

# IS THERE A DEFINABLE RELATIONSHIP BETWEEN THE GENDER AND KNOWLEDGE OF THE SOUTH AFRICAN CONSUMER IN THE SELECTION OF GROCERY PRODUCTS

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## Abstract

The knowledge that consumers have of products and services as well as other factors serves as an indicator as to which product or store to “pick”. The products and store location add to the ease with which consumers are able to cherry pick. This article has its focal point the South African customer and the motives for cherry picking and to establish if there is a relationship between price knowledge, consumer knowledge and gender. To some extent it was expected that females would be more knowledgeable about prices of grocery products and this was indeed the case. These same consumers are also well informed about promotions on grocery products. The conducted research concludes that gender has an influence on the knowledge that the South African consumers have on product prices, the types of stores and product assortment. The results also shows that the South African consumers is able to confidently cherry pick over more than one day due to their increased knowledge of prices offered on different products at different stores. This wider level of knowledge results in them being able to participate in cherry picking more readily than a consumer who has more limited price knowledge. The research findings also clearly indicate that there is a significant relationship between price knowledge, consumer knowledge and gender.

**Keywords:** Customer behaviour, product knowledge, loyalty, cherry picking, product price knowledge; and gender

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## 1. Introduction

Cherry picking has long been an important behaviour of consumers and marketers have recently started to focus more on this behaviour of customers. The fact that consumers are today more informed of industries prices, range of products on offer and store location add to the ease with which consumers are able to cherry pick. Consumers are today more informed of discounted prices on products as well as the product assortment of a particular store, through marketing and promotions. When referring to price knowledge this implies that the consumer has the ability to keep prices in mind. The prices of products, especially during recessionary periods such as 2008 to 2010 play a significant role in consumer decision-making that is which products to buy - they influence what, when, where and how many consumers buy. It has become increasingly important that retailers incorporate strategies that target and meet the needs of this type of consumer, as it will ensure that market share be maintained, and even survival.

The study aims to explain the effect of a consumers' knowledge, with specific reference to product price knowledge, has on a consumers' propensity to cherry pick. It also aims to establish

whether there is a relationship between price knowledge, consumer knowledge and gender.

Cherry picking can be described as taking the best and leaving the rest according to Fox and Hoch (2003:1). Cherry picking is used to portray both buyer and seller. Various sellers can be viewed as those who are selective about which consumer profile they choose to target, whereas consumers are selective about which products or services they purchase. This article will focus on the consumers and their motive for cherry picking. Consumers who are branded as cherry pickers are price sensitive shoppers who tend to delay purchases or move from one shop to another looking for a better deal with regards to price, product variety and assortment. Levy and Weitz (2004) define cherry picking as consumers who visit a store and only buy merchandise sold at big discounts. Other factors that influence a consumer to cherry pick are store location, and store preference and consumer expertise/knowledge.

## 2. Reason For The Study

Over the years a number of studies have been conducted on cherry picking and price knowledge in the USA and Europe but very limited research has been conducted on these two constructs in a South

African or even African context. This study therefore attempts to investigate if the studies conducted on cherry picking and price knowledge hold true for consumers in South Africa.

### 3. Objectives Of The Study

The main objective of this study was to investigate the effect price knowledge and gender has on a consumers' propensity to cherry pick. To achieve these objectives of the study the following hypotheses were set:

H<sub>1</sub>: There is a correlation between price knowledge and gender

H<sub>2</sub>: There is a significant relationship between cherry picking across time and price knowledge

H<sub>3</sub>: There is a significant relationship between consumer knowledge and gender

### 4. Limitations Of The Study

No research was conducted over weekends and in the early evening; this could therefore have a big impact on the final results of this study as most people conduct their shopping trips during this time thus obtaining a more representative sample of South Africa.

A larger percentage of females than males completed the questionnaire, and therefore this may have a bearing on the stronger results shown on the females to that of the males.

### 5. Literature Review

The literature that will be explored in this section will focus on price knowledge, cherry picking and consumer knowledge. In order to better understand cherry picking from a price point of view, price knowledge of consumer decision-making will be discussed in the next section as the main construct under investigation in this study.

