results of the study are discussed, and their implications are elaborated as well.

### **Chapter six (5): Summary; conclusions and recommendations**

This chapter presents the conclusions drawn from this research; limitations; recommendations and suggestions for future research direction.

## **1.12 SUMMARY OF CHAPTER**

This chapter provided the background and orientation of the study. These can be summarised as follows: background information; problem statement; main aim and objectives; theoretical framework; conceptual model and hypothesis of the study; research design and methodology; justification and contribution of the study, research flow and structure of the dissertation. It can be illustrated diagrammatically as shown in Figure 1.1. The next chapter focuses on the theoretical and empirical literature.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

The previous chapter gave a background and orientation of the study. Chinomona and Maziriri (2017) posit that literature serves the purposes of sharing findings of other studies related to the study at hand, relating the study to a larger ongoing conversation in literature as well as fillings gaps and extending prior studies. Therefore, a literature review should comprise a theoretical framework as well as empirical review (Chinomona & Maziriri, 2017). The present chapter presents the extant scholarly theories used to anchor the study. The purpose of reviewing literature is to add knowledge on and to detect a theoretical basis against which to proceed with grounding theoretical understanding in empirical data. The study utilises the grounded theory technique to empirically define the terms and comparing them to the extant literature. Therefore, the current chapter starts with a detailed discussion concentrating on the theoretical framework on which the research study is grounded. The theories are the Social identity theory; Social comparison theory and Technological Acceptance Theory. The empirical literature dwells on Materialism; Need to uniqueness; Consumer Ethnocentrism; Modern status orientation; Status consumption and Life satisfaction.

### **2.2 THEORETICAL FRAMEWORK**

To understand status consumption and life satisfaction, social identity theory; social comparison theory and technology acceptance theory have been used. The social identity theory is based on the assumption that people want to belong to a certain group. Based on this theory, individuals' behaviour influenced, among other things, by the people they associate with. Social comparison theory is based on the determination of own social and personal worth based on how we relate to others. As a result, people constantly make self and other evaluations across a variety of domains, for example, wealth.

#### **2.2.1 Social identity theory**

Psychologists, to comprehend the connection between people and the elements of gatherings (Hogg, 2016:3), have used social personality theories. Sociologists and psychologists see this as

an extremely critical viewpoint in deciding human conduct (McKinley, Mastro & Warber, 2014:1049). Solomon (2006:380), posits that a human is a social animal that requires having a place with a specific gathering in which they endeavour to adjust and utilise different people as it mirrors them.

Hogg and Abrams (1988:187) describe the social way of life as a person's information about his or her participation in a social gathering. Social gathering alludes to various people who share comparable social recognisable attribute and view themselves as being a part of a similar social classification (Stets & Burke 2000:225). These people regularly, through a social correlation process, judge themselves, as "them" or "Us (Hogg, 2001:186). Two fundamental groupings have been defined to arrange people into social gatherings. People with comparable qualities to self are named the in a group while unique people concerning the self are named the out-group (Campbell, 1997:21). This categorisation of gatherings brings about assessment, where the 'in' aggregate is frequently judged favourable and the 'out' group is judged adversely (Stets & Burke 2000:225).

The social character postulates an assessment on the impact of crowds, for example, companions, associates, family and the groups of a person. The impact of such assessments brings about a connection by amassing individuals as far as their normal practices and desires are concerned, (Brewer, 2000) and how they fit in a community (Pratt, Rockmann & Kaufmann, 2006). Therefore, gathering practices may constrain people to act specifically, notably relating to luxury goods and brands (Brittain, 1963). This is especially so for youthful buyers. As indicated by Bearden and Rose (1990), youthful customers' esteem gather grows as before they buy, they think about the perceptions of other people.

### **2.2.2 Social comparison theory**

According to Van Schalkwyk, Maziriri and Mokoena (2017) the social comparison theory initially was formulated by social psychologist Leon Festinger in 1954. This theory relates to the topic of this study because it discusses how individuals view themselves and it explains further that people evaluate their self-esteem by looking at people they can identify with, which would be their close friends and peers (Van Schalkwyk, Maziriri & Mokoena, 2017). Furthermore, Suls and Wheeler's (2013) mentioned that the theory of social comparison presents the concept that people look to referent groups and individuals to assess their abilities and opinions. Individuals tend to compare



themselves to people with whom they interact in social situations. Festinger (1954) focused on the assessment of skills and abilities in his initial work, suggesting that beginning chess players would not compare their abilities to those of exceptional accomplishment and talent. Social comparison is particularly ambiguous when comparative traits are subjective rather than objective, thus applications of this theory have been hypothesised and tested for a variety of behaviours including the level of aspiration, opinion (Hochbaum, 1953), and comparison of ability (Whittemore, 1925). Festinger's general observation regarding the way people use social reference groups to assess their achievement levels was that uniformity of opinions leads to social order. According to Festinger (1954), when people determine their abilities or skills do not match prevailing social norms, their behaviour changes to be more similar to the group, or the performance of others. Similarly, when people determine that their ability matches or exceeds prevailing norms, feelings of self-satisfaction typically result. The pressure to achieve uniformity was observed by Festinger (1954) as he tested the hypothesis in a variety of contexts. The aspiration to achieve group status was addressed along with the concept of competition, and, although group compliance was desired in terms of general behaviour, the ability to be slightly better (smarter, more athletically or artistically skilled) than other group members as desired. Wood (1989) provided insight into how theories based on social comparison have developed from Festinger's (1954) original theory. She noted that Festinger's (1954) original theory lacks universal application in modern society. Because the social environment plays a key role in the way in which comparisons are inferred in contemporary social environments, and their related issues, these are addressed in current research. Wood (1989) noted that when social comparisons are done when the comparers seek equality among all parties involved in active social situations; comparers might also focus on desired qualities, which they have not yet acquired. Self-monitoring is an aspect of social comparison. Linked to self-esteem and social anxiety, self-monitoring is the practice of intentionally and tediously watching one's behaviour and adapting said behaviour based on different situations (Snyder, 1979). Self-monitoring can become a process by which one attempts to control every aspect of his or her physical appearance. This can extend beyond simple daily beauty modifications, such as wearing make-up and styling hair, to potentially dangerous and health-threatening behaviours such as watching, documenting and severely reducing calorie intake. Self-monitoring can be a daily activity or a circumstantial activity (Snyder, 1979). For instance, while one person may self-

monitor all day every day, another may self-monitor in anticipation of certain events for addressing social anxiety associated with the events.

### 2.2.3 Technological Acceptance Theory

Fred Davis propounded the technology acceptance model (TAM) in 1986. It was an adaptation of the Theory of Reasonable Action, which is tailor, made for modelling users' acceptance of information systems or technologies as depicted by figure 2.1 below.

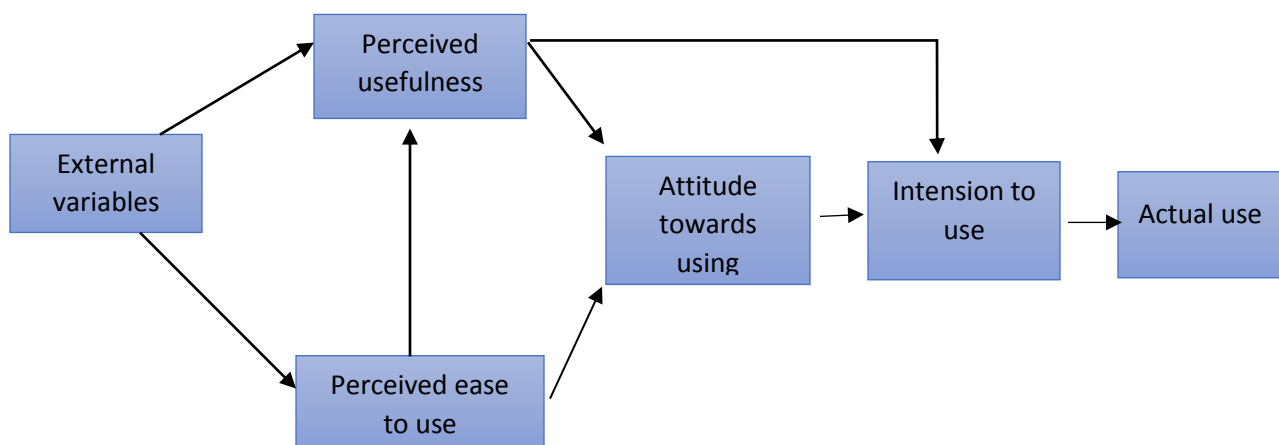


Figure 2.1: Technology acceptance model by Davis

Source: Davis *et al.*, 1989

Davis (1989) used TAM to explain computer usage behaviour. The aim of Davis' (1989) TAM is to elucidate the overall factors of computer acceptance that lead to enlightening users' behaviour across a broad range of end-user computing technologies and user populaces. The TAM model comprised and verified two precise beliefs: Perceived Usefulness (PU) and Perceived Ease of Use (PEU). Perceived Usefulness alludes to the potential user's subjective likelihood that the use of a certain system will improve his/her action and Perceived Ease of Use refers to the degree to which the potential user expects the target system to be effortless (Davis, 1989). The belief of the person towards a system may be influenced by other factors, referred to as external variables in TAM.

The first modification of the Technology Acceptance Model (TAM) was undertaken by (Davis, Bagozzi & Warshaw, 1989). Venkatesh formed the last version of the Technology Acceptance Model as depicted in Figure 2.1 after the main outcome of both perceived usefulness and perceived ease of use was found to have a direct influence on behaviour intention, thus eliminating the need for the attitude variable.

The most recent version of the Technology Acceptance Model (TAM) proposed TAM 2 (Venkatesh & Davis, 2000). This delivered more detailed elucidations for the reasons users found a given system useful at three (3) points in time: pre-implementation, one-month post-implementation and three-month post-implementation. TAM 2 theorises that users' mental assessment of the match between important goals at work and the consequences of performing job tasks using the system serves as a basis for forming perceptions regarding the usefulness of the system (Venkatesh & Davis, 2000). The results revealed that TAM 2 performed well in both voluntary and mandatory environments (Venkatesh & Davis, 2000). Venkatesh and Bala (2008) combined TAM 2 (Venkatesh & Davis, 2000) and the model of the determinants of perceived ease of use (Venkatesh, 2000), and developed an integrated model of technology acceptance known as TAM 3 (Venkatesh & Bala, 2008), also called the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh, Morris, Davis & Davis, 2003).

Venkatesh, Morris, Davis and Davis (2003) studied the earlier theories and designed the Unified Theory of Acceptance and Use of Technology (UTAUT). The UTAUT has "four prognosticators of users' behavioural intention and the performance expectancy, effort expectancy, social influence and facilitating conditions" (Venkatesh, Morris, Davis & Davis, 2003:425). The five related predictors comprising perceived usefulness, extrinsic motivation, job-fit, relative advantage and outcome expectations form the performance expectancy in the UTAUT model while effort expectancy captures the notions of perceived ease of use and complexity.

Given the fact that this study is centred on the consumption of luxurious smartphones, it warrants the usage of TAM as a grounding theory to be used in the study, since mobile phones are associated with technology.

## **2.3 EMPIRICAL LITERATURE**

The following variables of the research model are discussed in summary in the empirical literature namely: materialism; the need for uniqueness; consumer ethnocentrism; modern status orientation; status consumption and life satisfaction.

### **2.3.1 Materialism**

Materialism is the degree to which people endeavour to take part in the development and support of the self through the obtaining and utilisation of items, services, encounters, or connections that are seen to give attractive responses (Shrum & Wong, 2013). Materialism is viewed as a fixation a man has for materialistic belonging (Vandana & Lenka, 2014). Therefore, materialism drives individuals to spend cash on luxurious products (Goldsmith & Clark, 2011).

The concept of materialism is not a new phenomenon and has been predominantly related to the consumption culture. However, lately, materialism has received renewed attention in the public discourse in the wake of the worldwide economic meltdown. The materialistic values that have ruled in emerging economies like South Africa, encouraging the strong need for wealth and goods, have led to risky financial behaviours (Richins, 2011). Concurrently with the global economic crisis, a mounting body of literature examining an array of individual factors related to materialism has emerged in an attempt to improve our understanding of this widespread phenomenon (Karabati & Cemalcilar, 2010; Richins, 2011). Evidence has collected about the association between overconsumption and materialism, global poverty, and reduced personal satisfaction (Alexander & Ussher, 2012).

While marketers are often criticised for promoting materialism and over-consumption, researchers have indicated that materialism can have both positive and negative consequences (Arnould & Thompson, 2005). Positive outcomes include the development of identity (Holt, 1995), collective and brand communities (Schouten & McAlexander, 1995). Negative consequences include reductions in individual well-being (Burroughs & Rindfleisch, 2002), psychological functioning (Kashdan and William, 2007), satisfaction with life (Roberts and Clement, 2007) and environmentally responsible behaviour (Kilbourne & Pickett, 2008).

Though the body of literature on materialism is huge, the debate over its role is not yet conclusive, and researchers have called for additional studies (Karabati & Cemalcilar, 2010). Specifically, the literature review shows that earlier studies generally measured materialism on one variable; it is a multifaceted concept (Sirgy *et al.*, 2013). Stemming from the above call, the current research applies Richins and Dawson's (1992) understanding of materialism and places materialism on three aspects (happiness, centrality and success) and resultantly spending more, thereby satisfying life. These depict clearly that materialism is a complex phenomenon. The subsequent sections look at antecedents and consequences of materialism.

#### **2.3.1.1 Materialism: conceptualisation, antecedents and consequences**

Materialism is linked to the degree of importance customers attach to a product (Belk, 1995) and the centrality of these possessions in their lives (Richins & Dawson, 1992). Materialists frequently become overly concentrated on purchases and direct their energy and assets to acquire belongings, anticipating that they will result in happiness, satisfaction with life and generalised well-being (Fitzmaurice & Comegys, 2006).

Ahuvia and Wong (2002:321) posit that "materialism as a tri-component personality trait including possessiveness, non-generosity and envy". These features reflect the extent to which individuals retain ownership and control of their possessions, share them and desire the possessions of others. However, Richins and Dawson (1992) view materialism as a system of personal values, with possessions and acquisitions as major personal goals that dictate one's way of living (Ahuvia & Wong, 2002). For materialists, possessions and their acquisition are *central*, providing meaning and structure to their lives. They are indispensable to their satisfaction with life, well-being and *happiness*. Lastly, possessions refer to *success*, symbolise accomplishment and show a preferred image. This method observes materialists as not solely valuing acquirements and possessions, but also as receiving pleasure from the conspicuous consumption of possessions that can be shown to others to obtain social recognition (Richins, 2011). While the two methods describe materialism differently, however, both share the same belief that it "can be harmful when the goal of consumption interferes with higher goals in life, such as personal growth and relationships with others" (Muncy & Eastman, 1998:213).

### **2.3.1.2 The antecedents of materialism**

Scholars contend that materialism is a coping mechanism for individuals whose intrinsic needs such as safety, competency, self-worth and belonging are not fulfilled (Chang & Arkin, 2002:321). Consequently, customers with related unfulfilled needs should be materialistic, and the acquisition of possessions can assist materialists' lessen their feelings of ambiguity and personal identity (Micken & Roberts, 1999). Similar studies, consequently, observe materialism, its factors and outcomes as a single phenomenon that transcends national or cultural boundaries (Richins & Dawson, 1992). The significance of personal features as factors of materialistic values are mirrored in the observation that not every person living in developed countries displays the same level of materialism (Chang & Arkin, 2002).

The trend to see materialism as the "dark side" of consumer behaviour is intrinsic in the idealisation of materialism (Richins & Dawson, 1992). Therefore, several of the motivations for pursuing materialistic values have negative relationships. Spending for and ownership of material belongings are seen as tools to which people turn when they need for admiration, associations and identity authenticity are unsatisfied (Chang & Arkin, 2002). To compensate for their insufficiencies, highly materialistic people use external stimulation as an escape from the unwanted outcomes of self-analysis and turn to external sources of gratification (Reeves *et al.*, 2012). The perspective of materialism as a contrivance for coping with unsatisfied needs is guided by the choice of psychological or personal weaknesses as its antecedents.

### **2.3.1.3 The outcomes of materialism**

While materialism can have positive economic consequences for societies and individuals, it has also negative outcomes (Abela, 2006). Materialism is connected with a decrease in the individual's satisfaction in life (Kasser & Ahuvia, 2002), happiness with life and well-being (Burroughs & Rindfleisch, 2002), sense of community (Kasser, 2002) and environmental goals or concerns (Kilbourne & Pickett, 2008).

Several studies, however, have concentrated on the relationship between materialism and subjective well-being, with the latter involving judgements about one's satisfaction with life, positive influence and the absence of negative affect (Diener & Biswas-Diener, 2002). A study on

the association between materialism and satisfaction with life has consistently shown that materialism has a negative relationship with the overall satisfaction of life (Ryan & Dziurawiec, 2001). This is perhaps the gap between the actual and desired standards of living that lead materialists to be less satisfied, overall, and have an overall lower level of satisfaction with life specifically (Sirgy, 1998). Others elucidate that the obsession with material possessions and wealth leads to neglecting meaningful domains of one's life such as social associations and family (Kasser & Ryan, 1993). While concerns about personal well-being and overall satisfaction with life dominate the literature focusing on the consequences of materialism, researchers have called for an investigation into other consequence that is related to different aspects of life (Kilbourne *et al.*, 2005).

