

MODIFYING MONTHLY HOUSEHOLD EXPENDITURE ALLOCATIONS: AN EXPLORATION OF SOUTH AFRICAN BOP CONSUMERS

James Lappeman*, Joel M Chigada & Pragasen Pillay

ABSTRACT

This study explored the reasons behind monthly changes in expenditure allocation in bottom of the pyramid (BoP) consumer households. To date, no research has explored the specific dynamics driving monthly modification of consumer expenditure in this segment. The qualitative data were collected through a panel of interviews conducted with 80 BoP households in four South African provinces over a period of four monthly waves. The research yielded a set of eight clear themes that describe monthly expenditure modifications. These themes included: trading groceries for entertainment or eating out; seasonal effects; recovery after income shocks; inter-month budgetary trade-offs; once off expense with ripple effect; business-home expense trade-off and informal savings effects. The range of behaviours were mainly driven by financial constraints and the pressure of scarcity. The study findings further our understanding of BoP consumer behaviour in a South African context.

— Dr J Lappeman*

UCT Liberty Institute of Strategic Marketing
University of Cape Town
Cape Town
South Africa
Phone: +27 (0) 21 650 1973
Email: j.lappeman@uct.ac.za
*Corresponding author

— Prof JM Chigada

School of Management Studies
University of Cape Town
Cape Town
South Africa
Phone: +27 (0) 21 558 5043
Email: chigadajm@gmail.com

— Dr P Pillay

School of Management Studies
University of Cape Town
Cape Town
South Africa
Phone: +27 (0) 21 650 5909
Email: p.pillay@uct.ac.za

ARTICLE INFO

Received September 2018
Revised February 2019
Accepted October 2019

KEYWORDS

Bottom of the Pyramid, BoP consumer, consumer expenditure, consumer finance, low-income consumer behaviour

INTRODUCTION

This study investigated the reasons behind modification in consumer monthly expenditure through a panel of Bottom of the Pyramid (BoP) households in South Africa. The research explored the reasons for inter-category trade-offs in the allocation of expenditure, between various product or service categories. This study was conducted as part of a doctoral research project in the provinces of Gauteng, Eastern Cape, KwaZulu-Natal and North West, over a four-month period (Lappeman, 2017). BoP is the largest and poorest segment of the world's population and was popularised as a concept in Prahalad and Hart's (2004) theory that poverty could be eradicated through intentional business practice. Kolk et al.'s (2013) analysis of BoP research literature in the decade after the concept was introduced, specifically called for more research in Sub-Saharan Africa. In particular, consumer research has been absent from published research, which has tended toward being theoretical or focused on

businesses (Lappeman, Chigada & Pillay, 2019). While there are many models of consumer decision-making (Mpinganjira & Dos Santos, 2013; Prasad & Jha, 2014), and many studies on BoP consumers (Barki & Parente, 2006; Chikweche & Fletcher, 2011) – the main contribution of this study is to understand the behavioural dynamics behind monthly expenditure modifications in BoP consumer households. Chikweche and Fletcher (2011, 2012) raised the issue of BoP initiatives needing a ‘bottom-up’ approach by understanding the local conditions. The authors state that a better understanding of the drivers of consumer engagement is required. As there is no established model of category trade-off among BoP households, the research called for a more flexible and in-depth research method.

Better knowledge of monthly household consumer expenditure patterns could drive, for various stakeholders, new ways of understanding and meeting the needs of BoP markets. In particular, BoP households are likely to have considerably different consumption patterns to higher income segments, due to resource constraints and various socio-economic drivers of behaviour. In emerging economies like South Africa, private and government decision-makers are often far removed from the socio-economic reality of the consumers they target (Simpson & Lappeman, 2017). Without grounding in the consumer behaviour of BoP households, marketers to this segment are specifically at risk of imposing inappropriate marketing models on BoP consumers (Charman & Petersen, 2017; Nailor et al., 2015; Neethling, 2017).