#### 5.1 The price knowledge and gender relationship

Commodity prices in the market play a relevant role in consumer decision-making, as they influence what, when, where and how much consumers' buy and therefore studying consumers' price awareness is highly relevant. Price awareness or price knowledge means the ability of buyers to keep prices in mind (Aalto-Setälä & Rajas, 2003:181). Majority of past studies on pricing have pointed out that consumers have very limited knowledge of prices. Price knowledge has therefore become the subject of increasing research interest. The consumers' price knowledge effect on consumers' selection of grocery items can be influenced by numerous factors, which may be related to the characteristic of the consumer or the product category (Estelami, 2008:254-256). The

demographic background (for example; age, gender and income) of a consumer may affect their interest in products as well as their expertise as to their prices. It has been researched that females, who account for the larger percentage of purchases of jewellery products, would be more knowledgeable about prices in this category than males (Simmons market Research Bureau, 2009). This study will investigate if this statement holds true for grocery items purchased. Estelami (2008:256) researched the influence of demographics on price knowledge in a grocery shopping industry, this study will route from this research but will aim, once again, to do so in a South African context, therefore the following hypothesis was set.

H<sub>1</sub>: There is a correlation between price knowledge and gender

Venhuele and Dreze (2006:78) found that there are different levels of price knowledge that a consumer can be found in. In the first level, there is no price knowledge, the second level reflects recognition of large price differences but this is still not perfect. The third level represents a consumers' ability to recall a price within a 5% difference from the actual price set. The last level represents a consumer ability to accurately recognise the actual price of a product; this level is representative of the highest and rarest form of price recall. Venhuele and Dreze (2006:80) also deduced that cherry picking has no impact on price knowledge, due to their increased task complexity from the average shopper.

#### 5.2 Cherry picking across time and price knowledge

There are many definitions and descriptions of cherry pickers that have been compiled by various researchers (Fox & Hoch, 2008, Gauri, Sudhira & Talukdar, 2005, Levy & Weitz, 2009), but to give a summary of these descriptions, cherry pickers are purchasers who examine the different proposals of several retailers and pick out the best over one or more days. They are characterised as price sensitive and well informed customers, as they construct pre-determined shopping trips from promotions and sales advertisements previously viewed so that the best deals are utilised.

The American Marketing Association (2009) defines cherry picking as a buyer selection of only a few items from one's line and others from another line, failing to purchase a complete line or classification of merchandise from one source. Due to the shopping style of these customers, many affected retailers question their brand and store loyalty. Gauri, Sudhir & Talukbar (2005:1), argue against this the loyalty aspect of this definition as they found that cherry pickers can indeed be store loyal as they delay

their shopping trip over time and in order to get a better price deal at the same store.

Secondary research done by the American Marketing Association (2009) shows that cherry pickers either keep a different reference price for each store they pick from or create an average reference price from several different sources. This may also leads to the lack of price knowledge. We will investigate if this statement holds true for the South African industry, therefore the following hypothesis was set:

H<sub>2</sub>: There is a significant relationship between cherry picking across time and price knowledge

Although it is important that consumers are informed of the different prices offered at various places, it will benefit them even more if they have a general understanding of the retail industry as a whole.

Finding from the research conducted by Fox and Hoch (2003) indicate this market segment is sizable, heterogeneous, and potentially attractive for retailers, contrary to the myth that they are a retailers' nemesis. The composition of the main decision-makers in a household their different characteristics could determine cherry picking to a greater or lesser extent. See table 1 below for a better description.

**Table 1.** Description of typical cherry pickers

TYPE OF HOUSEHOLD	PROBABILITY FOR CHERRY PICKING TO OCCUR
Larger households	More likely to cherry pick
Household with senior citizens	More likely to cherry pick
Household with homeownership	More likely to cherry pick
Wealthy household	Less likely to cherry pick
Household with a working adult female	Less likely to cherry pick

Adapted from: Fox, E.J. & Hoch, S.J. 2003. Cherry Picking. *Journal of Marketing*. 69(1). [Online] Available from: <http://proquest.umi.com> [Accessed: 24/01/2006]. p 12

From the deductions made above in table 1, one can conclude that cherry picking has a great influence on the retail industry from an economic point of view, and therefore is a cause of concern for the affected retailers of today. A consumers understanding and intellect of the retail industry has a big influence on their propensity to cherry pick. Consumer knowledge will therefore be discussed as the next important construct put under investigation this study.

### 5.3 Consumer knowledge and gender

Consumer knowledge or expertise is generally defined as a consumers' confidence or experience in shopping. Knowledgeable consumers are those who are well informed or "clued up" on the prices of products, the types of stores as well as product assortment. These consumers generally feel comfortable in sharing this knowledge with others as they see themselves as a good source of reference. Consumers inform themselves by searching for information on promotional material and constantly updating themselves on the latest product on the market or price specials at certain stores. If a consumer is enlightened through various media channels and word of mouth, they begin to store this information in their memory and begin to feel confident in their knowledge and therefore if information is asked of them, they share it with the thought of being a good source of information.