#### ***2.3.1.4 Need to the uniqueness***

Cheema and Katikati (2010:553) defined consumer need for uniqueness as "a person's information about his or her acceptance to a community". Consumer's need for uniqueness alludes to various people who share comparative social recognisable standards and view themselves as being a part of a similar social classification (Stets & Burke, 2000). These people frequently, through a social examination process, judge themselves, as "Them or Us" (Hogg, 2001:186). Two primary categorisations have been defined to characterise people into social gatherings. People with comparable qualities to self are named 'in' groups while people who are not the same as the self are named 'out' groups (Campbell, 1997). The social character theory assesses the impact of crowds, for example, companions, associates, family and the group on a person. The impact of such assessments brings about a reaction by individuals as far as their normal practices and desires work (Brewer, 2001) and how they fit in a group (Pratt, 2003). Thus, group practices may constrain people to act specifically concerning luxury goods especially, offering to ascend to assemble weight particularly, about use of symbolic items, for example, clothes and luxurious brands (Brittain, 1963). This is especially so concerning youthful buyers. As indicated by Bearden and Rose (1990), youthful shoppers look at their peer group before buying and they think about the views of others.

This concept of consumers' need for uniqueness stems from Snyder and Fromkin's (1977) theory of uniqueness. According to this theory, the need to see one as being different from other persons

is aroused and competes with other motives in situations that threaten the self-perception of uniqueness. Individuals attempt to reclaim their self-esteem and reduce negative affect through self-distinguishing behaviours. These expressions of uniqueness are sought in different forms and outlets where the social penalties for being different are not severe. Material expressions of one's differentness from others are particularly valued because they satisfy the need for uniqueness without risking severe social penalties (Snyder, 1992). The following definition was adopted in this research from Cheema and Katikati (2010:553) who defined the need for uniqueness as the consumer's need for uniqueness as "a person's information about his or her acceptance to a community".

### **2.3.2 Consumer Ethnocentrism**

Consumer ethnocentrism refers to consumers' tendency to make normative judgements about the appropriateness of supporting the national economy by buying domestic-made products and not buying foreign-made ones (Josiassen, Assaf & Karpen, 2011:667). Ethnocentric consumers do not intend to buy foreign-made goods since they think it is harmful to the domestic economy. Foreign presence may have negative competition effects on domestic firms (Lutz et al., 2008). It would disadvantage domestic producers, increase unemployment, and worsen economic conditions in the home country. In South Africa, many foreign brands and products, often from developed countries, have generally perceived to be of superior quality, and to carry significant prestige value (Klein *et al.*, 2006). The buying and consumption of foreign luxury products in South Africa could help confer status upon their owners, and status-enhancement is regarded as a primary motive driving the purchase of foreign products (Zhou & Hui, 2003).

Previous studies, including the research in the context of smartphones, generally have found that ethnocentric tendencies were negatively related to attitudes toward foreign products and purchase intentions (Lantz *et al.*, 2002). It has been discovered that consumers with a lower degree of consumer ethnocentrism, and who are more likely to show a preference for foreign products, tend to engage more in buying and consuming products for status. Kaynak and Kara (2002:934) suggested, "The consequences of consumer ethnocentricity include overestimation of the quality and value of domestic products and underestimation of the virtues of imports, a moral obligation to buy domestic products, and intense preference for domestic products". Granzin and Painter



(2001) studied patterns of influences on domestic purchasing behaviour that is defined as an individual's purchase-related behaviour in support of the domestic economy. The impact of a product's country-of-origin was studied in consumer behaviour and international marketing literature (Piron, 2000). Kucukemiroglu (1999) found that non-ethnocentric consumers tended to have significantly more favourable beliefs, attitudes and intentions regarding imported products than ethnocentric consumers. For the sake of this study, the researcher adopted the definition of Josiassen, Assaf and Karpen, (2011:667) that consumers' tendency it to make normative judgments about the appropriateness of supporting the national economy by buying domestic-made products and not buying foreign-made ones.

### **2.3.3 Modern status orientation**

Ever since foreign brands are often attached to luxury products, the high modern status orientation consumers identified by Tambyah, Nguyen, and Jung (2009) seem relevant for this study on international products. High modern status orientation individuals place a high value on luxury objects, on being rich and wealthy, and on being talented enough to earn a high income. They believe their social status will be enhanced with the buying and consumption of newly available products and brands, including those we would consider luxury products (Steenkamp, Hofstede, & Wedel, 1999). Nguyen and Tambyah (2011) suggested that modern status orientation is positively associated with status consumption. Although status products could include some domestic items, most of them may be the imported ones.

It is, therefore, believed that high modern status orientation consumers will tend to prefer and are more likely to engage in the purchase of foreign products. High modern status orientation consumers are a particular demographic in South Africa. They are typically younger and more highly educated than the general population. Those features may partially explain why these individuals may not be influenced by traditional values. Moreover, these consumers, many of whom have benefited from economic reforms, are typically more receptive to new, international brand appeals and have more chances at international experiences, including consumption ones (Tambyah, Nguyen & Jung 2009). Thus, they are more likely to be influenced by modern lifestyles and should be more willing to purchase imported products.

Modern status symbols include having money and power. The typical symbols of status in the past in South Africa are morality and talent, with more prominence given to the first factor (Nguyen *et al.*, 2002). It is anticipated that these consumers are more likely to be older individuals who have lived a good part of their formative years under the command economy system. Some of them may be less educated (or at least lacking new knowledge and skills), and are less flexible (lacking ability to adapt to the new environment), and hence, less able to become wealthy. Accordingly, they are expected to engage less in social consumption

#### **2.3.4 Status consumption**

Status consumption is defined as a consumer's degree of contentment with the consumption experiences associated with luxury products, specifically with consumption for the sake of status (Eastman & Liu, 2012). According to Madinga, Maziriri and Lose (2016) status consumption can be viewed as buying or possessing products to enhance one's image and to demonstrate wealth through public display of those products irrespective of one's socio-economic background. It is expected that those who hold higher tendencies to buy and consume products for status would have a stronger need for and place greater importance on the status and prestige that are associated with products. Since luxury products often convey high status (Lantz, *et al.*, 2002), it is anticipated that when customers use luxury products, their status would be heightened. Therefore, they would be happy about their luxurious consumption experience. Accordingly, the more the consumer engages in owning and consuming status products, the more her/his status is promoted, and the more she/he is likely to enjoy the status products and have satisfied feelings. Status consumption is "the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant other" (Eastman, Goldsmith, & Flynn, 1999:41). This consumption related need for status is the "tendency to purchase goods and services for the status or social prestige value that they confer on their owners" regardless of income or social class level (Eastman, Goldsmith, & Flynn, 1999: 41).

Status consumption is positively related to the concepts of materialism (Heaney *et al.*, 2005) and "attention-to-social-comparison-information," or paying attention to others and what they feel and think (Heaney, *et al.*, 2005). It is also somewhat related to compulsive buying (Roberts, 2000).

The conspicuous consumption of luxury goods provides the consumer with satisfaction from others' reactions to the wealth displayed rather than from the value of the product itself (Mason, 2001). Thus, Packard (1959:5) defines status seekers as "people who are continually straining to surround themselves with visible evidence of the superior rank they are claiming." Husic and Cicic (2009:234) assert that "by using status goods as symbols, individuals communicate meaning about themselves to their reference groups." This desire for status involves the consumption of items that represent status both to the individual and to surrounding significant others (Eastman *et al.*, 1999:43). Attitudes about luxury consumption are linked to the display of wealth and the symbolic meanings from one's social position and identity (Eng & Bogaert, 2010).

Furthermore, status consumption fulfils hedonic consumption needs (Eng & Bogaert, 2010). However, the literature also suggests that ultra-rich or old money consumers prefer status goods that are not flashy and are noticeable only to others in their group, such as with the use of smaller logos (Husic & Cicic, 2009; Han, *et al.*, 2010). More recently in the literature, the definition of status consumption has expanded beyond the idea of conspicuous consumption (Truong *et al.*, 2008). O'Cass and McEwen (2004) describe status consumption as the personal nature of owning status products either for internal reasons (self-reward, with no public display of the products) and/or external reasons (to signal wealth through the public display). While status and conspicuousness is the same (Vigneron & Johnson, 2004), others describe status and conspicuousness as two separate but related constructs (O'Cass & McEwen, 2004; Truong *et al.*, 2008). O'Cass and McEwen (2004:27) define status consumption as consumers' desire to gain prestige from the acquisition of status-laden products.

Truong *et al.*, (2008) offer that status relates to consumers being motivated for internal reasons (self-esteem and self-respect) and/or external reasons (others' approval and envy), while conspicuousness relates to consumers being motivated by image and appearance. This study addresses status consumption as defined and measured by Eastman *et al.*, (1999) and as utilised by Han *et al.*, (2010), Phau and Cheong (2009), Phau and Teah (2009), and Roberts (2000). In considering how status consumption has been impacted by the economy, Interbrand (2008) found that 95 per cent of consumers sampled would change their overall spending based on the current economy, and luxury items would be where they cut their spending the most. Egol, Clyde, Rangan,

and Sanderson (2010) offer that recession-driven behaviours, such as increased savings, deferred consumption and weakened brand loyalty, are unlikely to change even as the economy improves.

### **2.3.5 Life satisfaction**

Diener and Diener (2009:71) defined life satisfaction as an overall assessment of feelings and attitudes about one's life at a particular point in time ranging from negative to positive. It involves global well-being or satisfaction with life in general. Life satisfaction refers to an individual's evaluation of one's life in terms of positive or negative experiences that characterise it (Andrews & Withey, 1976). Here, the evaluation of satisfaction across major life domains (e.g., social life, work-life, health life or family life) determines life satisfaction overall. For example, satisfaction from one shopping experience may spill over to several life domains influencing satisfaction with social life, family life, financial life, etc. Satisfaction across life domains then characterises one's overall life satisfaction. This psychological process is referred to as bottom-up spillover in which effects related to life events (most concrete) tend to spill over to effects embedded in the various life domains (middle range of abstractness), which in turn influence overall life satisfaction (most abstract). The bottom-up spillover process is moderated by domain salience – the degree to which life domains play an important role in one's life. Specifically, highly salient life domains are likely to influence life satisfaction more than less salient domains. About consumption experiences, Nicolao, Irwin and Goodman (2009) find that the valence of a consumption experience moderates its impact on life satisfaction. Here, a consumption experience would induce life satisfaction only if it is highly salient to one or more life domains (e.g., social life, leisure life, work-life, family life, etc.). Product centrality in life captures the salience of a product in consumers' lives by tapping the importance of the consumption experience across life domains. In other words, the more central a product is to one's life, the more it is likely to influence life satisfaction. Satisfaction with a product is likely to influence how products that are salient in one or more life domains influence life satisfaction. It spills over to salient life domains.

Domain satisfaction, in turn, affects overall life satisfaction. That is if a consumer is satisfied with a product, the positive effect derived from the product-related experience (in the life domains for which the product is important) spills over unto life satisfaction. Life satisfaction is therefore likely to increase if a product induces satisfaction in salient life domains. Vice versa, dissatisfaction with

a product in a salient life domain may reduce life satisfaction. This discussion suggests that a product is likely to contribute most positively to life satisfaction when two conditions are met. First, when the product contributes to important life domains (e.g., social-, leisure, family, and work-life that are central to life); and second, when the product generates positive affect from the overall consumption experience. That is, life satisfaction can be improved when products that are central to life induce high levels of satisfaction.

## **2.4 CONCLUSION**

This chapter discussed the literature review on consumers' motivational drivers for status consumption and life satisfaction. The review aimed to draw relevant insight for developing a conceptual model of the study. It presented both the conceptual framework and empirical literature focusing on the constructs of the research model. Given the above insights and key results encompassed by the research gap identified from the review of the literature in this chapter and chapter one.

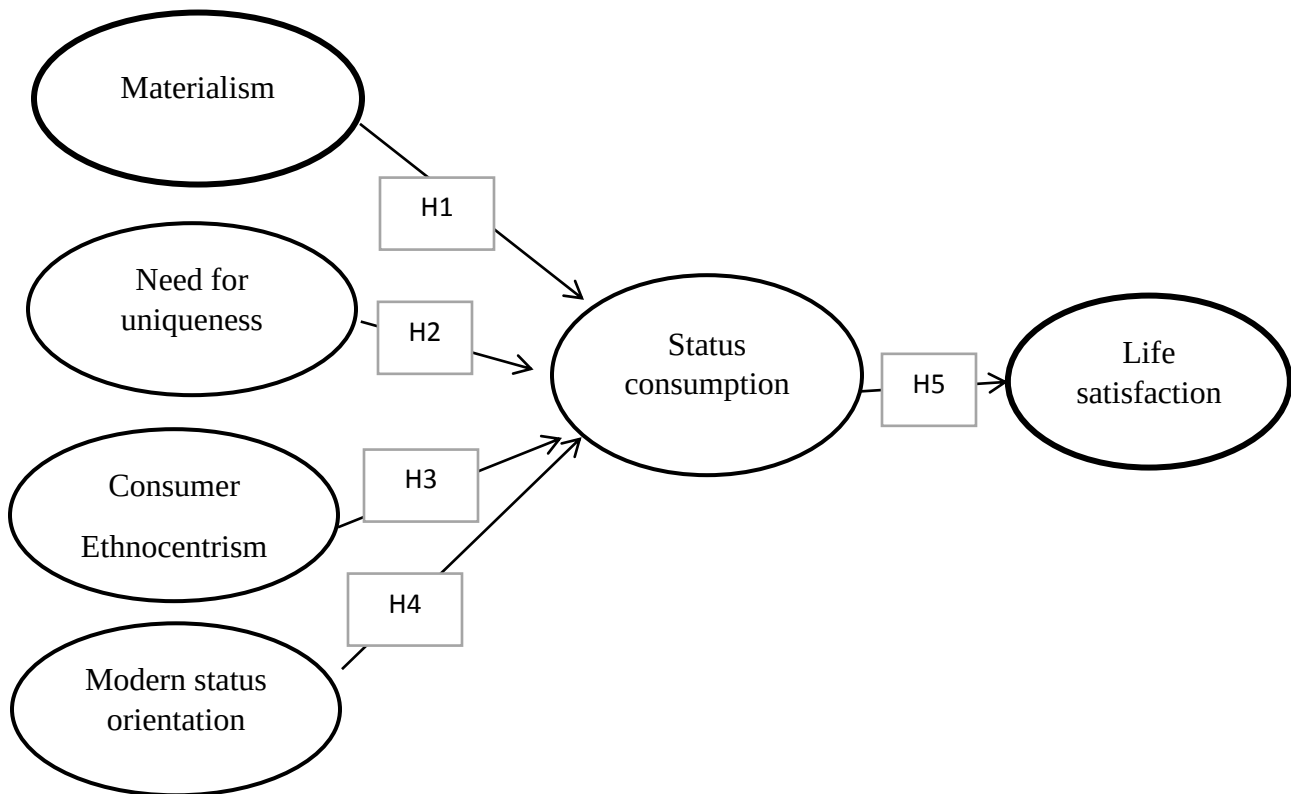
## **CHAPTER 3 RESEARCH MODEL AND HYPOTHESIS DEVELOPMENT**

### **3.1 INTRODUCTION**

The purpose of this chapter is to establish a conceptual framework of the literature in Chapter two (2); a conceptual model and set of critical hypotheses of the study are formulated for further empirical examination. A conceptual model describes the relationship between variables investigated in the study (Maziriri, Mapuranga & Madinga 2019). Besides, Maziriri et al. (2019) add that a schematic diagram of the conceptual model helps the reader to visualise the theorised relationships between the variables in the model, and thus to obtain a quick idea about how you think that the management problem can be solved. According to Maziriri, Mapuranga and Madinga (2018), the term predictor refers to a variable that can predict another variable, that is, the magnitude of the predictor (independent variable) can predict the magnitude of another variable (dependent variable). Figure 3.1 presents the conceptual model for the study, which contains the four predictors which are materialism; the need for uniqueness; consumer ethnocentrism and modern status orientation. Also, Maziriri (2018) used the term mediating variable to refer to a variable or set of variables in a chain of causation in which the mediating variable is the causal link between the independent and dependent variable of interest. The aim of mediating variables is to uncover causal pathways between variables that are often overlooked in the assessments of non-linear models Maziriri (2018). Figure 3.1 depicts status consumption as a mediating variable. Furthermore, Maziriri et al. (2018) also elucidate that a dependent or outcome variable is the variable under investigation and is depicted by the letter  $\gamma$ . It is always the predicted or the estimated variable (Maziriri et al., 2018). Therefore, as shown in figure 3.1 life satisfaction is the outcome variable.

A detailed discussion of the development of the study's conceptual model is presented. Relationships between variables are discussed under the following sub-headings: the importance of the relationship between the conceptualised variables in the hypotheses, an overview of related hypotheses between the variables, as well as its applicability to the current study.