The paucity of global BoP research has been well documented (Anderson, Day & McLaughlin, 2006; Kolk, Rivera-Santos & Rufin, 2013; Lappeman et al., 2019). South African academics, in particular, have observed the need to expand the base of knowledge on South African BoP consumer behaviour (Chipp et al., 2012; Duvenage et al., 2010; Human et al., 2011; Jacobs & Smit, 2010; Lappeman et al., 2017). This point is further validated by specific calls for a larger empirical base of research on African (Egri & Ralston, 2008; Kolk & Lenfant,

2012; Kolk & Van Tulder, 2010). Prahalad and Hart (2004) have alluded to many businesses that have tried to enter the low-income market, but have failed because they simply sell BoP consumers a repackaged version of what they sell to consumers with higher disposable income. For this reason, Jacobs and Smit (2010:30) state that:

“Arguably, far more research is needed to fully understand both the needs of low-income consumers and the challenges these consumers face in accessing basic products or services.”

LITERATURE REVIEW

Consumer expenditure modification and category trade-off

A personal budget is the allocation of consumer monthly income disbursements to specific categories such as rent, utilities, mortgage payments, clothing, and entertainment (Cohan, 2018). In consumer behaviour, a product category is a class or division of products (or services) that has particular shared characteristics (Gnau, Richardson & Dippold, 1992; Karampatsa, Grigoroudis & Matsatsinis, 2017; Pradhan, 2006). For example, bread and rice would be classified in the grocery category, but a pair of socks would be classified in the clothing category. Since consumers generally spend their income on more than one item, trade-offs may occur between categories every month. For example, in one month, a household may spend more on clothing, but then during that same month sacrifice on entertainment. Two consecutive months, therefore, may display a significantly different expenditure pattern. Conventional consumer loyalty models however tend to compare behaviours and attitudes toward products within the same category (Kotler & Armstrong, 2015). Within one category, for example, products of different brands are generally regarded as a substitute for one other (Kumar & Leone, 1988; Ma, Fildes & Huang, 2016; Walters, 1991).

Monthly share-of-spending (SOS) or share-of-

purchase (SOP) is a measure of how total expenditure is allocated to specific product or service categories (Clerfeuille & Poubanne 2003; Keiningham, Aksoy, Perkins-Munn & Vavra, 2005). SOS has been used in economics – as have other loyalty-related consumer economic principles such as the income effect, the substitution effect and elasticity of demand. The economic theories of consumer choice and utility are also related to loyalty (McConnel, Brue & Flynn, 2009; McDowell, Thom, Frank & Barnanke, 2009). Although connected to the economics of choice, SOS is particularly relevant to low-income consumers, who are constantly making trade-offs between entire product and service categories.

Trade-offs between essential goods and discretionary purchases have been recorded in some recent BoP research. Often, discretionary purchases correlate to irregular occurrences like the festive season and can be funded through borrowing (Subrahmanyam & Gomez-Arias, 2008). Income inconsistencies also play a large role in consumer choice and trade-off. During leaner months, share of household expenditure may be different to months of average income. Forte (2015) described how all consumers tend to spread their budget across multiple categories. In today's highly competitive marketplace, one company will rarely dominate a consumer's entire category (cited examples include telecoms, insurance and even daily coffee spend). Among firms targeting BoP consumers, the issues are not just intra-category competition – but also inter-category competition. In a particular month, a low-income consumer may forgo eating breakfast, in order to buy a pair of high quality jeans. Consumers may also be influenced by the economics of a particular day, let alone a month's budget, and may complete smaller frequent purchases in some months, and less frequent but larger purchases in other months (D'Andrea, Stengel & Goebel-Krstelj, 2004). Most BoP income is spent on food, clothing, transport and housing – but SOP can be influenced by factors like urbanisation, geography, the environment, socio-economics, literacy levels, culture and religion (Karnani, 2007; Prahalad & Hart, 2004). Duvenage et al. (2010:310) agreed with Fisher

(1999:2), who noted that when money becomes scarcer, "each of the food purchases is important, as no money is available for replacements". Alwit and Donely (1996:60) noted that the poor are "cautious shoppers", and will change their food buying habits in an attempt to economise. The cost of food would therefore take precedence over issues of taste, cultural acceptability, and healthy eating – as found by the Joseph Rowntree Foundation (1994). These findings, while possibly true in the context of the United Kingdom, are not however easily transposed to an emerging market setting. Duvenhage et al. (2010:311) noted that while affluent South Africans seek "convenience, health and pleasure", BoP consumers often struggle with basic food security and are restricted by the availability of an adequate quantity of affordable food for satisfying their nutritional requirements.