H<sub>3</sub>: There is a significant relationship between consumer knowledge and gender

## 6. Methodology

### 6.1 Sampling

Grocery shoppers were the targeted population of this study. We targeted our sample through the use of mall intercept and interviewer-administrated personal interviews at a variety of shopping malls. The sampling frame was obtained from different shopping malls found in South Africa, based on convenience. Shopping malls found in areas representing the different LSM groups were targeted, thus affording us a closely representative sample of the population.

A realised sample size of 176 was obtained from a target sample size of 250 with 100% of the questionnaires being usable. This could be attributed to the use of personal interviews as a data collection method. The data collection method will now be discussed in more detail.

### 6.2 Data collection

A pilot study was conducted to on the questionnaire through 10 quasi interviews. Respondents were selected based on convenience and only "main family grocery shopper" was allowed to participate.

Data collection took place over a span of three days through the use of personal interviews at ten different shopping malls within the Pretoria (Tshwane) region. Well trained interviewees were used to conduct the research, thus decreasing the chance of error and bias. According to Tustin *et al*

(2005:155) personal interviews are regarded as one of the most viable options to use in testing variables like cherry picking and consumer knowledge. Three different times slots in the day were used (morning, afternoon and early evening) where upon research was conducted, thus allowing the researchers to capture a wider spread of respondents.

### 6.3 Measures

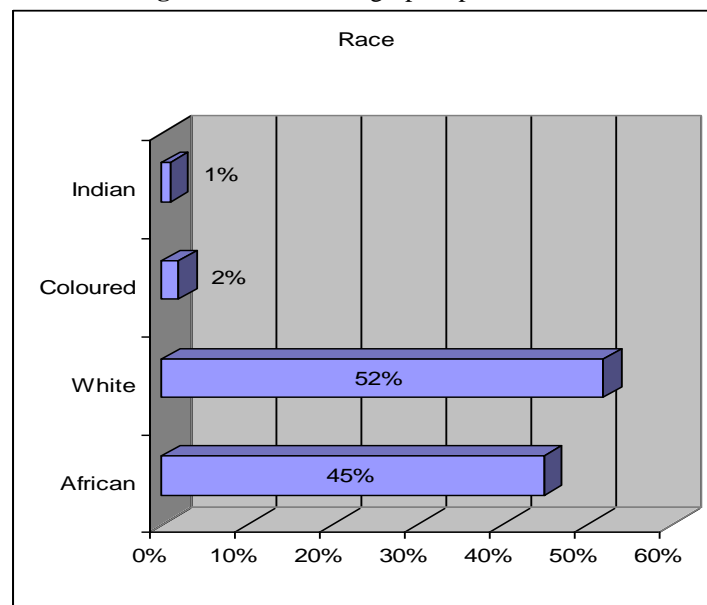
This study's main constructs of price knowledge, cherry picking and consumer knowledge was measured through the use of Likert-type scales as opposed to the demographic variables (income, age, and gender) whose questions delivered only nominal data. The basic scale design therefore consisted of a Likert-type scale with five scale points (with labels ranging from strongly agree to strongly disagree and not well informed to very well informed). This scale

was found to be highly reliable with a Cronbach's Alpha of above 0.7. No items on any of these scales were reverse scored. The results of the study are shown below.

## 7. Research Results

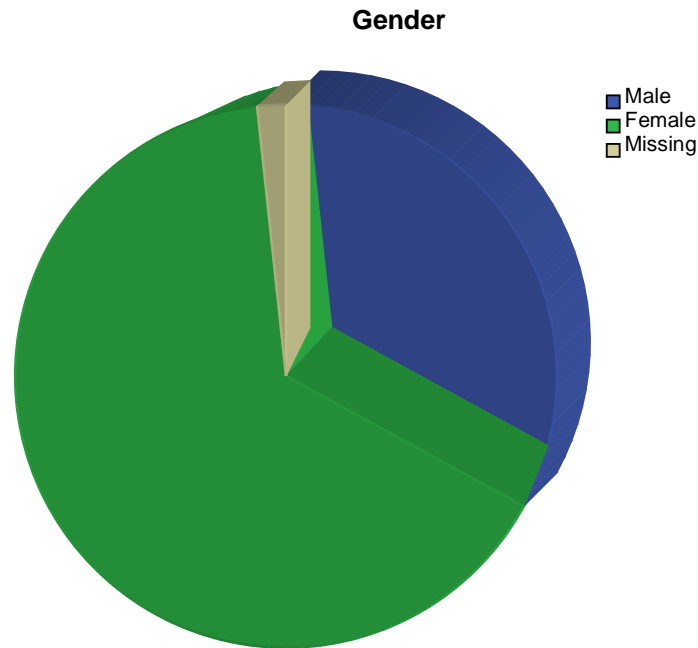
The study shows that the majority of respondents who participated in this study were female (67%) with an average age of between 24 and 28 years (30%). A relatively diverse spread of language across respondents was obtained with most respondent's preferred language being Afrikaans (50%), with English (37%) and North Sotho (13%). The race of the respondents was an important variable in indicating what effect price knowledge and gender has on a consumers' propensity to cherry pick and the response is summarized in figure 1.