### Conceptual model



**Figure 3.1: Research model**

**Source: Own Author**

Figure 3.1: Research model

Source: Own Author

## 3.2 HYPOTHESIS DEVELOPMENT

### 3.2.1 Materialism and status consumption

Materialism results in customers putting an uneven amount of their resources into purchasing goods and services. Undeniably, materialism can result in people creating debt to consume (Ponchio & Aranha, 2008). Vigneron and Johnson (2004) contended that materialists are associated with the need for prestige and status. Customers habitually look for information from others before they buy to lessen the risk of making uninformed decisions. Buyers are also

influenced by others when they look for approval for their buying, when they purchase what others buy to fit in or to be seen as a member of a certain social group, or when they look to show an image of themselves to others. Others link materialism to low self-esteem and insecurity (Kasser, 2016). The materialistic people are motivated by external rewards and praise; they are self-conscious and have a strong concern with how they appear to others (Kasser, 2016).

Kasser (2016:494) discovered a "positive relationship between materialism "behaviours and attitudes that are flavoured by hedonism, image and status values." A cluster of characteristics helps describe valuable, materialistic consumers who want to display status and use branded goods to do so. These statuses conscious and more materialistic consumers tend to buy more and spend more (Watson, 2003). Nevertheless, materialism and the tendency to consume for status is not the only characteristic of materialistic consumers' exhibit. Materialism has been shown to be related to brand engagement in self-concept (Sprott, Czellar, & Spangenberg, 2009), fashion involvement (Goldsmith, Flynn, & Clark, 2012b), family structure and compulsive buying (Rindfleisch, Burroughs & Wong, 2008), and general unhappiness (Kasser & Ahuvia, 2002) among others. Status consumption has been shown to be associated to market mavens (Goldsmith, Flynn, & Clark, 2012), price insensitivity (Goldsmith, Kim, & Flynn, 2010), fashion consciousness and susceptibility to interpersonal influence (Lertwannawit & Mandhachitara, 2012), opinion leadership and opinion seeking for fashion (Goldsmith & Clark, 2008), and counterfeit proneness (Sharma & Chan, 2011). Aside from the noted pathological outcomes such as compulsive buying and being fooled by counterfeit goods, these characteristics begin to describe an important group of normal consumers who use goods, particularly branded goods, to both show the world who they are and to make themselves feel more secure. They are looking to both express themselves and comfort themselves through branded consumer goods.

While materialism is noticeably related to increased intensity in consumer activity, such as spending (Fitzmaurice, 2008; Kasser, 2016; Ponchio & Aranha, 2008; Richins, 2011), other studies, such as that by Ahuvia and Wong (2002) implicate the formative influence of family and peers as contributors to materialism. For instance, Kashdan and Breen (2007) indicate that the well-documented relationship between materialism and subjective well-being is mediated by experiential avoidance, "the unwillingness to be in contact with negatively evaluated thoughts, feelings, and bodily sensations and strategic attempts to alter the form, frequency, or situations



that elicit these experiences even when this struggle causes harm" (Kashdan & Breen, 2007:522–523). Richins (2011) indicates that materialistic people seem to believe that purchasing goods will change their lives and that this mechanism partially explains why they buy so much. Ironically, Li, Patel, Balliet, Tov, and Scollon (2011) discover that satisfaction with life negatively influences materialism, which in turn, leads to negative attitudes toward marriage and subsequently toward having children. Besides, Wang and Wallendorf (2006) found that materialism is negatively related to satisfaction with status conferring products.

Given the above discussion, therefore there is a good reason to propose that:

***H1: There is a positive relationship between materialism and status consumption***

### **3.2.2 Need for uniqueness and status consumption**

Need for uniqueness and status consumption (NFU) permits people to enjoy improved self- and social-image. Consumers' image is enhanced within and outside through the use of products when they recognise some symbolic meanings in these products (Tian & Mckenzie, 2001). All people desire uniqueness to some extent. On one hand, some people desire to be just like everybody else, at the same time other, people want to be as different and distinct as possible. Given that belongings are often seen as part of the "extended self", one form of the expression of individuality and uniqueness is through the selection and use of products and brands. Roehrich, Spencey & Florence, (2002) suggested a connection between innovativeness and the need for uniqueness. From claims that the need for uniqueness pushes the person to distinguish himself/herself through the possession of rare items.

Roehrich, Spencer and Florence (2002) detected that people with high needs for uniqueness were more apt to adopt new products than were individuals with low needs for uniqueness. The need for uniqueness is, therefore, a credible antecedent of innovativeness. The need for uniqueness may manifest in the buying of fashionable goods. If people see themselves as having inadequate personal uniqueness, they will be encouraged to pursue activities such as buying fashionable clothing by designer labels, which may have the potential to rectify this undesirable situation. Additionally, people with stronger needs for uniqueness would be more likely to desire consumer choices which may be viewed as non-traditional, such as buying new fashion clothing from a

channel through which the need for uniqueness can be manifested (Roehrich, Spencer & Florence, 2002).

The need to be different is often a personal' motivation to counter conformance to societal norms. This deviation from the norm is viewed as an avenue for individuals to enhance their self-concepts through the utilisation of fashion clothing and possessions, especially those deemed scarce or rare (Tian *et al.*, 2001). Since designer labels are inherently scarce due to their high price and restricted distribution, they can become a tool to convey uniqueness (Bian & Forsythe, 2011). Earlier research outcomes show that NFU variables are positively correlated with domain status consumption (Roehrich, Spencer & Florence, 2002).

Having said that, the following hypothesis can be stated:

***H2: There is a positive relationship between the need for uniqueness and status consumption***

### **3.2.3 Consumer ethnocentrism and status consumption.**

Consumer ethnocentrism is defined as a "tendency to make normative judgments about the appropriateness of supporting the national economy by buying domestic-made products and not buying foreign-made ones" (Sharma, 2015:381). Many foreign brands and products, often from developed countries, are generally perceived to be of superior quality, and to carry significant prestige value (Klein *et al.*, 2006). The purchase and consumption of foreign luxury products could help confer status upon their owners, and status-enhancement is considered a primary motive driving the purchase of foreign products (Zhou & Hui, 2003).

Previous studies mostly have established that ethnocentric tendencies are negatively related to attitudes toward foreign products and purchase intentions (e.g Zafer & Uz Kurt, 2010; Sharma, 2015). It is predicted that consumers with a lower degree of consumer ethnocentrism, and who are more likely to show a preference for foreign products, tend to engage more in buying and consuming products for status. Thus, the following hypothesis is presented.

***H3: There is a positive relationship between consumer ethnocentrism and status consumption.***

### **3.2.4 Modern status orientations and status consumption**

Preceding research submits that consumers habitually regard foreign products as status symbols due to their perceived superior quality and image (Batra *et al.*, 2000; Ger, Belk & Lascu 1993). Usually, luxury Western products can help consumers claim a desirable status, prestige or "face" (Zhou & Belk, 2004). For example, in developing countries, many foreign brands enjoy an advantage due to their symbolic values (Mai & Smith, 2012.). Since foreign brands are often attached to luxury products, the high MSO consumers identified by Tambyah, Nguyen, and Jung (2009) seem particularly relevant for focus on foreign products. High MSO individuals place a high value on luxury objects, on being rich and wealthy, and on being talented enough to earn a high income. They believe their social status will be enhanced with the purchase and consumption of newly available products and brands, including those we would consider luxury products (Steenkamp, Hofstede, & Wedel, 2010).

Results from a contemporary study in Vietnam by Nguyen and Tambyah (2011) proposed that MSO was positively related to status consumption. Although status products could comprise some domestic items, most of them may be the imported ones. The writers, therefore, expect that high MSO consumers will tend to prefer and are more likely to engage in the purchase of foreign products. High MSO consumers are a particular demographic in South Africa. They are typically younger and more highly educated than the general population. Those attributes may partially explain why these individuals may not be strongly influenced by traditional values.

Additionally, these consumers, many of whom have more learned, are typically more receptive to new, international brand appeals and have more chances at international experiences, including consumption ones (Tambyah, Nguyen & Jung, 2009). Therefore, they are more likely to be influenced by modern lifestyles and should be more willing to purchase imported products.

Based on the above discussion, the following is hypothesised:

***H4: There is a positive relationship between modern status orientations and status consumption***

### **3.2.5 Status consumption and Life satisfaction**

Satisfaction refers to "consumer's degree of satisfaction with the consumption experiences related to luxury products, specifically with consumption for the sake of status" (Mai & Tambyah, 2011).

It is expected that those who hold higher tendencies to buy and consume products for status would have a stronger need for and place greater importance on the status and prestige that are associated with products. Since luxury products often convey high-status consumption (Mai & Tambyah, 2011; Supphellen & Rittenburg, 2001), it is anticipated that when consumers use the luxury products, their status would be enhanced thereby they are satisfied. Therefore, they would be happy about their luxury consumption experience. Accordingly, the more the consumer engages in owning and consuming status products, the more her/his status is promoted, and the more s/he is likely to enjoy the status products and has satisfied feelings.

Leelakulthanit *et al.*, (1991) investigated the influence that different domains of life had on an individual's satisfaction with life as a whole in a developing country. The results reveal that a person's satisfaction with material possessions had a positive effect on satisfaction with life as a whole because material possessions helped define who one was, how one was different from others, and what one had achieved.

Belk (2004) noted that luxuries were especially appealing and important to certain groups of customers. These consumers seemed to have stronger motivations and opportunities to engage in luxury consumption. Accordingly, they may show a strong commitment to consuming luxury goods and services as an important domain of their lives. Consumers' satisfaction with luxury consumption is expected to play a significant role in the overall satisfaction with life for certain groups of consumers. Accordingly, it can be predicted as follow that:

***H5: There is a positive relationship between status consumption and life satisfaction***

### **3.3 CHAPTER SUMMARY**

This chapter deliberated the empirical literature review of the conceptualised model for the research study that constitutes the dissertation. The review aimed to draw relevant insights for the development of a conceptual model of the study. It presented the relationship among variables that have been hypothesised in the conceptual model of the study. Further to that, the mediating influence of status consumption relationship is explored. Table 3.1 presents a summary of hypotheses for the study that constitute this thesis. Given the above insights and key conclusions

included by the research gap identified from the review of the literature in chapter 1, the next chapter presents the research design and methodology.

Table 3.1: Summary of hypotheses

## SUMMARY OF HYPOTHESIS

*Table 3.1: Summary of hypotheses*

| SUMMARY OF HYPOTHESIS |                                                                                                   |                                                                   |
|-----------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| No                    | Hypothesis Statement                                                                              | Hypothesized Relationship                                         |
| H1                    | <i>There is a positive relationship between materialism and status consumption</i>                | <i>materialism</i> → <i>status consumption (+)</i>                |
| H2                    | <i>There is a positive relationship between need for uniqueness and status consumption</i>        | <i>need for uniqueness</i> → <i>status consumption (+)</i>        |
| H3                    | <i>There is a positive relationship between consumer ethnocentrism and status consumption.</i>    | <i>consumer ethnocentrism</i> → <i>status consumption (+)</i>     |
| H4                    | <i>There is a positive relationship between modern status orientations and status consumption</i> | <i>modern status orientations</i> → <i>status consumption (+)</i> |
| H5                    | <i>There is a positive relationship between Status consumption and life satisfaction</i>          | <i>status consumption</i> → <i>life satisfaction (+)</i>          |

## **CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY**

### **4.1 INTRODUCTION**

Denzin and Lincoln (2000) and Creswell (2009) define the term 'research methodology' as a plan of procedures that directs carrying out an investigation. This part of the research proposal explores the research plan and procedure to be followed in conducting the study which includes the following: inspecting outline, data attaining methods and data analysis technique used by the study.

### **4.2 RESEARCH PHILOSOPHY**

Philosophy is a 'thinking action' that is expected to improve our understanding of the world and ourselves (Dibartolo, 2008). Philosophy gives a paradigm to deciding if advance has happened inside a given field or not and it encourages the capacity to express and bolster thoughts (Ramos, 2007; Dibartolo, 2008). Research philosophy is, in this manner, a conviction about how information about a phenomenon ought to be accumulated, analysed and utilised (Deleuze & Guattari, 2009; Antila, 2013). Positivism is the philosophical worldview that was deemed appropriate for this research.

#### **4.2.1 Positivism**

Positivism is noted in the observational writing to expect a relentless reality that can be evaluated and seen in an exhaustive and deliberate approach to create target information (Petty *et al.*, 2012). Positivism is rationally concerned about the achievement of learning, procured by acknowledged methodology, about noticeable phenomena (Johnston, 2016). As indicated by Polit and Beck (2006), an enquiry about the positivist paradigm is purposeful understanding of the causative agents of natural happenings. Sharing the same sentiments, Person (2010) expressed that the essential supposition of positivism is that there is a reality out there that can be investigated and known. There is a solitary substantial reality out there fragmentable into autonomous factors and procedures, any of which can be considered independently of the others (Lincoln & Guba, 2015). It is imagined that the positivist paradigm expects that nature is on a very basic level requested and standard and that objective reality exists autonomous of human investigation and can be determined (Persson, 2010).

The centrality of elucidating the paradigm with which the investigation is directed is that it empowers the reader to utilise reasonable criteria with which to decide the estimation of the examination (Trivial *et al.*, 2012). For example, since the present investigation is embracing a positivism paradigm, this should direct the reader to look at the examination regarding the stringent principles and techniques expected to make objective knowledge (Trivial *et al.*, 2012). For this situation, the unwavering quality and legitimacy of the estimation instruments would be essential.

#### **4.2.2 Deductive Approach**

The deductive approach is in-built from positivism (Guba & Lincoln 2014; Lee 1989; Yin, 2003) which is likewise sought after in the present investigation. As per Lee *et al.* (2014), deductive methodologies include the utilisation of theories into practice. Henwood and Pidgeon (2003) declare that a deductive approach accentuates the common laws and results on an expressive system which expect a practical ontology; implying that reality comprises a universe of objectively defined fact. Causation is frequently considered as a connection that holds between substances on the planet, self-ruling of our impression of it (Persson, 2010). In a deductive approach, the analyst starts with a reasonable model, a sensible relationship among variables, then continues towards concrete observational proof (Neuman, 2007).

#### **4.2.3 Quantitative research**

The positivist paradigm and deductive approach are related to quantitative research (Polit & Hungler, 2015). Quantitative research utilises strategies that join solid determinations of the specific phenomenon being researched (Westerman, 2014). It is an approach that utilises methods and procedures to gather data and does this under controlled conditions using objectivity through statistical examination (Polit & Hungler, 2015). Quantitative research is in this manner expected to be a goal, strict, precise strategy in which numerical information is utilised to evaluate a phenomenon and to create outcomes (Carr, 2004; Yoshikawa, Weisner, Kalil & Way, 2008). It clarifies tests and studies, circumstances and results (Consumes & Forest, 2007) as well as testing hypotheses deductively from existing information, through creating hypothesised estimated connections and proposed results for the research. Deducing from the aforementioned explanations, the researcher opted for a quantitative research approach because it enhances the

accuracy of results through statistical analysis and avoids the elements of subjectivity associated with the qualitative approach.

### **4.3 Research Design**

Zikmund *et al.*, (2010) says that research design is an all-inclusive strategy that determines the techniques and methodology for gathering and investigating the required data. It is regularly alluded to as the strategy, the design, and the structure of directing an investigation (Mouton, 2006; Carriger, 2000). Also, research design tries to answer these inquiries - is the exploration outline dependable, feasible and precisely cleared up – as such, is it coherent? The research design must be executed on these grounds: the research design will acquire fitting confirmation and it will do such with the utmost effectiveness to secure useable, impartial and exact responses to the research questions (Hair *et al*, 2003). Normally, a decent research design incorporates, among others, how information is to be obtained; what instruments will be utilised; how the instruments will be used and the planned means for examining information gathered (Santy & Kneale, 2008). As previously mentioned, research design comprises sampling design, instrument design, and information accumulation strategy and information investigation approach.

#### **4.3.1 Sampling design**

While setting up a sampling design, it is essential to decide to what degree the design will impact the reliability of the outcomes and whether this will be sufficient to warrant concern over the trustworthiness of the work or whether the outcomes will be viewed as critical (Santy *et al.*, 2008). This investigation is vital since an incorrect sampling design may prompt the procurement of conflicting outcomes sought after by wrongful elucidation which may deliver unfortunate results. A sampling design ought to be simple to execute, efficient and be appropriate (Grafstrom, 2010). It ought to be correct and any current supporting data about the populace must be considered since the data may be utilised to essentially alter, if not to make a more proper plan (Grafstrom, 2010). In this examination, the sampling design centred around four elements: target population, sampling design, sample size and sampling method.



#### **4.3.1.1 Target population**

The target population is defined as to the whole group of people under examination (Burns & Bush 2002; Sin, Cheung & Lee, 2009). The selecting population of the study is important for the setting up and running of the empirical test (Klein & Meyskens, 2001). When characterising the target population, a scholar ought to demonstrate the attributes of the target population that applies specifically to the investigation. In this research, the target population was composed of Generation Y cohort students at an institution of higher learning in Gauteng Province, South Africa and Wits University formed the unit of analysis. The Witwatersrand University is a multiracial institution of higher learning, with students both local and from beyond the borders of South Africa. This provides a generalisation of outcomes, given different and economic backgrounds of the youth under investigation.

#### **4.3.1.2 Sample Frame**

A sample frame can be described as a determination of subjects from a general population that has been unmistakably characterized (Santy *et al.*, 2008). It alludes to the investigated surrounding (Pedhazur & Schmelkin, 2001) and the subjects utilised as a part of the investigation (Yang *et al.*, 2006). Enrolled students at the University of the Witwatersrand was the focus here. The University of the Witwatersrand was deemed to give a sizable required sample size.