Chikweche, Stanton and Fletcher (2012) identified how economic conditions led BoP families toward three types of purchasing behaviour when buying products: when they are needed; when they were available; or when consumers could afford them. Since affordability and availability are inconsistent, loyalty becomes hard to discern in a meaningful way. Chikweche et al. (2012) also highlighted the influence of household members in the purchase decision process. This also adds complexity in terms of deciding which members of the household are required to participate in research.

The South African BoP

BoP is the global consumer segment made up of people living on less than US\$2.50 per day, although scholars have widely debated poverty benchmarking and the actual size of the BoP segment (Chen & Ravallion, 2010, 2013; Deaton, 2010; London, Anupindi & Sheth, 2010; Prahalad & Hart, 2004; Ravallion, Chen & Sangraula, 2009; Simanis, 2012). Similarly, South African BoP benchmarks have varied between a household income of less than US\$80 per month, to household income of less than US\$540 per month (extrapolated from Chipp, Corder, Kapelianis, 2012; Duvenage, Schonfeldt & Kruger, 2010; Jacobs & Smit,

2010; Simpson, 2017). For this study, the South African BoP definition is aligned with Simpson (2017), who benchmarked the segment as households earning less than R6000 or approximately US\$460 per month (Simpson et al., 2014; Simpson, 2017; Simpson & Lappeman, 2017).

Understanding BoP consumer behaviour is crucial in a country like South Africa, where the BoP market forms the majority (approximately 70-75%) of the consumer population (Chipp et al., 2013; Simpson & Lappeman, 2017). The importance of the market is further emphasised when considering that BoP has an aggregate recorded expenditure of approximately a third of South Africa's spending power (Chipp et al., 2013; Simpson & Lappeman, 2017). Although the National Income and Expenditure Dynamics Survey (NIDS) and Statistics South Africa (StatsSA) have researched income and expenditure patterns, they do so at a minimum, biannually (NIDS, 2016; StatsSA, 2013, 2015). To date there is however no record of how South African BoP expenditure fluctuates on a monthly basis. Although past South African surveys of income and expenditure are useful for understanding macroeconomic patterns and measuring poverty levels, there is a need to further understand the monthly consumer behaviour patterns of BoP households (Chipp et al., 2013; Human, Ascott-Evans, Souter & Xabanisa, 2011; Jacobs & Smit, 2010; Lappeman et al., 2017). While Lappeman et al. (2019) showed the existence of monthly expenditure changes, the underpinnings of this behavior was left unexplored and has led to the formulation of the following research questions:

RQ1: Are BoP consumers modifying their expenditure on a monthly basis?

RQ2: What factors drive this modification?

METHODOLOGY

While quantifying expenditure fluctuations has been studied, the factors driving monthly expenditure modification has yet to be examined

in BoP markets (Lappeman, 2017; Lappeman et al., 2019). In order to understand the underlying behavioural forces behind expenditure changes, a qualitative approach was used to explain expenditure shifts as observed in a parallel financial study of the same participating households (Lappeman et al., 2019). A longitudinal four-month panel of qualitative interviews was conducted with a sample of 80 BoP household representatives. To date, no consumer panel study has looked directly at the underlying principles influencing BoP monthly expenditure modification and inter-category trade-offs. In addition, published BoP studies are usually cross-sectional and results have not accounted for monthly variations (Nailer, Stening & Zhang, 2015).