**Figure 1.** Socio-demographic profile – race



From the data represented above in figure 1, the response with regards to the race of the respondents, that more respondents from the white (52%) and African (45%) races completed the questionnaires, compared to a measly 2% coloured and 1% Indian.

The outcome of this statistic can possibly be explained due to the selection of shopping centres during data collection were found to be in predominately white and African areas.

**Figure 2.** Socio-demographic profile - gender

It can be clearly seen from figure 2 that majority of the respondents who completed the questionnaires were females, showing a strong 67% compared to the 34% of male respondents. This can also be explained due to the time periods in which data collection took place. The bulk of the data collection took place in the morning, early afternoon and late afternoon, therefore majority of the respondents were housewives and senior citizens with a smaller percentage of the working population.

The hypotheses set for this study are stated in the next section from which the above was tested and analysed. In this study the researchers want not only describe the sample data such as means, standard deviation and proportions but they wish to make inferences about the population based on what was observed in the sample. Inferential statistics allow researchers to make inferences concerning the true differences in the population (Tustin *et. al.*, 2009).

### **The price knowledge and gender relationship**

The gender of consumers may have an affect in their interest in products as well as their expertise as to their prices. It has been researched that females, who account for the larger percentage of purchases of jewellery products, would be more knowledgeable

about prices in this category than males (Simmons market Research Bureau. 2004). This study would like to investigate if this statement holds true for grocery items purchased. To achieve the objectives of the study, the main aim of this article was to determine price knowledge and gender relationship of consumers when they do grocery shopping. Therefore the following hypotheses were formulated:

H<sub>0</sub><sub>1</sub>: There is no correlation between price knowledge and gender

H<sub>a</sub><sub>1</sub>: There is a correlation between price knowledge and gender

In analysing H<sub>1</sub>, we conducted a Pearson Correlation test between the variables; gender and how consumers informed are with regards to the prices of different products. From the results it shows that there is a significant relationship between the two as the p-value is 0.037 for both at a 0.05 significant level. When conducting the z-test, H<sub>0</sub><sub>1</sub> was rejected therefore accepting H<sub>a</sub><sub>1</sub>. Therefore, by accepting H<sub>a</sub><sub>1</sub>, one may conclude that there is a significant correlation price knowledge and gender. The table below portrays the results of a cross tabulation between the two constructs tested in this hypothesis.

**Table 2.** Cross-tabulation of price knowledge and gender

How informed are female and male respondents with regard to prices of products?	Not very well informed	Male	Female
		60%	30%
	Indifferent	16%	17%
	Very well informed	24%	53%
Total		100%	100%

Table 2 shows that 53 percent of the female respondents are of the opinion that they are well informed about prices of grocery products compared to 24 percent of the male respondents. Table 2 also shows that 60 percent of the male respondents amid that they are not very well informed compared to only 30 percent of the female respondents. The study shows that females are more knowledgeable about prices of grocery products.

### Cherry picking across time and price knowledge

The research aims to establish whether cherry pickers keep a different reference price for each store or create an average reference price from several different sources in South Africa and therefore the following hypothesis was set:

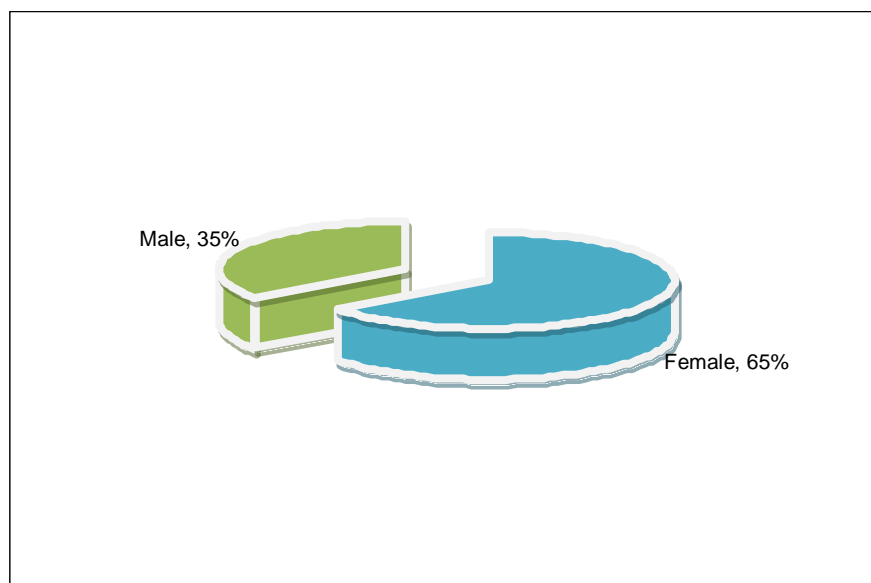
- H<sub>02</sub>: There is no significant relationship between cherry picking across time and price knowledge
- H<sub>a2</sub>: There is a significant relationship between cherry picking across time and price knowledge

The variables were correlated through the use of the Pearson Correlation test. The results show that there is a significant relationship between these variables with the p-value of 0.046 on a 0.05 significant level, thus the null hypothesis is rejected as 0.046 is smaller than the p-value. Therefore there is a significant relationship between cherry picking across time and price knowledge.

From the results found above it can be concluded that South African consumers are able to confidently cherry pick over more than one day due to their increased knowledge of prices offered on different products at different stores. If consumers have a broader knowledge of prices they are able to participate in the act of cherry picking easier than a consumer who has selected knowledge thereof.

### Consumer knowledge and gender

Knowledgeable consumers are those who are well informed on the prices of products, the types of stores as well as product assortment. The respondents were asked whether they know a lot about product prices, the types of stores as well as product assortment. The response is summarized in figure 3.

**Figure 3.** Knowledge about product prices, the types of stores as well as product assortment

From figure 3 it is clear that female respondents are more knowledgeable about product prices, types of stores and product assortment. From the female respondents 65% indicated that the well informed, compared to 35% of males respondents. The research also aimed to establish whether gender has an influence on the knowledge that the South African consumers have on the prices of products, the types of stores and product assortment and therefore the following hypotheses were set:

H0<sub>3</sub>: There is no significant relationship between consumer knowledge and gender

Ha<sub>3</sub>: There is a significant relationship between consumer knowledge and gender

The variables were correlated through the use of the Pearson Correlation test. The results show that there is a significant relationship between these variables with the p-value of 0.045 on a 0.05 significant level, thus the null hypothesis is rejected as 0.045 is smaller than the p-value.

From the results found above it can be concluded that gender has an influence on the knowledge that the South African consumers have on product prices, the types of stores and product assortment.

## 8 Managerial Implications

Knowledge regarding cherry picking behaviour will enable retailers to get a higher wallet share from even its price sensitive shoppers, while at the same time charging higher prices for its price insensitive customers. The retailers must be aware of the fact that much of the savings on cherry picking trips is due to the purchase of more promotional items, where savings is subsidised by manufacturer discounting. Thus, the burden of cherry picking is borne by both retailer and manufacturer.

Retailers must also make an effort to embrace this segment as it accounts for such a large percentage of the population. Cherry pickers build price competitions between retailers, therefore they should strive to have the most attractive offers and weekly advertisements, in order to draw the cherry pickers in and obtaining a greater turnover.

## 9 Conclusion

The study aims to explain the effect of a consumers' knowledge, with specific reference to product price knowledge, has on a consumers' propensity to cherry pick. It also aims to establish whether there is a

relationship between price knowledge, consumer knowledge and gender.

The study shows that females are more knowledgeable about prices of grocery products. Female cherry picking consumers are also well informed about prices of grocery products. The conducted research concludes that gender has an influence on the knowledge that the South African consumers have on product prices, the types of stores and product assortment.

The results show that the South African consumers are able to confidently cherry pick over more than one day due to their increased knowledge of prices offered on different products at different stores. Broader knowledge of prices enables them to participate in the act of cherry picking easier than a consumer who has only selected price knowledge.

In conclusion the research findings indicate that there is a significant relationship between price knowledge, consumer knowledge and gender.

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