#### **4.3.1.3 Sample size**

The sample size refers to the number of components to be incorporated into the investigation. A decent sample has two possessions: representativeness and sufficiency (Singh, 2006). When endeavouring to draw a sample, it is essential to recognise the greatest point between the expenses and adequacy of the sample size (Yang *et al.* 2006). As indicated by Randall and Gibson (2010), the sufficiency of the sample size is controlled by specific parts of the investigation, for example, how respondents are chosen, the developments under examination, the method of reasoning behind the exploration and also, the proposed procedures of information investigation. The sample size impacts the precision of estimation (Pedhazur *et al.*, 2001), however, large sample size can help limit mistakes and enhance generalisability of research discoveries (Yang *et al.* 2006).

Deciding the sample size is an essential part of any empirical research study (Kunene 2008). Morrison (2013) declares that the nature of the study is dictated by not just the appropriateness of the procedure and instrumentation, but suitability by the propriety of the sampling method that has been accepted. In this present investigation, this study adopted the rule of thumb from Schreiber (2008) that states that a research survey consisting of 45 items will result from a minimum of 450 respondents for 10 respondents per item. Since this study has a total of 34 items, then the study came up with a sample size of 340, given the ratio of 1: 10 respondents per item. To be sure and precise, this study aimed at 350 respondents, to adequately satisfy the rule of thumb and cater for non-respondents.

#### **4.3.1.4 Sampling method**

Research objectives and inquiries regularly decide the sampling frame concerning who or what to test, prompting two distinct examining systems i.e. probability and non-probability sampling (Palys, 2007). Santy *et al.* (2008) say the motivation behind any sampling method is to separate a sample from the population with a specific end goal, to sum up, the outcomes to the whole population. Non-probability sampling derives its control from the judgement of the investigator (Zikmund & Babin, 2010b:426). Malhotra (2010:377) added that non-probability sampling cases are selected based on availability and interviewer judgement. Non-probability sampling has its strength in the area of convenience (Malhotra, 2010:377). The methods of non-probability sampling are convenience samples, judgement samples, quota samples and referral sampling (Zikmund & Babin, 2010b:426).

Non-probability, convenience sampling was used in this study. This type of sampling aims to obtain a sample of convenient elements quickly and inexpensively (Malhotra, 2010:377). Convenience sampling, also known as accidental sampling, is a type of non-probability sampling where members of the target population who meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the study (Dornyei, 2007). Subjects are chosen simply because they are easy to recruit. This technique is considered easiest, cheapest and least time consuming (Given & Lisa, 2008).

#### 4.4 QUESTIONNAIRE DESIGN

In any research you might think about, theoretical variables that are estimated are the deciding factors for the decision of estimation technique (Fagarasanu & Kumar, 2002). Given the type of research, it is suitable to utilise a self-administered survey questionnaire as a strategy for gathering information (Fagarasanu & Kumar, 2002). Even though these are complicated estimation instruments, they are favourable in that they permit control over the outflow of inquiries, guarantee secrecy and give a snappy and simple method for gathering information (Fagarasanu & Kumar, 2002).

In planning a survey questionnaire, this must be used in conditions that are reasonable since these variables impact a respondent's conduct and participation and through this, the outcomes (Fagarasanu & Kumar, 2002). The quality of the investigation is impacted by the estimation of things that are utilised (Fagarasanu & Kumar, 2002). As indicated by Scholtes, Terwee and Poolman (2011), the prominence of an estimation item is exhibited by three components, to be specific, reliability, validity and responsiveness. Notwithstanding, even when a measurement item appears to be superior in terms of the aforementioned factors, it may not be applicable or practical to use in every study (Fullerton, 1993).

The employed measurement instrument consists of seven sections, of which six involve measuring each of the six constructs respectively. Section A requires that respondents fill in their background information. Section B, C, D, E, F and G will focus on materialism; the need for uniqueness; consumer ethnocentrism; modern status orientation; status consumption and life satisfaction, respectively. The research variables were operationalized as per the previous research. Appropriate changes were made with a specific goal to fit the present inquire about setting and purpose (Fagarasanu & Kumar, 2002). A seven-item scale was adopted from Eastman, Freudenberger, Campbell and Calvert (1997:52) to measure 'materialism' and a five-item scale was adopted from Abdolvand and Reihani (2013:1012), to measure 'need for uniqueness'. A 10 item scale was adopted from Shimp and Sharma, (1987) to measure 'consumer ethnocentrism', while a five-item scale was adapted from Tambyah, Nguyen, and Jung, (2009) and used to measure 'modern status orientation'. A five-item scale was adopted from Lantz, *et al.*, (2002); Supphellen and Rittenburg, (2001) to measure 'status consumption' and lastly, 'life satisfaction', was measured using a three

instrument scale adapted from Buetell, (2006). All scale items were measured on a five-point Likert scale which was anchored by 1=strongly disagree to 5= strongly agree to express the degree of agreement.

#### **4.5 DATA COLLECTION PROCESS**

When carrying out an investigation, it is crucial to get honest and reliable data about the phenomena being studied. It is essential that all information collection techniques, from the least difficult to the most complex, be dealt with steadiness and respect. Inquiries, observation sessions and different activities must be composed fastidiously to guarantee that the information to be gathered is noteworthy (Lethbridge, Sim & Singer, 2005). Lethbridge *et al.*, (2005) says that the decision of the information gathering method ought to be done with regards to the examination objective or question. Three issues ought to be well thoroughly considered while choosing a method, that is, the level of access to information gathering accessible to the researcher, amount of information required and the kind of research question (Lethbridge *et al.*, 2005). The decision of the method must be precisely and thoroughly considered as it will impact the appropriate responses that are to be gained (Tourangeau & Smith, 2006).

The survey technique for information accumulation (questionnaire) was embraced in the present inspection and a self-administered questionnaire was composed and utilised. The technique was chosen attributable to the points of interest previously mentioned. As indicated by Cohen *et al.* (2007), there are two self-administered questionnaires: those that are completed in the company of the researcher and those that are attended to when the researcher is not present. In this study, the latter approach was adopted. Aides were utilised for the assignment of gathering information. While questionnaires were completed in the absence of the researcher, enumerators were given training and guidelines preceding gathering the information.

#### **4.6 DATA ANALYSIS APPROACH**

Data analysis is done after the information is gathered, coded and adjusted for mistakes. Descriptive statistics were performed utilising SPSS statistical software, thereafter the structural equation modelling was done to assess the model fit, reliability and validity of the measurement instruments before the path analysis was performed to test the hypotheses.

#### **4.6.1 Descriptive analysis using Statistical Package for the Social Sciences (SPSS)**

To aid comprehension of the aspects of every factor, descriptive statistics were used which is illustrated by the mean and standard deviation of each factor. This method was embraced with the utilisation of a program known as SPSS. SPSS is a 'wrap up' of programs for controlling, analysing and showing information (Landau & Everitt, 2004).

##### **4.6.1.1 Structural Equation Modelling (SEM)**

Structural equation modelling (SEM) was employed in the current study to analyse data. Structural equation modelling has become an admired statistical technique to test the theory in several fields of knowledge (Hair, Anderson, Tatham & Black 2008; Schumacker & Lomax 2004). Qureshi and Kang (2014) describe SEM as "a multivariate, statistical technique largely employed for studying relationships between latent variables (or constructs) and observed variables that constitute a model". Additionally, it is, according to Bollen (2009) and Grace (2006), a statistical method with which a researcher can create theoretical concepts and validate proposed causal relationships through two or more structural equations. It is recognized as being similar to regression analysis but more predominant in that it assesses the causal relationships among constructs while concurrently accounting for measurement error (He, Gai, Wu & Wan 2012; Sarstedt, Ringle, Smith, Reams & Hair, 2014). SEM's ability to address numerous modelling difficulties, the endogeneity among constructs and composite underlying data structures found in various phenomena (Washington, Karlaftis & Mannering, 2003) can be assumed to be part of the reason for its popularity. SEM is fundamentally a framework that involves concurrently solving systems of linear equations and includes procedures such as regression, factor analysis and path analysis (Stein, Morris & Nock, 2012). According to Anderson and Gerbing (2008), Hair *et al.* (1998), structural equation modelling is carried out in a two-stage approach: the first phase is conducted to evaluate the satisfactoriness of the measurement model. In this stage, both construct reliability and item reliability are examined (Nusair & Hua, 2010). Once the reliability of the scale has been ensured, the construct validity using convergent validity and discriminant validity is inspected before measurement model assessment and finalisation. In the second stage, the structural model is examined. The general model fit in both measurement and structural model is examined using goodness-of-fit indices including, CFI, NFI, TLI, RFI, IFI and RMSEA (Bone, Sharma & Shimp,

2009; Hair *et al.*, 2008). The first stage is identified as incorporating a procedure known as Confirmatory Factor Analysis (CFA) while stage two is known to include multiple regression and path analysis (Chen, Zhang, Liu & Mo, 2011) while that of path analysis is to investigate causal relationships among unobserved variables (Nusair *et al.*, 2010).

Auxiliary condition demonstrating (SEM) was utilised in the present examination to analyse information. Auxiliary condition demonstrating has turned into a respected measurable strategy to test hypotheses in a few fields of information (Hair, Anderson, Tatham & Dark 2008). Qureshi and Kang (2014) depict SEM as "a multivariate, factual procedure generally utilized for contemplating connections between inactive factors (or develops) and watched factors that constitute a model". Also, it is as indicated by Bollen (2009) that it is a measurable strategy with which a specialist can make hypothetical ideas and approve proposed causal connections through at least two auxiliary conditions. It is perceived as being like relapse investigation yet more transcendent in that it evaluates the easy-going connections among variables while simultaneously representing estimation mistakes (He, Gai, Wu & Wan, 2012; Sarstedt, Ringle, Smith, Reams & Hair, 2014). SEM's capacity to address various displaying challenges, the endogeneity among variables and composite hidden information structures found in different areas (Washington, Karlaftis & Mannering, 2003) can be thought to be a part of the explanation behind its fame.

#### **4.6.2 Measurement Model Assessment**

##### **4.6.2.1 Reliability and Validity tests of measurement scales using SPSS**

Both reliability and validity identify with the rationale and exactness of a test (Wilckens, 2010). Reliability requires better practically identical trials, whilst validity makes the inquiry if the examination is tailored to appropriately answer the inquiries being asked; i.e. if the investigation is substantial in sensible terms (Wilckens, 2010). As indicated by Fornell and Larcker (2001) and Hair *et al.* (2008), reliability is estimated at two levels: item reliability and construct reliability. Item reliability passes on the amount of variance in an item due to an underlying construct rather than to error and can be obtained by squaring the factor loadings (Chau, 2007). Construct reliability identifies with the degree to which the estimation scale mirrors a fundamental factor (Nusair *et al.*, 2010).

There are various types of validity (Nusair *et al.*, 2010) however; the current study placed the focus on convergent validity. The present investigation analysed and developed reliability specifically through conducting a Cronbach alpha test. Cronbach alpha of a variable is measured through the use of SPSS (Bryman *et al.*, 2003). A general rule of thumb when reliability is not satisfactory is to eliminate one item or more from the scale (Bryman *et al.*, 2003). Having verified that the instrument meets the required level of reliability, the subsequent stage was to survey the estimation scale's validity. Scale's validity alludes to how much an arrangement of estimation things genuinely mirrors the idea of intrigue (Hair *et al.*, 2008). There are different kinds of validity (Nusair *et al.*, 2010), however, the present examination put the attention on convergent and discriminant validity. Convergent validity was analysed and inspected by observing the inter-correlation between measurement items and the particular research construct. Discriminant validity was investigated by observing the construct correlation matrix.

#### **4.6.2.2 Measurement Model Assessment: Confirmatory Factor Analysis (CFA) with AMOS Statistical Software**

Confirmatory factor analysis is an analytical tool that allows the investigator to explore hypotheses about what constructs the test in question is measuring and it provides an empirical basis for scientific interpretation (Burton, Ryan, Axelrod, Schellenberger & Richards, 2003). In CFA, the researcher specifies a particular number of constructs which are correlated and observed variables measure each construct (Schumacker *et al.*, 2004). Therefore, in the data analysis conducted in the current study, the model specification was carried out as the first procedure in CFA. This procedure entailed identifying the set of relationships intended to be tested and determined how to specify constructs within the model (Nusair *et al.*, 2010). Having specified the model, the next step was a model modification (Chen *et al.*, 2011). This implies that if the variance-covariance matrix approximated by the model did not sufficiently replicate the sample variance-covariance matrix, the model would have to have been improved and re-examined on the condition that the model is made to be identifiable (Nusair *et al.*, 2010). From henceforth, the model fit was evaluated. The purpose of this procedure was to assess the degree to which the proposed theoretical model was validated by the sampled data (Nusair *et al.*, 2010). Model fit is evaluated by examining the model fit indicators such as Chi-square/degrees of freedom (Chen & Lin, 2010) and 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 the Random Measure of Standard Error Approximation (RMSEA), as recommended by Hair *et al.*, (2008).

#### **4.6.2.3 Reliability and Validity tests in CFA**

Once an appropriate overall fit is established, the following step is to assess Bone *et al.*'s (1989) reliability and validity, under the guide of previous literature (Byrne, 2014). In the current study, the standardised regression weights generated using the AMOS statistical software were used to generate the composite reliability values. A provided formula was used to calculate the composite reliability for each construct using standardised regression weights. Discriminant validity was assessed using the Average Variance Extracted (AVE) values for each constructed compared to the shared variance. Again the standardised regression weights were used to calculate AVE using a formula provided.

#### **4.6.2.4 Structural /Path Modelling**

The next stage of data analysis using SEM involved path analysis (Stein *et al.*, 2012). Path modelling describes the relationships between observed or measured variables and theoretical constructs (Roche, Duffield & White, 2011) and tests the structural paths of the conceptualised research model (Anderson *et al.*, 1988). This SEM procedure is carried out to demonstrate and test the theoretical underpinnings of the study and the significance of the relationships between constructs (Jenatabadi *et al.*, 2014). The study's structural model was evaluated by examining the p-values as well as standardised regression coefficients (Matzler & Renzl, 2006). In conducting path modelling, a particular responsibility is to explain standardised regression coefficients as well as the predictive ability (Wu, 2010).

### **4.7 ETHICAL CONSIDERATIONS**

Ethical consideration alludes to the assurance of the members' rights, getting educated assent and the institutional audit procedure of the moral endorsement (Klopper, 2008). Protection of human rights of the respondents involves the privilege to security, the privilege to self-assurance, the privilege to reasonable treatment, appropriate to self-rule and secrecy, the privilege to insurance from distress and damage and additionally acting in compliance with common decency by



disclosing to respondents all data that is applicable. The researcher acquired informed consent from the respondents.

Besides, the researcher clarified the motivation behind the research and members were assured of anonymity. For this reason, the researcher obtained the necessary ethics clearance from the School's Ethics Committee as well as the necessary authorisation from the University of the Witwatersrand - where the research was carried out.

#### **4.8 CHAPTER SUMMARY**

In conclusion, this chapter presented the research design and methodology outline. In particular, an associated research design was accredited to make sure the achievement of the goal and objectives of the study is conducted. The statistical technique used was the Structural Equation Modelling (SEM) - where Partial least squares software was used to assess both validity and reliability. The path modelling assessment was also conducted using Amos software. The account on how thresholds were met, coupled with their ultimate interpretations of the data, was all thoroughly explained. To zero in, it may be detailed that the research design and linked methodologies were established to attain reliable and valid data to understand the motivational factors influencing status consumption and life satisfaction. In the next chapter, Chapter Five, the findings of the analysed empirical data are described in detail to provide the empirical research result.

## **CHAPTER 5 RESULTS ANALYSIS AND DISCUSION**

### **5.1 INTRODUCTION**

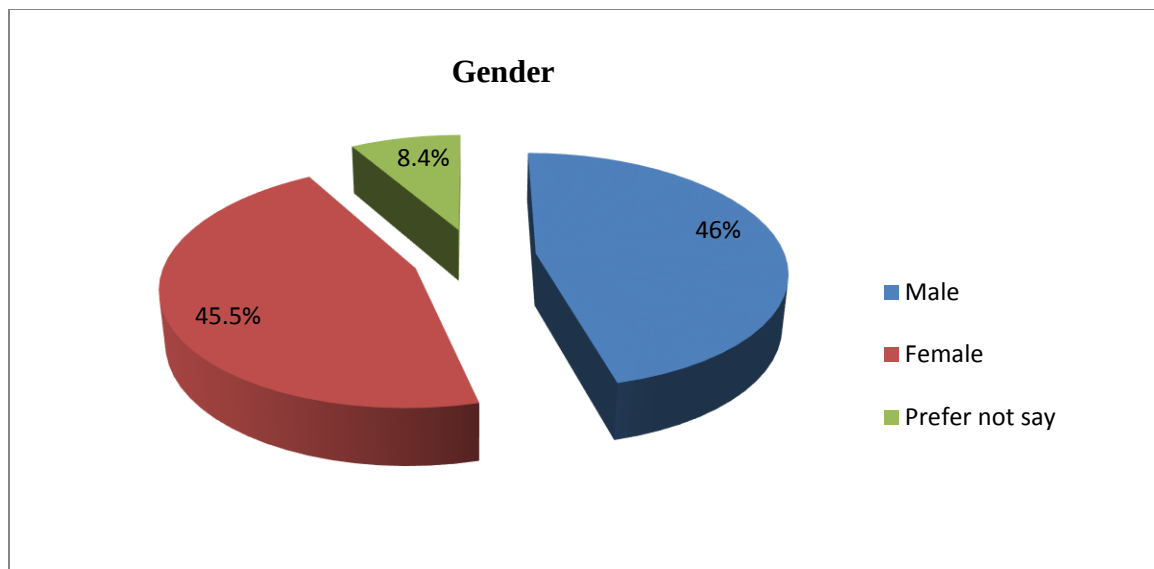
The previous chapter presented the research design and methodology of the study, including the entire research process. The fifth chapter of this study contains the analysis and presentation of the field work, demographic data of respondents and the information corrected on the variables making up the research model which includes materialism; need for uniqueness; consumer ethnocentrism, modern status orientation; status consumption and life satisfaction. The other sections present descriptive statistics, correlation analysis, reliability analysis, confirmatory factor analysis. The structural equation modelling was carried out to test the existence of the stated relationships. Furthermore, results are discussed.