An exploratory research design was used in this study, as there is little prior knowledge on which to build descriptive or causal research (Malhotra, 2010; Tustin, Ligthelm, Martins & Wyk, 2005). The lack of base knowledge on expenditure category trade-off among BoP consumers, meant that an exploratory research design was appropriate, as it is used in marketing studies that also lack a theoretical framework (Alam, 2002; Harrison & Reilly, 2011; Shree, Gupta & Sagar, 2017). Longitudinal studies can measure changes in behaviour that are not possible with cross-sectional studies (Zikmund & Babin, 2010). The research methods used in exploratory studies are highly flexible and generally qualitative (Malhotra, 2010; Tustin et al., 2005). Nailor et al. (2015:855) highlighted the need for a shift in research strategy, when observing emerging markets. Their case is stated in the following words:

"... market research in emerging markets that relies too heavily on quantitative methodologies has considerable limitations. For this reason, there has been an increasing realisation that qualitative methods, emphasising data richness and a deep understanding of consumers 'why' as well as 'what' and 'how much' are a critical component of research in emerging markets".

Some BoP studies have employed exploratory

designs for the comparable reason of there being a lack of sufficient theoretical framework for the phenomenon of interest (Barki & Parnete, 2006; London & Hart, 2004). Lariviere et al. (2011:60) explain that some studies purely identify phenomena, while others are able to take the research a step further and answer the question “why?”

Sample

In order to choose a specific sample for the study – the target population was first defined. Kolk et al. (2013) assert that after analysing a decade of BoP literature, researchers need to make their own definition of BoP clear, and that global definitions do not account for local conditions. We used the benchmark of households earning less than R6000 (US\$460) per month. Since approximately 70% of South Africa’s 55.6 million people fit the above-mentioned criteria (approximately 10.5 million BoP households), the target population includes most South African households (Simpson, 2017). With such a large and broadly defined target population, there is no accurate sampling frame from which to accurately draw a

probability sample. Non-probability sampling has a robust history in marketing research, and, despite its limitations, has been used in many studies due to its time and cost benefits. It has been argued that when a sample frame is not available and research is exploratory – non-probability sampling is justified (Baker et al., 2013; Ortinau, 2016; Schillewaert, Langerak, & Duhamel, 1998; Tustin et al., 2005).

To increase the generalisability of the findings, quota sampling was used (Babin & Zikmund, 2015; De Rada & Martin, 2014) – whereby participants needed to belong to households earning less than R6000 per month, and were geographically spread out in order to improve generalisability, as observed in other South African multi-province studies (Littlewood & Holt, 2015; Munyewende, Rispel & Chirwa, 2014; Siziba, Jerling, Hanekom & Wentzel-Viljoen, 2015; Vannoorenberghe & Voeten, 2016). Finally, participants needed to be available and willing to share sensitive information during the entire longitudinal study. The outcome of the sampling process designated fieldwork sites in areas of Johannesburg (Gauteng Province), Mthatha (Eastern Cape province),