### **5.2 DEMOGRAPHIC DATA OF RESPONDENTS**

Demographic information shows the socio-economic description of the members involved in the research, which is referred to as the classification of data (Malhotra 2010:350). The data collected is presented by means of tables and pie charts. Section A of the survey questionnaire is made up of demographic data of the sample, which elicited information about gender; age, level of education, occupation, monthly income and favorite brand of phone. Each of features are discussed below.

#### **5.2.1 Gender composition**

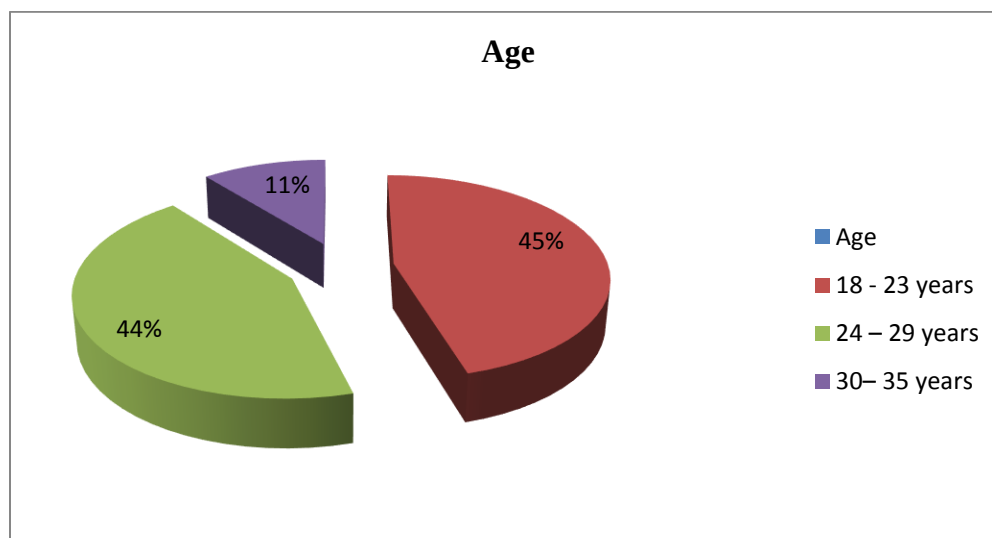
In terms of gender composition of the respondents, 46% (N=115) were males followed by 45.5% (N=114) and 8.4% did not prefer to divulge their sexual orientation. This can be illustrated by the figure 5.1 and in table 5.1 below.



**Figure 5.1: Gender composition**

### 5.2.2 Age

Most of the respondents interviewed 46% (n=115) were 18-23 years of age, closely followed by 43.6 % (n=109) who showed being 24-29 years of age, then followed by 10.8 % (n=27) were 30-35 years of age. This is depicted in table 5.2 below.



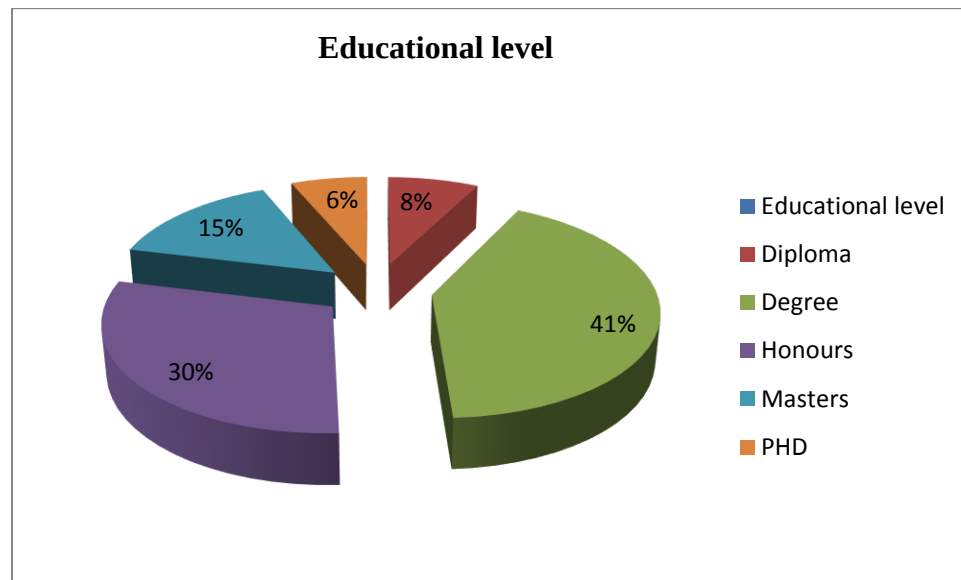
**Figure 5.2: Age**

### 5.2.3 Educational level

In terms of educational level, the majority of the respondents revealed that they had degrees 41.6 % (n=104). This was then followed by those who indicated that they were holders of honours degrees 29.6% (n=74). Additionally, 14.8% percent (n=37) exposed that their highest level of education was master's degree. Moreover, 6.4 percent (n=16) of the respondents showed that they were holders of PhD degrees. This has been illustrated in table 5.1 and figure 5.3 respectively.

**Table 5.1: Educational level**

|       |         | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | Diploma | 19        | 7.6     | 7.6           | 7.6                |
|       | Degree  | 104       | 41.6    | 41.6          | 49.2               |
|       | Honours | 74        | 29.6    | 29.6          | 78.8               |
|       | Masters | 37        | 14.8    | 14.8          | 93.6               |
|       | PHD     | 16        | 6.4     | 6.4           | 100.0              |
|       | Total   | 250       | 100.0   | 100.0         |                    |



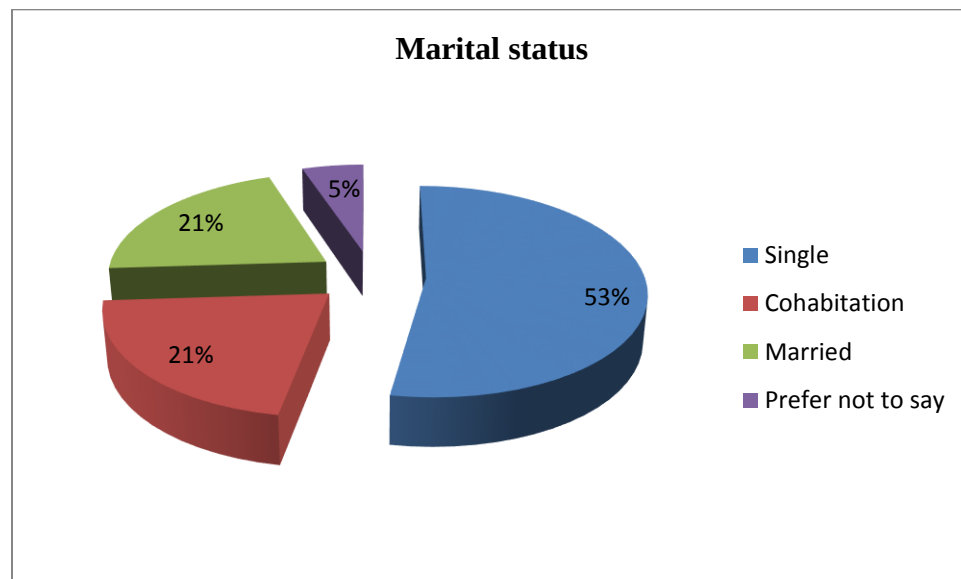
**Figure 5.3: Educational level**

#### 5.2.4 Marital status

About 52.8% (N=132) attested that they are single; followed by those who are cohabiting 22.8%; married 20.4% (N=51) and 5.2 % (N=13) did not prefer to say their household composition. This is shown in figure 5.4 and in table 5.2 respectively.

**Table 5.2: Marital status**

|       |                   | Frequency | Percent | Valid Percent |
|-------|-------------------|-----------|---------|---------------|
| Valid | Single            | 131       | 53      | 53            |
|       | Cohabitation      | 53        | 21.2    | 21.2          |
|       | Married           | 53        | 21.2    | 21.2          |
|       | Prefer not to say | 13        | 5.2     | 5.2           |
|       | Total             | 250       | 100.0   | 100.0         |



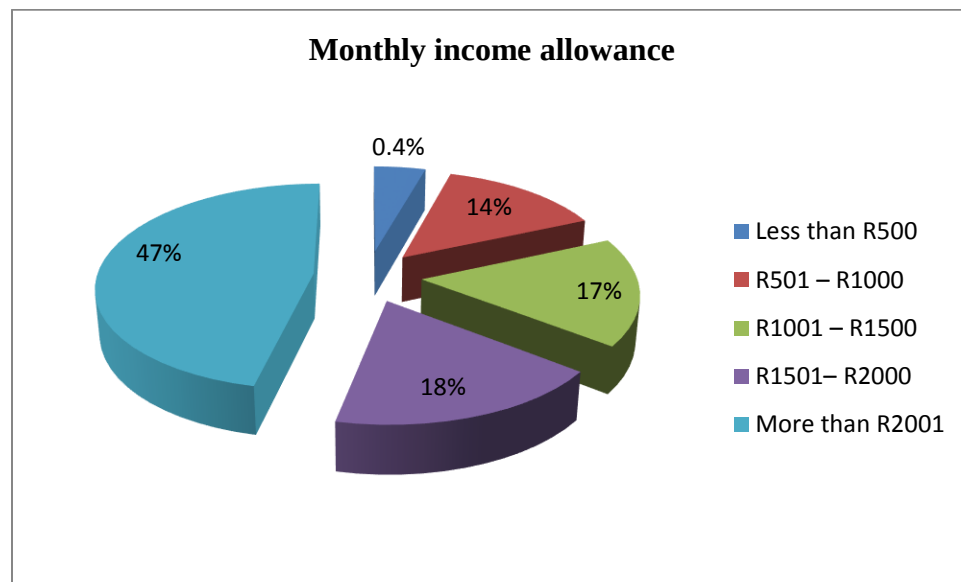
**Figure 5.4: Marital status**

#### 5.2.5 Monthly allowance

As illustrated in table 5.3 and figure 5.5, monthly allowance of the students who were interviewed attested that most respondents received more than R2001- R2500 6.4% (N=116), followed by those with a range of R15001-R2000, about 18% (N=45), R1001 – R1500 were about 18% (N=42).

**Table 5.3: Monthly allowance**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Less than R500 | 11        | 4.4     | 4.4           | 4.4                |
|       | R501 – R1000   | 35        | 14.0    | 14.0          | 18.4               |
|       | R1001 – R1500  | 42        | 16.8    | 16.8          | 35.2               |
|       | R1501– R2000   | 45        | 18.0    | 18.0          | 53.0               |
|       | R2001-R2500    | 116       | 46.4    | 46.4          | 100.0              |
|       | Total          | 250       | 100.0   | 100.0         |                    |



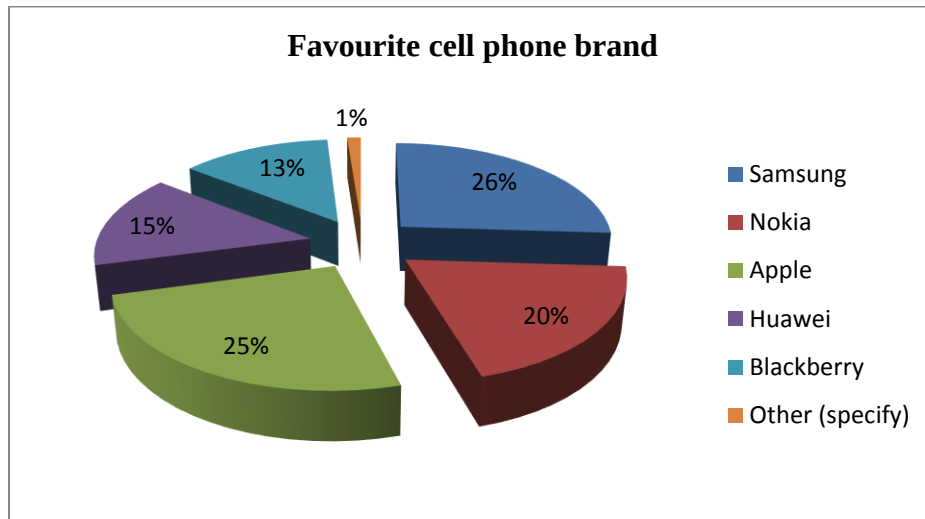
**Figure 5.5: Monthly allowance**

#### **5.2.6 Favorite cellphone brand.**

In term of the favorite brand 26% (N=65) favoured Samsung, 25.2% (N=63) favoured an Apple, followed by those whose favorite brand were Nokia with 19.6 % (N=49), Hauawei 14.8% (N=37), Blackberry had 13.2% (N=33) and lastly, others with 1.2% (N=3). This is depicted by figure 5.6 below.

#### 5.4: Favorite cellphone brand.

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Samsung         | 65        | 26.0    | 26.0          | 26.0               |
|       | Nokia           | 49        | 19.6    | 19.6          | 45.6               |
|       | Apple           | 63        | 25.2    | 25.2          | 70.8               |
|       | Huawei          | 37        | 14.8    | 14.8          | 85.6               |
|       | Blackberry      | 33        | 13.2    | 13.2          | 98.8               |
|       | Other (specify) | 3         | 1.2     | 1.2           | 100.0              |
|       | Total           | 250       | 100.0   | 100.0         |                    |



**Figure 5.6: Favorite cellphone brand.**

The majority of the respondents 26% (N=65) favoured Samsung brand, followed by Apple 25% (N=63), Nokia 20% (N=49), Huawei 15% (N=37) and 13% blackberry (N=33) and others 1% (N=3).

### 5.3 DESCRIPTIVE STATISTICS OF THE CONSTRUCTS

The mean is the average score that is, all the scores are added up then divided by the number of scores (Wilson & MacLean 2011:286). According to Van Deventer (2013:96), it is calculated by adding the values for all the observations for a specific variable and dividing the resultant sum by the number of observations. On the other hand, Norusis (2012:499) describes standard deviation as the square root of the average of squares of deviations, when such deviations for the values of individual items in a series are obtained from the arithmetic average. A representation of how far the values are, on average, from the mean, is given by the standard deviation (Remler & Van Ryzin 2011:253). For instance, the highest standard deviation occurred on the Materialism variable (SD=1.110), indicating a greater dispersion of responses or greater data spread around the arithmetic mean for that construct. On the contrary, the lowest dispersion of responses was recorded along the Life satisfaction (SD=0.956), on which the lowest standard deviation results were reported. Therefore, the mean value for all the constructs ranged between three and four indicating that the majority of the respondents had either a neutral standpoint ('3' on the Likert scale) or they agreed ('4' on the Likert scale) with the statements provided. The standard deviation specifies the extent to which the respondents deviated from the mean. Preferably, this value should be less than 1 but is recommended to at least encompass a value of less than 2 to ensure that there is not an issue of outliers (Drost, 2011). However, as seen in the descriptive statistics tables below (Table 5.7; 5.8; 5.9; 5.10; 5.11 and 5.12), all the constructs have standard deviations which are above 1 but still substantially below 2.

**Table 5.5: Analysis for the descriptive statistics for the sample (Materialism)**

| Item | Valid N | Mean | Minimum | Maximum | Std. Deviation |
|------|---------|------|---------|---------|----------------|
| M1   | 250     | 3.36 | 1       | 5       | .956           |
| M2   | 250     | 3.71 | 1       | 5       | 1.060          |
| M3   | 250     | 3.77 | 1       | 5       | 1.042          |
| M4   | 250     | 3.83 | 1       | 5       | 1.110          |
| M5   | 250     | 3.91 | 1       | 5       | 1.085          |
| M6   | 250     | 4.09 | 1       | 5       | .974           |
| M7   | 250     | 3.65 | 1       | 5       | .954           |



Need for uniqueness, had the highest mean score of 4.01 (Item NU5) and the lowest mean score was 3.31 (Item NU1) giving a range of 0.95. The standard deviation ranged between .976 and 1.032. The lowest mean 3.31 (Item NU1) indicated that most of the respondents admitted that they had a need for uniqueness.

**Table 5.6: Analysis for the descriptive statistics for the sample (Need for uniqueness)**

| Item | Valid N | Mean | Minimum | Maximum | Std. Deviation |
|------|---------|------|---------|---------|----------------|
| NU1  | 250     | 3.31 | 1       | 5       | .976           |
| NU2  | 250     | 3.70 | 1       | 5       | .983           |
| NU3  | 250     | 3.91 | 1       | 5       | .971           |
| NU4  | 250     | 3.79 | 1       | 5       | 1.032          |
| NU5  | 250     | 4.01 | 1       | 5       | 1.004          |

Consumer Ethnocentrism variable had the highest mean score of 3.98 (Item CE1) and the lowest mean score was 3.42 (Item CE2). The standard deviation ranged between .916 and 1.085. The lowest mean 3.42 (Item CE2) indicated that consumers wanted products that need to be produced locally, while results from this highlighted the fact that the highest mean score was 4.398 (Item CE1). Most of the respondents admitted that the goods produced locally were good.

**Table 5.7: Analysis for the descriptive statistics for the sample (Consumer Ethnocentrism)**

| Item | Valid N | Mean | Minimum | Maximum | Std. Deviation |
|------|---------|------|---------|---------|----------------|
| CE2  | 250     | 3.98 | 1       | 5       | .969           |
| CE3  | 250     | 3.42 | 1       | 5       | .942           |
| CE4  | 250     | 3.67 | 1       | 5       | .939           |
| CE5  | 250     | 3.75 | 1       | 5       | 1.024          |
| CE6  | 250     | 3.73 | 1       | 5       | .996           |
| CE8  | 250     | 3.79 | 1       | 5       | .998           |
| CE9  | 250     | 3.75 | 1       | 5       | .916           |

|      |     |      |   |   |       |
|------|-----|------|---|---|-------|
| CE10 | 250 | 3.80 | 1 | 5 | 1.085 |
|------|-----|------|---|---|-------|

Modern status orientation had the highest mean score of 4.16 (Item MSO4) and the lowest mean score was 3.62 (Item MSO1). The standard deviation ranged between .880 and 1.024.

**Table 5.8: Analysis for the descriptive statistics for the sample (Modern status orientation)**

| Item | Valid N | Mean | Minimum | Maximum | Std. Deviation |
|------|---------|------|---------|---------|----------------|
| MSO1 | 250     | 3.62 | 1       | 5       | .880           |
| MSO2 | 250     | 3.92 | 1       | 5       | .897           |
| MSO3 | 250     | 4.07 | 1       | 5       | .933           |
| MSO4 | 250     | 4.16 | 1       | 5       | .974           |
| MSO5 | 250     | 3.76 | 1       | 5       | 1.024          |

Status consumption had the highest mean score of 4.03 (Item SC5) and the lowest mean score was 3.60 (Item SC1). The standard deviation ranged between .913 and 1.019.

**Table 5.9: Analysis for the descriptive statistics for the sample (Modern status orientation)**

| Item | Valid N | Mean | Minimum | Maximum | Std. Deviation |
|------|---------|------|---------|---------|----------------|
| SC1  | 250     | 3.60 | 1       | 5       | .961           |
| SC2  | 250     | 3.95 | 1       | 5       | .913           |
| SC3  | 250     | 3.96 | 1       | 5       | 1.019          |
| SC4  | 250     | 3.89 | 1       | 5       | .957           |
| SC5  | 250     | 4.03 | 1       | 5       | .954           |

Life satisfaction had the highest mean score of 3.98 (Item LS3) and the lowest mean score was 3.32 (Item LS1PC1). The standard deviation ranged between .966 and 1.146.

**Table 0.10: Analysis for the descriptive statistics for the sample (Life satisfaction)**

| Item | Valid N | Mean | Minimum | Maximum | Std. Deviation |
|------|---------|------|---------|---------|----------------|
| LS1  | 250     | 3.32 | 1       | 5       | .966           |

|     |     |      |   |   |       |
|-----|-----|------|---|---|-------|
| LS2 | 250 | 3.73 | 1 | 5 | 1.028 |
| LS3 | 250 | 3.98 | 1 | 5 | 1.146 |

#### 5.4 SUMMARY ACCURACY STATISTICS FOR THE MODEL

The statistical measures of accuracy tests shown in Table 5.11 specify the different measures that were used to assess the reliability and validity of the constructs for the study.

*Table 5.110: Accuracy statistics analysis for the model*

| Research Construct |      | Cronbach's Test |                | Factor Loading | CR   | AVE  |
|--------------------|------|-----------------|----------------|----------------|------|------|
|                    |      | Item-Total      | $\alpha$ Value |                |      |      |
| M                  | M1   | 0.596           | 0.899          | 0.573          | 0.90 | 0.55 |
|                    | M2   | 0.764           |                | 0.747          |      |      |
|                    | M3   | 0.692           |                | 0.728          |      |      |
|                    | M4   | 0.780           |                | 0.843          |      |      |
|                    | M5   | 0.785           |                | 0.799          |      |      |
|                    | M6   | 0.730           |                | 0.812          |      |      |
|                    | M7   | 0.597           |                | 0.667          |      |      |
| NU                 | NU1  | 0.642           | 0.847          | 0.748          | 0.84 | 0.51 |
|                    | NU2  | 0.647           |                | 0.752          |      |      |
|                    | NU3  | 0.659           |                | 0.708          |      |      |
|                    | NU4  | 0.685           |                | 0.690          |      |      |
|                    | NU5  | 0.640           |                | 0.656          |      |      |
| CE                 | CE2  | 0.623           | 0.872          | 0.710          | 0.88 | 0.48 |
|                    | CE3  | 0.522           |                | 0.553          |      |      |
|                    | CE4  | 0.654           |                | 0.701          |      |      |
|                    | CE5  | 0.661           |                | 0.737          |      |      |
|                    | CE6  | 0.649           |                | 0.756          |      |      |
|                    | CE8  | 0.623           |                | 0.733          |      |      |
|                    | CE9  | 0.522           |                | 0.598          |      |      |
|                    | CE10 | 0.654           |                | 0.704          |      |      |
| MSO                | MSO2 | 0.635           | 0.797          | 0.709          | 0.76 | 0.52 |
|                    | MSO3 | 0.621           |                | 0.741          |      |      |
|                    | MSO4 | 0.573           |                | 0.708          |      |      |
|                    | MSO5 | 0.607           |                | 0.669          |      |      |
| SC                 | SC1  | 0.513           | 0.804          | 0.506          | 0.77 | 0.46 |

|           |            |              |              |              |             |             |
|-----------|------------|--------------|--------------|--------------|-------------|-------------|
|           | <b>SC2</b> | <b>0.630</b> |              | <b>0.652</b> |             |             |
|           | <b>SC3</b> | <b>0.634</b> |              | <b>0.717</b> |             |             |
|           | <b>SC4</b> | <b>0.643</b> |              | <b>0.795</b> |             |             |
|           | <b>SC5</b> | <b>0.525</b> |              | <b>0.622</b> |             |             |
| <b>LS</b> | <b>LS1</b> | <b>0.634</b> | <b>0.833</b> | <b>0.769</b> | <b>0.85</b> | <b>0.66</b> |
|           | <b>LS2</b> | <b>0.792</b> |              | <b>0.855</b> |             |             |
|           | <b>LS3</b> | <b>0.655</b> |              | <b>0.806</b> |             |             |

Note: M= Materialism; NU= Need for uniqueness; CE= Consumer Ethnocentrism; MSO= Modern status orientation; SC= Status consumption; LS= Life satisfaction. C.R= Composite Reliability A.V.E= Average Variance Extracted

\* Scores: 1= Strongly Disagree; 2= Disagree; 3=Neutral; 4=Agree; 5 Strongly Agree

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

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

#### 5.4.1 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). All alpha values ranged from 0.797 to 0.899; 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). In addition, the item-total correlation value lies between 0.513 and 0.792, which is above the cut-off point of 0.5 as recommended by Anderson and Gerbing (1988). The higher inter-item correlations reveal convergence among the measured items.

#### 5.4.2 Composite reliability (CR)

The results of composite reliability are shown in Table 5.13. The results yielded CR indexes between 0.77 and 0.90. 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; Chin 1988), thus finding satisfactory support for the scales' composite reliability.

#### 5.4.3 Average variance extracted (AVE)

The AVE estimates in Table 5.13 reflected that the overall amount of variance in the indicators was accounted for by the latent construct (Neuman, 2006). All AVE values were above 0.4, thus acceptable (Fraering & Minor 2006). AVE values indicated indexes between 0.46 and 0.66. These results provided evidence for acceptable levels of research scale reliability.

## **5.5 VALIDITY ANALYSIS**

To examine the validity of the latent constructs and corresponding measurements, convergent validity and discriminant validity were used in this section.

### **5.5.1 Convergent validity**

Item loadings for each corresponding research construct were above the recommended value of 0.5 (Aldalaigan & Buttle 2002). As shown in Table 5.13, the item loadings ranged between 0.506 and 0.855, 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

#### **5.5.1.1 Discriminant validity: Correlation between constructs**

One of the methods used to check the discriminant validity of the research constructs is the evaluation of whether the correlations among latent constructs were less than 1.0. As indicated in Table 5.12, the inter-correlation values for all paired latent variables are less than 1.0, therefore indicating the existence of discriminant validity. Respectively, the variables did not present any problems of multicollinearity, such as a high correlation value greater than 0.89 (Brown & Cudeck, 1993). All correlations were below 0.8 and were therefore in conformity with the recommended threshold, hence indicating discriminant validity (Fraering & Minor, 2006). The study also used AVE as an alternative method to check discriminant validity related to the correlation matrix (Nunnally & Bernstein, 1994).

**Table 5.1112: Inter-construct correlation matrix**

| Correlations                                                 |        |        |        |        |        |    |
|--------------------------------------------------------------|--------|--------|--------|--------|--------|----|
|                                                              | M      | NU     | CE     | MSO    | SC     | LS |
| M                                                            | 1      |        |        |        |        |    |
| NU                                                           | .777** | 1      |        |        |        |    |
| CE                                                           | .725** | .765** | 1      |        |        |    |
| MSO                                                          | .676** | .617** | .562** | 1      |        |    |
| SC                                                           | .697** | .618** | .587** | .761** | 1      |    |
| LS                                                           | .609** | .494** | .520** | .577** | .626** | 1  |
| **. Correlation is significant at the 0.01 level (2-tailed). |        |        |        |        |        |    |

Note: Note: M= Materialism; NU= Need for uniqueness; CE= Consumer Ethnocentrism; MSO= Modern status orientation; SC= Status consumption; LS= Life satisfaction.

The inter-construct correlations ranged between 0.494 (showing signs of discriminant validity) and 0.777\*\* (indicating a fair level of convergent validity). Based on the inter-construct correlation matrix, discriminant validity existed because of highly dissimilar constructs.

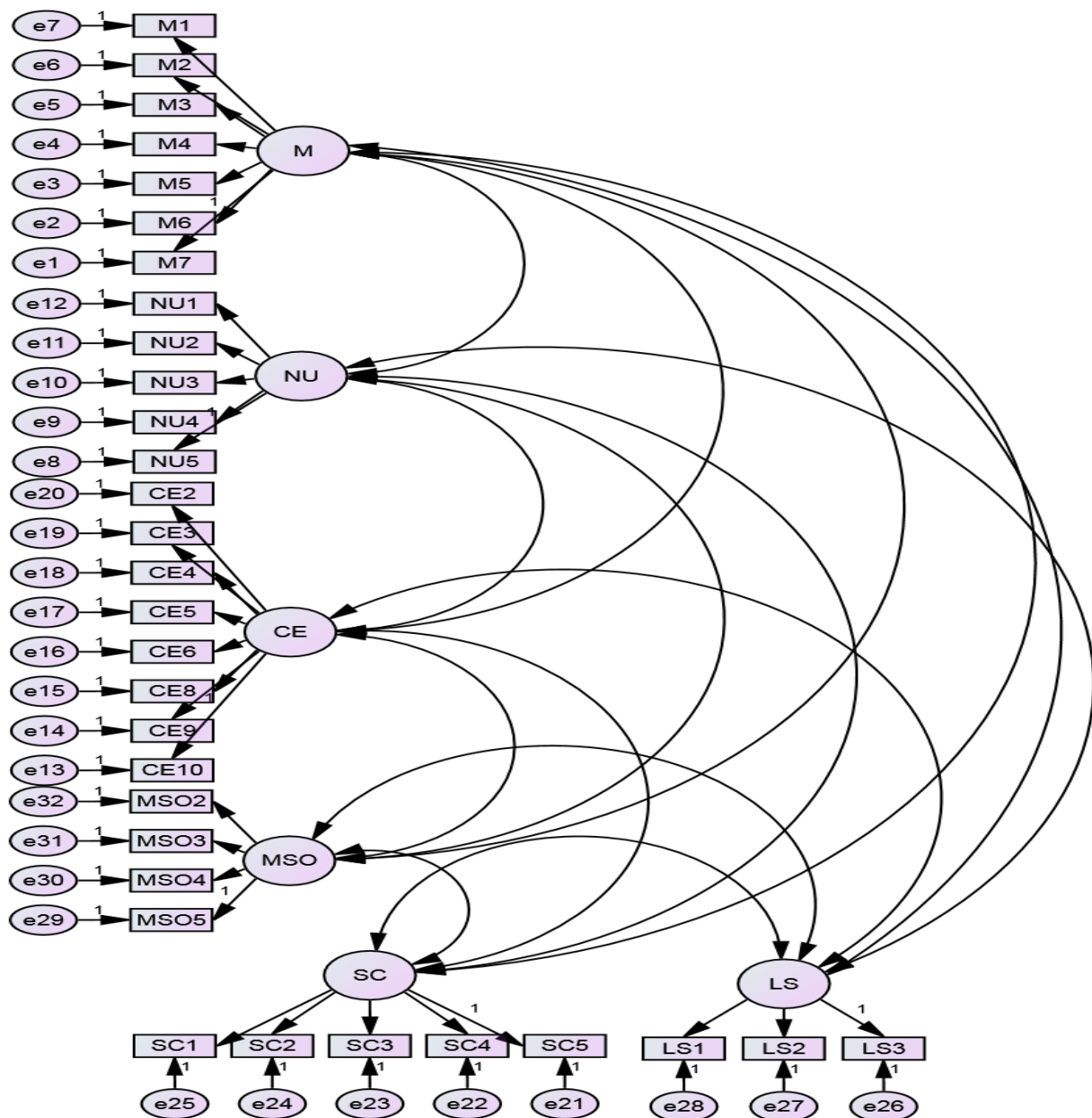
## 5.6 STRUCTURAL EQUATION MODELLING

The current study employed structural equation modelling (SEM) for analysing data. Structural Equation Modelling is a multivariate statistical framework that is used for modelling complex relationships between directly and indirectly observed variables (Stein, Morris & Nock, 2012). SEM is regarded as a comprehensive technique and has become a favoured technique for researchers across disciplines (Byrne, 2012; Ngo & O'Cass, 2012). As observed by Marsh *et al.* (2012), the traditional multivariate study methods are not capable of evaluating or correcting measurement error while SEM is capable of correcting these errors prior to analysing data integrating endogenous and exogenous variables. SEM employs a two-step process for its analysis - the confirmatory factor analysis and the path modelling or the structural modelling (Yuan *et al.*, 2010).

### 5.6.1 Conceptual model fit assessment

According to the two-step procedure (Anderson & Gerbing, 1998), prior to testing hypotheses, confirmatory factor analysis (CFA) was performed essentially to develop and specify the measurement model (Hair *et al.*, 2010) and examine scale accuracy (including reliability, convergent validity and discriminant validity) of the multiple item construct measures using AMOS 25. Initial specification search led to the deletion of some of the items in the construct scales in order to provide acceptable fit and consequential scale accuracy. Testing for model fit is conducted to determine whether the conceptual model fits the collected data.

Figure 5.7, 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. Once the measurement model has been specified, its validity needs to be determined, which depends on establishing acceptable levels of goodness-of-fit. Goodness-of-fit specifies how well the model replicates the observed covariance matrix amid the indicator items (Hair *et al.*, 2010). The model is depicted in Figure 5.7 and the goodness-of-fit results are shown in Table 5.16.



Note: M= Materialism; NU= Need for uniqueness; CE= Consumer Ethnocentrism; MSO= Modern status orientation; SC= Status consumption; LS= Life satisfaction.

**Figure 5.7: CFA Model/Overall Measurement Model**



CFA was implemented to determine measures of accuracy of the measurement instruments for the respective construct using AMOS Version 25.0. X indicates the results pertaining to the conceptual model fit assessment which are discussed hereafter.

**Table 5.13: Model fit results (CFA)**

| Model Fit criteria | CMIN    | (DF) | Chi square ( $\chi^2$ /DF) | (GFI) | (NFI) | (IFI) | (TLI) | (CFI) | RMSEA |
|--------------------|---------|------|----------------------------|-------|-------|-------|-------|-------|-------|
| Indicator Value    | 464.499 | 393  | 1.182                      | 0.910 | 0.963 | 0.985 | 0.981 | 0.985 | 0.027 |

The results in Table 5.12 show the acceptable goodness-of-fit of the model. 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, IFI, TLI, 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).