FIGURE 1: DATA COLLECTION SITES

TABLE 1: DESCRIPTION OF SAMPLE HOUSEHOLD MAKEUP

Participant household identifier	South African Province	Metro	Suburb	Total residents	Number of adults 15years +	Number of kids 0-14years	Gender of HH head	Age of HH head
101010	Gauteng	JHB	Alexandra	5	3	2	Male	41
101011	Gauteng	JHB	Alexandra	3	2	1	Female	59
101012	Gauteng	JHB	Alexandra	4	4	0	Female	54
101013	Gauteng	JHB	Alexandra	4	2	2	Male	32
101014	Gauteng	JHB	Alexandra	4	3	1	Female	46
101016	Gauteng	JHB	Alexandra	6	3	3	Female	46
101017	Gauteng	JHB	Alexandra	4	2	2	Female	40
101018	Gauteng	JHB	Alexandra	6	4	2	Male	49
101019	Gauteng	JHB	Alexandra	4	3	1	Female	55
101020	Gauteng	JHB	Alexandra	3	1	2	Female	41
101021	Gauteng	JHB	Alexandra	5	5	0	Male	64
101022	Gauteng	JHB	Alexandra	11	5	6	Male	49
101023	Gauteng	JHB	Alexandra	4	3	1	Male	48
101024	Gauteng	JHB	Alexandra	3	3	0	Male	71
101025	Gauteng	JHB	Alexandra	4	3	1	Female	71
101026	Gauteng	JHB	Alexandra	8	5	3	Male	51
101027	Gauteng	JHB	Alexandra	3	3	0	Female	32
101028	Gauteng	JHB	Alexandra	3	3	0	Male	43
101029	Gauteng	JHB	Alexandra	3	2	1	Male	29
201010	E. Cape	Mthatha	Alexandra	5	5	0	Female	51
201011	E. Cape	Mthatha	Mandela park	6	4	2	Male	50
201012	E. Cape	Mthatha	Ngangelizwe	10	9	1	Male	64
201013	E. Cape	Mthatha	Umthatha	2	2	0	Female	35
201014	E. Cape	Mthatha	Umthatha	10	7	3	Female	58
201015	E. Cape	Mthatha	Gxulu	5	3	2	Female	44
201016	E. Cape	Mthatha	Gxulu	5	3	2	Female	52
201017	E. Cape	Mthatha	Zithathele	3	1	2	Female	33
201018	E. Cape	Mthatha	Ngangelizwe	5	5	0	Female	59
201019	E. Cape	Mthatha	Gxulu	6	3	3	Female	53
201020	E. Cape	Mthatha	Ngangelizwe	8	5	3	Female	54
201021	E. Cape	Mthatha	Mandela park	6	2	4	Female	57
201022	E. Cape	Mthatha	Gxulu	2	2	0	Male	76
201023	E. Cape	Mthatha	Ngangelizwe	16	6	10	Female	62
201024	E. Cape	Mthatha	Mandela park	5	3	2	Female	29
201025	E. Cape	Mthatha	Corhana	5	4	1	Female	80
201026	E. Cape	Mthatha	Mandela park	6	3	3	Female	50
201027	E. Cape	Mthatha	Ngange lizwe	9	9	0	Male	56
201028	E. Cape	Mthatha	Zithathele	4	4	0	Male	79
201029	E. Cape	Mthatha	Slovo park	6	2	4	Male	30
521010	E. Cape	Mthatha	Gxulu	3	1	2	Female	39
521011	KwaZulu Natal	Port Shepstone	Izingolweni	4	2	2	Male	35
521012	KwaZulu Natal	Port Shepstone	Izingolweni	6	4	2	Female	55
521013	KwaZulu Natal	Port Shepstone	Izingolweni	7	3	4	Female	44
521014	KwaZulu Natal	Port Shepstone	Izingolweni	4	2	2	Female	40
521015	KwaZulu Natal	Port Shepstone	Izingolweni	6	3	3	Female	51
521016	KwaZulu Natal	Port Shepstone	Izingolweni	8	4	4	Male	55
521017	KwaZulu Natal	Port Shepstone	Izingolweni	3	1	2	Female	41
521018	KwaZulu Natal	Port Shepstone	Izingolweni	4	3	1	Male	71
521019	KwaZulu Natal	Port Shepstone	Izingolweni	5	3	2	Female	61
521020	KwaZulu Natal	Port Shepstone	Izingolweni	5	3	2	Male	56
521021	KwaZulu Natal	Port Shepstone	Izingolweni	3	3	0	Male	62
521022	KwaZulu Natal	Port Shepstone	Izingolweni	7	5	2	Female	69
521023	KwaZulu Natal	Port Shepstone	Izingolweni	3	2	1	Male	30