## **5.7 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.

### **5.7.1 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, NFI, IFI, TLI, CFI, and RMSEA as specified in chapter 4. Table 5.17 reports the structural equation model fit results

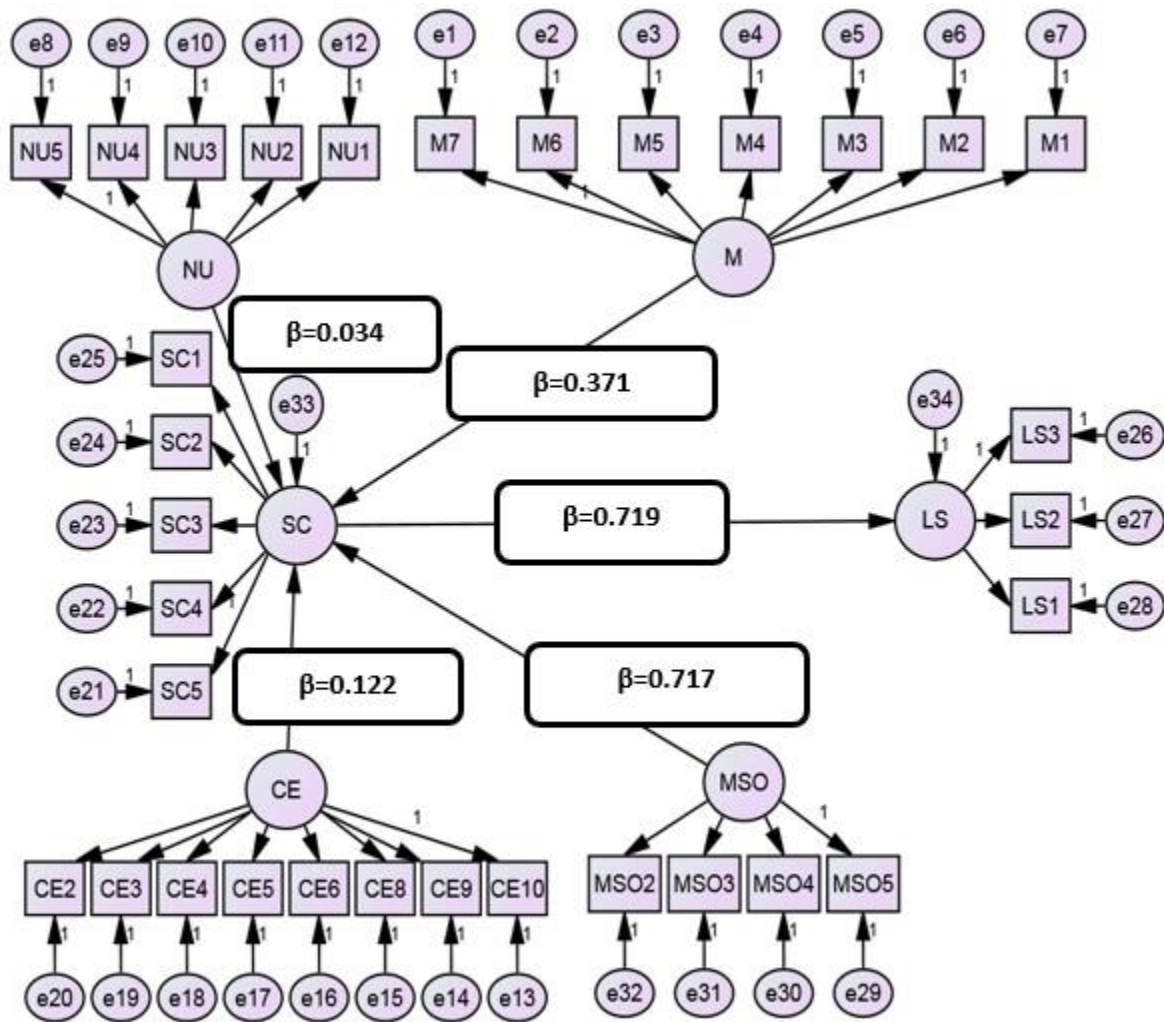
**Table 5.143: SEM model fit indexes**

| Fit Indices                                     | Acceptable threshold                    | Study test results | Decision |
|-------------------------------------------------|-----------------------------------------|--------------------|----------|
| Chi-square (CMIN/DF)                            | Tabled chi-square smaller or equal to 3 | 1.777              | Accepted |
| Increment fit index (IFI)                       | Values greater than 0.90                | 0.939              | Accepted |
| Tucker-Lewis index (TLI)                        | Values greater than 0.90                | 0.917              | Accepted |
| Comparative fit index (CFI)                     | Values greater than 0.90                | 0.937              | Accepted |
| Root mean square error of approximation (RMSEA) | Less than 0.08                          | 0.056              | Accepted |

Considering the results shown in Table 5.13, it could be suggested that all the indicators are meeting the acceptable thresholds of equal to or greater than 0.9 for NFI, IFI, TLI, CFI and equal to or less than 0.08 for RMSEA (Benteler, 1990; Browne & Cudeck, 1993; Marsh, Hau & Wen, 2004). Therefore, it could be concluded that the data confirms and fits acceptability of the model.

### **5.7.2 The structural model path analysis**

The structural model path analysis involves the estimation of presumed causal relations among observed variables (Garson 2008). 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 5.18. 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.



Note: Research structure model fit

$\chi^2/df=1.777$ ; IFI=0.939; TLI=0.917; CFI=0.937; RMSEA=0.056

**Figure 5.8: SEM path model structure**

Source: Calculated from research results (2018)

**Table 0.14: Hypothesised Relationships and Resulting Outcomes**

| Path / proposed hypothesis relationship            | Hypothesis         | Estimate | P - Value | Decision rejected/supported         |
|----------------------------------------------------|--------------------|----------|-----------|-------------------------------------|
| Materialism →<br>status consumption                | H <sub>1</sub> (+) | 0.371    | 0.025     | Supported and Significant           |
| Need for uniqueness →<br>status consumption        | H <sub>2</sub> (+) | 0.034    | 0.847     | Supported, however, not significant |
| Consumer ethnocentrism →<br>status consumption     | H <sub>3</sub> (+) | 0.122    | 0.176     | Supported, however, not significant |
| Modern status orientations →<br>status consumption | H <sub>4</sub> (+) | 0.717    | ***       | Supported and Significant           |
| Status consumption →<br>Life satisfaction          | H <sub>5</sub> (+) | 0.719    | ***       | Supported and Significant           |

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

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

## 5.8 HYPOTHESES TESTING RESULTS

The hypotheses testing by path modeling is done to determine the strength or weakness of the causal relationships (Maziriri & Mapuranga, 2018). This section provides results of the preliminary formulated hypotheses developed out of the research hypotheses and objectives as specified in Chapter 1. The study's hypotheses were tested to evaluate the relationships between latent variables. Tables 5.14 represents the results elicited following the hypotheses test. They are discussed hereafter.

### **7.8.1 Materialism and status consumption**

The first hypothesis in this study (H1) stated that materialism has a significant influence on life satisfaction. The path coefficient value for hypothesis 1 is 0.371, which is an indication of a strong association and relationship between materialism and status consumption and the hypothesis is supported and significant. This is in line with earlier research (Fitzmaurice, 2008; Kasser, 2016; Ponchio & Aranha, 2008; Richins, 2011) that posited that materialism is noticeably related to increased intensity in consumer activity, such as spending. In addition, Ahuvia and Wong (2002) implicate the formative influence of family and peers as contributors to materialism. For instance, Kashdan and Breen (2007) indicate that the well-documented relationship between materialism and subjective well-being is mediated by experiential avoidance, “the unwillingness to be in contact with negatively evaluated thoughts, feelings, and bodily sensations and strategic attempts to alter the form, frequency, or situations that elicit these experiences even when this struggle causes harm” (Kashdan & Breen, 2007:522–523). Furthermore, Richins (2011) shows that materialistic people seem to believe that purchasing goods will change their lives and that this mechanism partially explains why they buy so much. Ironically, Li, Patel, Balliet, Tov, and Scollon (2011) discover that satisfaction with life negatively influences materialism, which in turn leads to negative attitudes toward marriage and subsequently toward having children. In addition, Wang and Wallendorf (2006) found that materialism is negatively related to satisfaction with status conferring products.

### **5.8.2 Need for uniqueness and status consumption**

The second hypothesis (H2) stated that need for uniqueness has a positive and a significant influence on status consumption. Because of the survey, it emerged that need for uniqueness positively influence status consumption, but has an insignificant influence on status consumption as indicated by the path coefficient value of 0.034 and the p-value of 0.847. Therefore, the result signals that the hypothesis is supported; however, the significance level is weak. The results can be supported by Roehrich, Spencer and Florence (2002) who detected that people with high needs

for uniqueness were more apt to adopt new products than were individuals with low needs for uniqueness. The need for uniqueness may manifest in the buying of fashionable goods. If people see themselves as having inadequate personal uniqueness, they will be encouraged to pursue activities such as buying fashionable clothing by designer labels, which may have the potential to rectify this undesirable situation. Additionally, people with stronger needs for uniqueness would be more likely to desire consumer choices which may be viewed as non-traditional, such as buying new fashion clothing from a channel through which the need for uniqueness can be manifested (Roehrich, Spencer & Florence, 2002). Roehrich, Spencer and Florence's (2002) result support and confirm the results that NFU variables are positively correlated with domain status consumption.

### **5.8.3 Consumer ethnocentrism and status consumption**

The third hypothesis (H3) stated that consumer ethnocentrism has a positive and a significant influence on status consumption. Because of the survey, it emerged that consumer ethnocentrism positively influence status consumption but has an insignificant influence on status consumption as indicated by the path coefficient value of 0.122 and the p-value of 0.176. Therefore, the result signals that the hypothesis is supported; however, the significance level is weak. This is in line with Klein *et al.*, (2006) who stated that many foreign brands and products, often from developed countries, are generally perceived to be of superior quality, and to carry significant prestige value. Studies by Zafer and Uzkuurt, (2010) and Sharma, (2015) have established that ethnocentric tendencies are negatively related to attitudes toward foreign products and purchase intentions. The results predicted that consumers with a lower degree of consumer ethnocentrism, and who are more likely to show a preference for foreign products, tend to engage more in buying and consuming products for status.

### **5.8.4 Modern status orientations and status consumption**

With reference to the second hypothesis (H4), the study hypothesised that modern status orientations have a significant influence on status consumption. The path coefficient value for hypothesis 4 is 0.717, which is an indication of a strong association and relationship between modern status orientations and status consumption. The P value indicates a 0.01 level of confidence, which, therefore, means that the hypothesis is supported and significant. It is evident

that the purchase and consumption of foreign luxury products could help confer status upon their owners, and status-enhancement is considered a primary motive driving the purchase of foreign products (Zhou & Hui, 2003). However, Zafer and Uz Kurt (2010) and Sharma (2015) have established that ethnocentric tendencies are negatively related to attitudes toward foreign products and purchase intentions.

#### **5.8.5 Status consumption and life satisfaction**

The final hypothesis in the study stated that status consumption has a significant influence on life satisfaction. The path coefficient value for hypothesis 5 is 0.719, which is an indication of a strong association and relationship between status consumption and life satisfaction. The P value indicates a 0.01 level of confidence, which, therefore, means that the hypothesis is supported and significant. Leelakulthanit *et al.*, (1991) revealed that a person's satisfaction with material possessions had a positive effect on satisfaction with life as a whole because material possessions helped define who one is, how one is different from others, and what one had achieved. In addition, Belk (2004) noted that luxuries were especially appealing and important to certain groups of customers. These consumers seemed to have stronger motivations and opportunities to engage in luxury consumption. Consumers' satisfaction with luxury consumption is expected to play a significant role in the overall satisfaction with life for certain groups of consumers.

### **5.8 CONCLUSION**

This chapter analysed and presented a report on the demographic profile of the respondents. In this regard, a sequence of steps was followed to present the results pertaining to the main study results. 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, reliability and validity 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. In addition, the findings from the research model constituting this research report indicated that the data set converged well with the conceptualised model. The ensuing chapter (Chapter 6) provides the main conclusion, recommendations and implications of the study.

## **CHAPTER 6: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **6.1 INTRODUCTION**

The previous chapter presented the analysis and interpretation of the result. In this chapter, a summary of the study with regard to the research problem statement, objectives of the study and stated hypotheses are discussed are presented. The study intended to investigate the consumers' motivational drivers for status consumption and life satisfaction for smartphones' consumption in Generation Y in Johannesburg. After defined the research study in the first chapter, five (5) hypotheses were proposed. The quantitative technique was chosen to analyse and respond to the research question as well as testing the hypothesis. A detailed summary of key findings is presented in the light of existing literature. Eventually, the dissertation makes concluding remarks by directing the study proposed recommendations, limitations and future direction of the study.

### **6.2 REVIEWING THE STUDY**

The study is divided into six chapters. Chapter1 offered the background and orientation of the study. Chapter 2 presented the literature review of both the theoretical framework on which the study is hinged and empirical literature. In chapter 3, the conceptual research model and hypothesis development was formulated. Chapter 4 presented the research design and methodology process undertaken. Then in chapter 5, the analysis and interpretation of the study findings were covered. Lastly, chapter 6 gives concluding remarks of the whole study,

#### **6.2.1 Research problem**

It is imperative to comprehend customer behaviour in purchasing luxury branded goods. Therefore, this study assessed motivational factors influencing status consumption and life satisfaction of the Generation Y cohort on smartphones consumption. Previous studies have been conducted on how branding strategy affects the consumer buying behaviour for high technology products (Hamann, Williams, & Omar, 2007) therefore the focus of this study is on luxury branded smartphones. Hence, this study assessed motivational factors influencing status consumption and life satisfaction. Darian (1998:10) also proposed that “buying luxury brands reflects favourably on the financial status and to impress others via the appearance of their purchase”.



### 6.2.2 Main purpose of the study

From the underlying problem statement of the study, research objectives were formulated. The primary objective of the study was:

- To investigate the consumers' motivational factors that influence status consumption and life satisfaction for smartphone consumption in Generation Y.

### 6.3 SUMMARY OF KEY FINDINGS

The five hypotheses developed by in the research were examined and yielded positive and significant relationships. Findings regarding each of the hypotheses are discussed below:

**Table 6.15: Hypothesised Relationships and Resulting Outcomes**

| Hypothesis Relationship                         | Hypothesis         | Estimate | P - Value | Decision                            |
|-------------------------------------------------|--------------------|----------|-----------|-------------------------------------|
| Materialism → status consumption                | H <sub>1</sub> (+) | 0.371    | 0.025     | Supported and Significant           |
| Need for uniqueness → status consumption        | H <sub>2</sub> (+) | 0.034    | 0.847     | Supported, however, not significant |
| Consumer → ethnocentrism status consumption     | H <sub>3</sub> (+) | 0.122    | 0.176     | Supported, however, not significant |
| Modern status orientations → status consumption | H <sub>4</sub> (+) | 0.717    | ***       | Supported and Significant           |
| Status consumption Life → satisfaction          | H <sub>5</sub> (+) | 0.719    | ***       | Supported and Significant           |

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

#### 6.3.1 Materialism and status consumption (H1)

It has been confirmed in previous studies that the generation of today are after materialistic goods (Ponchio & Aranha, 2008). Vigneron and Johnson (2004) found that materialistics are associated to the need for prestige and status. This is confirmed by the results that found that materialism influences positively status consumption in a significant way with a path coefficient value of 0.371, which is an indication of a strong association and relationship between materialism and status consumption.

### **6.3.2 Need for uniqueness and status consumption**

The second hypothesis (H2) stated that need for uniqueness has a positive and significant influence on status consumption. Because of the survey, it emerged that need for uniqueness positively influences status consumption, but has an insignificant influence on status consumption as indicated by the path coefficient value of 0.034 and the p-value of 0.847. Therefore, the result depicts that the hypothesis is supported; however, the significance level is weak.

### **6.3.3 Consumer ethnocentrism and status consumption**

The inspection of the relationship between the Consumer ethnocentrism and status consumption, hypothesis (H3) stated that consumer ethnocentrism has a positive and significant influence on status consumption. Because of the survey, it emerged that consumer ethnocentrism positively influences status consumption, but has an insignificant influence on status consumption as indicated by the path coefficient value of 0.122 and the p-value of 0.176. Consequently, the result signals that the hypothesis is supported; however, the significance level is weak.

### **6.3.4 Modern status orientations and status consumption**

With reference to the second hypothesis (H4), the study hypothesised that modern status orientations have a significant influence on status consumption. The path coefficient value for hypothesis 4 is 0.717, which is an indication of a strong association and relationship between modern status orientations and status consumption. The P value indicates a 0.01 level of confidence, which, therefore, means that the hypothesis is supported and significant.

### **6.3.5 Status consumption and Life satisfaction**

The final hypothesis in the study stated that status consumption has a significant influence on life satisfaction. The path coefficient value for hypothesis 5 is 0.719, which is an indication of a strong association and relationship between status consumption and life satisfaction. The P value indicates a 0.01 level of confidence, which, therefore, means that the hypothesis is supported and significant.

## **6.4 RECOMMENDATIONS**

### **6.4.1 Tap the potential market of youth consumers at the institutes of higher learning.**

Cell companies have to be aware of the growing potential presented by institutes of higher learning youth consumer segments, particularly with respect to their purchasing power and size. The majority of individuals in this consumer segment are studying in tertiary institutions and others have already obtained their qualifications which make them a valuable market segment. It has been reported that graduates often have a greater earning potential and higher social standing, making them potentially powerful opinion leaders among their peers. As such, it is recommended that companies should start developing marketing strategies targeted explicitly at youth consumers to exploit the potential market of this fast growing consumer group. It is also recommended that academics in the marketing field, and practitioners, engage in extensive research to profile this segment in an endeavour to understand the demographics, attitude and behavioural patterns in order to tailor various marketing activities effectively and accurately.

### **6.4.2 Marketers should target status-oriented consumers**

The marketers can do much to reach the status-oriented consumers through emphasis on the need for innovations with luxury brands, as status consumers are more tempted to purchase the newest thing. The best way to reach the status-oriented market is for the marketer to create and communicate differentiation in order to make the case as to why their brand is truly special, different and offers a lasting value proposition. Thus, status marketers need to have a deep understanding of their status consumers and what they are looking for with their products.

### **6.4.3 Consider the influence of reference groups**

The influence of reference groups and peers plays an important role in the purchasing decisions of the youth consumer segment. It can be advantageous for marketers to consider these reference

group members when developing marketing strategies and when communicating the benefits of brands to this consumer segment. It is recommended that marketers should invest in continuous research and keep in contact with this consumer segment to check if their values, perceptions, motivations and the importance of purchasing luxury brands have changed. Hence, marketers should capitalise on the need for group approval and should encourage the involvement of others when doing shopping or buying a product.

#### **6.4.4 Marketers should segment consumers with different materialistic values and customise their advertisements for each segment**

As shown in the literature consulted, materialism has also been perceived to affect a wide range of marketplace behaviours and it has been reported that individuals who are more materialistic find possessions to be a sign of success and derive happiness from them, placing possessions as central in their life. These characteristics provide a motivation to claim that when consumers have materialistic tendencies they, in effect, should be more involved in products that allow fulfillment of these tendencies, particularly so for a product like fashion clothing because it has the ability to be used as a prop, to show others the status and success one has achieved because of its symbolic code, which are all important to materialists. While marketers may be motivated to encourage materialistic tendencies among consumers, it can be argued that it is not in society's interest to encourage such values.

#### **6.4.5 Marketers should direct their communication efforts to high fashion involved consumers**

Smart phone consumers are likely to be more materialistic and status oriented than other consumers. Therefore, marketers targeting these consumers should emphasise status in their marketing communication efforts. High involved fashion consumers tend to read more fashion magazines, shop more, and are more likely to attend events such as fashion shows. Individuals who have high fashion involvement obtain fashion information for themselves and others, making these individuals good opinion leaders. These consumers are likely to be more innovative regarding fashion clothing and are more inclined to have a need to be on the cutting edge of what

is fashionable. For that reason, marketers should design communication messages that stress the innovativeness and trendiness of new fashion styles.

#### **6.4.6 Marketers should emphasise product's ability to show high social status**

The student youth consumers seem to be driven to purchase luxury public consumed products to display their status. These consumers do not mind paying a premium price for products that will make them feel superior to their peers. Modern status oriented consumers perceive low priced products to be of poor quality. For that reason, status conscious consumers are reluctant to purchase affordable or low priced products. Their main purchasing goal is to display status. Therefore, they purchase products that indicate high social status. In most cases, this consumer segment displays status through consumption of expensive smart phones. For that reason, it is advisable for marketers to put more emphasis on the product's perceived role in enhancing consumers' social status.

#### **6.4.7 Target youth consumers through new media platforms**

Traditional advertising platforms are slowly fading away while numerous new advertising platforms come into existence. These new advertising platforms are digital in nature. Youth consumers are well known as being technologically informed and are heavy users of digital technology. These consumers spend significant time on online communication and they are very active on social media. Given the importance of social media, such as Facebook, to the youth consumers, it is suggested that targeting this consumer segment over social media platforms, such as Facebook, may be feasible for marketers.

### **6.5 CONTRIBUTIONS OF THE STUDY**

The present study provides both academic and managerial implications for practitioners. The results of this study offer valuable insights into antecedents that influence status consumption and

life satisfaction amongst youth consumers of smart cell phones. Irrespective of that, and the necessity to endorse the findings of related studies in diverse sites, the study provides numerous noteworthy contributions towards the body of knowledge. Findings from this study contribute to the growing body of research on consumer behaviour and status consumption behaviour of youth consumers in developing countries such as South Africa.

On managerial implications, insights obtained from this study will assist marketers to better understand this fast growing segment's consumer behaviour, which, in turn, will assist them to tailor their marketing efforts in such a way as to appeal to this segment.

## **6.6 LIMITATIONS AND FUTURE RESEARCH OPPORTUNITIES**

The previous section explains the application of the research towards the theory and practice. Therefore the following section presents limitation of the study. Firstly, in terms of the research design, it should be noted that there are likelihoods of social desirability biases in using a self-reporting approach to get results. Socially desirable response is defined as the tendency of giving overly higher positive scores that depart from reality or without sufficient evidence (Paulhus, 2002). For example, the respondents may not objectively answer the questions. Their responses might be over-stated and this is a big limitation and the research design is unable to detect this anomaly.

Secondly, in terms of methodology, the use of convenient sampling may trigger the issue of representation which is the key when claiming generalisability of the study. The use of convenient sampling has made the conclusion more analytical, as opposed to statistical generalisability towards the population. It is suggested that future research should minimise these limitations in order to increase the findings' generalisability.

Last but not least, it is imperative to note that the targeted population was the University of the Witwatersrand in South Africa. The sample was drawn from the university. There are a number of universities. The responses might yield different results from other universities.

## **6.7 CHAPTER SUMMARY**

To zero in, the chapter has wrapped up the research study through giving a summary of the complete research. The study expanded research on motivational factors that influence status consumption and life satisfaction. As youth consumers represent the future, it is important to understand their engagement in status consumption in order to develop appropriate marketing strategies. Buying a smart phone represents a critical tool for signaling one's social status to the majority of consumers, particularly the youth. The key insights from the study are that youth consumers are highly involved in fashion clothing and that they consider the opinions of their reference group when making a purchasing decision. Marketers who are targeting this consumer cohort need to familiarise themselves with this market. The study reveals that the youth consumers purchase expensive brands to gain and display status and they believe in owning material possessions. In conclusion, this study was based on the objectives of the research, the literature review, research methodology used, findings and recommendations made. The findings suggest that marketers in the cell phone manufacturing industry take into account all the important factors discussed in this study as a reference to develop appropriate marketing strategies.

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## APPENDIX A: ETHICAL CLEARANCE CERTIFICATE

Faculty of Commerce, Law and Management  
University of the Witwatersrand, Johannesburg

School of Economic and Business Sciences  
Private Bag X3, WITS, 2050, South Africa • Telephone: + 27 11 717 8004 •  
email: Siyabonga.Molabe@wits.ac.za



### CLEARANCE CERTIFICATE

PROTOCOL NUMBER: CBUSE/1341

PROJECT: CONSUMERS' MOTIVATIONAL DRIVERS FOR STATUS CONSUMPTION AND LIFE SATISFACTION: A CASE OF SMARTPHONES AMONG THE GENERATION Y COHORT IN SOUTH AFRICA.

INVESTIGATOR: Titus Sithole

STUDENT NUMBER: 1761374

SCHOOL: SEBS

DATE CONSIDERED: 31 May 2018

DECISION OF THE ETHICS COMMITTEE: Approved

### NOTE

Unless otherwise specified this ethics clearance is valid for 1 year and may be renewed upon application. Please remember to include the protocol number above to your participation letter.

DATE: 13/06/2018

CHAIRPERSON: Jean-Marie Bancilhon

cc: Supervisor:

Eugene Maziriri

A handwritten signature in cursive script, reading "J. Bancilhon".

SCHOOL OF ECONOMIC  
& BUSINESS SCIENCES

**APPENDIX B: PARTICIPANT INFORMATION SHEET**  
**University of the Witwatersrand**



**School of Economics and Business Science**

**Date: 30 April 2018**

**Dear Sir/Madam**

My name is Titus Mutsanya Sithole, and I am a Masters' student in the Marketing Division at the University of the Witwatersrand, Johannesburg. I am conducting research on **Consumers' motivational drivers for status consumption and life satisfaction: A case of smartphones among the Generation Y cohort in South Africa**. As a student, you are invited to take part of this survey. The main objective of this study is therefore to investigate the consumers' motivational drivers for status consumption and life satisfaction for smartphones consumption in Generation Y in Johannesburg. The results of the study will be a Masters' dissertation, and will become available online after completion of the research. Please take note that there are no right or wrong answers. This survey is confidential and anonymous, which are both guaranteed by no need to enter your name on the questionnaire. The participants' involvement is solely answering the questionnaire, and participation does not involve any risk or loss of benefits whether or not you participate, neither when ambiguity arises, nor does the research under any circumstance involve payment. In addition, your participation is completely voluntary, you may chose not to participate in the study, not to answer any questions or withdraw at any time without any penalty.

The collected data will only be used for purpose of obtaining an academic qualification and writing of research articles. Also, the research is completely anonymous and confidential, and the survey will not ask for your details in any way. The entire survey should take between 10 to 15 minutes to complete. For the purpose of this study, informed consent will be obtained verbally or informally.

Thank you for considering participation. Should you have any questions, or should you wish to obtain a copy of the results of the survey, please contact me on 0825615747, or online via email at 1761374@students.wits.ac.za. My supervisor's name and contact details are: Dr. Norman Chiliya - to reach at norman.chiliya@wits.ac.za (078)-583 4225 and my co-supervisor's name is Dr Eugene Tafadzwa Maziriri - to reach at eugene.maziriiri@wits.ac.za (081)-040 5090.

Kind regards,

Titus Mutsanya Sithole

MCom Marketing

School of Economic and Business Science

University of the Witwatersrand, Johannesburg

## **APPENDIX C: SURVEY QUESTIONNAIRE**

### **SECTION A: DEMOGRAPHICAL DATA**

Please indicate your gender.

| <b>Gender</b>     | <b>Response</b> |
|-------------------|-----------------|
| Male              |                 |
| Female            |                 |
| Prefer not to say |                 |

Please indicate in which age group you fall.

| <b>Age Range</b> | <b>Response</b> |
|------------------|-----------------|
| 18 - 23 years    |                 |
| 24 – 29 years    |                 |
| 30– 35 years     |                 |

Please indicate your level of education.

| <b>Educational level</b> | <b>Response</b> |
|--------------------------|-----------------|
| Diploma                  |                 |
| Degree                   |                 |
| Honours                  |                 |

|         |  |
|---------|--|
| Masters |  |
| PHD     |  |

Please indicate your household composition.

| Household composition | Response |
|-----------------------|----------|
| Single                |          |
| Cohabitation          |          |
| Married               |          |
| Prefer not to say     |          |

How much allowance do you receive per month?

|                 |  |
|-----------------|--|
| Less than R500  |  |
| R501 – R1000    |  |
| R1001 – R1500   |  |
| R1501– R2000    |  |
| More than R2001 |  |

Indicate your favourite cellphone brand.

|            |  |
|------------|--|
| Samsung    |  |
| Nokia      |  |
| Apple      |  |
| Huawei     |  |
| Blackberry |  |

|                 |  |
|-----------------|--|
| Other (specify) |  |
|-----------------|--|

## SECTION B: MATERIALISM

(Materialism is the importance a person places on possessions and their acquisition as a necessary desirable form of conduct to reach desirable states, including happiness). Please indicate the extent to which you agree or disagree with the statements by ticking (✓) the corresponding number between 1 (strongly disagree) and 5 (strongly agree).

|   |                                                                                 | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|---|---------------------------------------------------------------------------------|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | I usually buy only the smartphones I need                                       | 1                        | 2               | 3              | 4            | 5                     |
| 2 | I try to keep my life simple, as far as possession of smartphones are concerned | 1                        | 2               | 3              | 4            | 5                     |
| 3 | The smartphones I own are not all that important to me                          | 1                        | 2               | 3              | 4            | 5                     |
| 4 | I enjoy spending money on smartphones                                           | 1                        | 2               | 3              | 4            | 5                     |
| 5 | Buying smartphones gives me a lot of pleasure                                   | 1                        | 2               | 3              | 4            | 5                     |
| 6 | I like expensive smartphones in my life                                         | 1                        | 2               | 3              | 4            | 5                     |
| 7 | I put less emphasis on smartphones than most people I know                      | 1                        | 2               | 3              | 4            | 5                     |

## SECTION C: NEED FOR UNIQUENESS

(Need for uniqueness refers to individual's desire to be different from others through acquiring and utilising particular goods with the aim of making and enhancing their social image)

Please indicate the extent to which you agree or disagree with the statements by ticking (✓) the corresponding number between 1 (strongly disagree) and 5 (strongly agree).

|   |                                                                                                                   | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|---|-------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | I actively seek to develop my personal uniqueness by buying special smartphone brands.                            | 1                        | 2               | 3              | 4            | 5                     |
| 2 | Having an eye for smartphones that are interesting and unusual assist me in establishing a distinctive image.     | 1                        | 2               | 3              | 4            | 5                     |
| 3 | The smartphone brands that I like most are the ones that express my individuality.                                | 1                        | 2               | 3              | 4            | 5                     |
| 4 | I often think of smartphones I buy and use in terms of how I can use them to shape a more unusual personal image. | 1                        | 2               | 3              | 4            | 5                     |
| 5 | I'm often on the lookout for new smartphones or brands that will add to my personal uniqueness.                   | 1                        | 2               | 3              | 4            | 5                     |

#### **SECTION D: CONSUMER ETHNOCENTRISM**

Please indicate the extent to which you agree or disagree with the statements by ticking (✓) the corresponding number between 1 (strongly disagree) and 5 (strongly agree).

|   |                                                                                 | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|---|---------------------------------------------------------------------------------|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | Only those smartphones that are unavailable in South Africa should be imported. | 1                        | 2               | 3              | 4            | 5                     |
| 2 | South African smartphones, first, last and foremost.                            | 1                        | 2               | 3              | 4            | 5                     |
| 3 | Purchasing foreign-made smartphones is unSouth African.                         | 1                        | 2               | 3              | 4            | 5                     |
| 4 | It is not right to purchase foreign smartphones.                                | 1                        | 2               | 3              | 4            | 5                     |
| 5 | A real South African should always buy South African-made smartphones.          | 1                        | 2               | 3              | 4            | 5                     |
| 6 | We should purchase smartphones manufactured in South African                    | 1                        | 2               | 3              | 4            | 5                     |



|    |                                                                                                                                               |   |   |   |   |   |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
|    | instead of letting other countries get rich from us.                                                                                          |   |   |   |   |   |
| 7  | South African should not buy foreign smartphones, because this hurts South African business and causes unemployment.                          | 1 | 2 | 3 | 4 | 5 |
| 8  | It may cost me in the long run but I prefer to support South African products.                                                                | 1 | 2 | 3 | 4 | 5 |
| 9  | We should buy from foreigner countries only those products that we cannot obtain within our own country.                                      | 1 | 2 | 3 | 4 | 5 |
| 10 | South African consumers who purchase smartphones made in other countries are responsible for putting their fellow South Africans out of work. | 1 | 2 | 3 | 4 | 5 |

#### SECTION E: MODERN STATUS ORIENTATION

Please indicate the extent to which you agree or disagree with the statements by ticking (✓) the corresponding number between 1 (strongly disagree) and 5 (strongly agree).

|   |                                                                                         | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|---|-----------------------------------------------------------------------------------------|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | Striving to become a rich man would be one of the important goals in life.              | 1                        | 2               | 3              | 4            | 5                     |
| 2 | I admire people who have abilities to earn high incomes.                                | 1                        | 2               | 3              | 4            | 5                     |
| 3 | I admire people who have a wide relationship network, especially with important people. | 1                        | 2               | 3              | 4            | 5                     |
| 4 | I would make a considerable effort to obtain luxury smartphones and services.           | 1                        | 2               | 3              | 4            | 5                     |
| 5 | I would try to learn things that will help me earn a higher income.                     | 1                        | 2               | 3              | 4            | 5                     |

#### SECTION F: STATUS CONSUMPTION

Please indicate the extent to which you agree or disagree with the statements by ticking (✓) the corresponding number between 1 (strongly disagree) and 5 (strongly agree).

|   |                                                                                         | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|---|-----------------------------------------------------------------------------------------|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | Striving to become a rich man would be one of the important goals in life.              | 1                        | 2               | 3              | 4            | 5                     |
| 2 | I admire people who have abilities to earn high incomes.                                | 1                        | 2               | 3              | 4            | 5                     |
| 3 | I admire people who have a wide relationship network, especially with important people. | 1                        | 2               | 3              | 4            | 5                     |
| 4 | I would make a considerable effort to obtain luxury products and services.              | 1                        | 2               | 3              | 4            | 5                     |
| 5 | I would try to learn things that will help me earn a higher income.                     | 1                        | 2               | 3              | 4            | 5                     |

## **SECTION G: LIFE SATISFACTION**

Please indicate the extent to which you agree or disagree with the statements by ticking (✓) the corresponding number between 1 (strongly disagree) and 5 (strongly agree).

|   |                                                      | <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|---|------------------------------------------------------|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | Generally, I'm satisfied with my life as a whole.    | 1                        | 2               | 3              | 4            | 5                     |
| 2 | Generally, I'm satisfied with my standard of living. | 1                        | 2               | 3              | 4            | 5                     |
| 3 | In general, I can say I have a good life.            | 1                        | 2               | 3              | 4            | 5                     |

**End of the questionnaire**

**Thank you**