TABLE 1: DESCRIPTION OF SAMPLE HOUSEHOLD MAKEUP - Continued

Participant household identifier	South African Province	Metro	Suburb	Total residents	Number of adults 15years +	Number of kids 0-14years	Gender of HH head	Age of HH head
521024	KwaZulu Natal	Port Shepstone	Izingolweni	5	5	0	Female	63
521025	KwaZulu Natal	Port Shepstone	Izingolweni	10	6	4	Female	40
521026	KwaZulu Natal	Port Shepstone	Izingolweni	4	3	1	Male	43
521027	KwaZulu Natal	Port Shepstone	Izingolweni	4	3	1	Female	50
521028	KwaZulu Natal	Port Shepstone	Izingolweni	5	3	2	Female	83
521029	KwaZulu Natal	Port Shepstone	Izingolweni	4	3	1	Female	43
601010	KwaZulu Natal	Port Shepstone	Izingolweni	6	2	4	Female	75
601011	NW. Province	Potchefstroom	Mohading	3	2	1	Female	75
601012	NW. Province	Potchefstroom	Mottading	4	2	2	Female	81
601013	NW. Province	Potchefstroom	Ikageng	5	2	3	Male	32
601014	NW. Province	Potchefstroom	Ikageng	4	1	3	Female	40
601015	NW. Province	Potchefstroom	Ikageng	3	3	0	Female	55
601016	NW. Province	Potchefstroom	Ikageng	6	5	1	Male	61
601017	NW. Province	Potchefstroom	Ikageng	2	2	0	Female	51
601018	NW. Province	Potchefstroom	Ikageng	5	4	1	Male	52
601019	NW. Province	Potchefstroom	Ikageng	5	5	0	Female	50
601020	NW. Province	Potchefstroom	Ikageng	4	3	1	Female	54
601021	NW. Province	Potchefstroom	Ikageng	6	5	1	Female	59
601022	NW. Province	Potchefstroom	Mohading	4	1	3	Female	34
601023	NW. Province	Potchefstroom	Ikageng	4	2	2	Male	42
601024	NW. Province	Potchefstroom	Ikageng	5	3	2	Female	73
601025	NW. Province	Potchefstroom	Mohading	3	2	1	Male	70
601026	NW. Province	Potchefstroom	Mottading	2	2	0	Male	56
601027	NW. Province	Potchefstroom	Mottading	6	2	4	Female	46
601028	NW. Province	Potchefstroom	Mohading	8	4	4	Female	60
601029	NW. Province	Potchefstroom	Ikageng	5	5	0	Female	50

Potchefstroom (North West Province) and Port Shepstone (KwaZulu-Natal Province), as shown on the map in Figure 1.

The primary justification for choosing these sites was first, that they have a high density of BoP households. The abundance of BoP households therefore represented the target population well. Table 1 (below) summarises the sample of households by listing the suburbs represented in each geographic region and the languages used in the fieldwork.

Since the research used a non-probability sampling technique, the fieldwork team were also key in selecting the sample (See: Bochner & Riggs, 2014; Howard-Payne, 2015; Katz, 2015; Yanow, 2006).

Data collection

Data collection took place over four months through monthly interviews with each of the

selected panel of household participants (often the household head). The interviews were exploratory and involved asking multiple, open-ended questions using a laddering technique (Malhotra, 2010). The interviews helped to gather a broad range of insights that would connect changes in household expenditure to situational (or other) phenomena. Participants were asked general questions about how the month had been for the household, and whether there was anything interesting that had happened in the time between interviews. Once a phenomenon was mentioned (for example a large unexpected expense), the laddering technique allowed for further probing. The repeat visits from the same interviewer provided a foundation of trust, to be built on between participant and fieldworker.

The interviews were conducted and recorded in the home language of the participants. Recordings were sent off for translation into English and transcription. As the nature of a

multi-wave longitudinal study also runs the risk of participant fatigue (Taylor & Lynch 2016), capable, motivated and trained fieldworkers were used (Zikmund & Babin, 2010).

Data analysis

Once all the data were captured, certain overarching trends were explored by way of thematic analysis - as proposed by Taylor and Ussher (2001). Thematic analysis is widely used in qualitative research studies, in which the researcher actively identifies themes within a dataset, selects those that are of significance to the particular study, and reports the findings (Braun & Clarke, 2006; Taylor & Ussher, 2001). The process of coding for this line of analysis followed qualitative analysis guidelines described by Miles, Huberman and Saldana (2013) – which involved the manual coding and categorisation of the data, the recoding and re-categorisation of the data, and presentation of the themes identified (Miles & Huberman, 1994). The themes derived from the data were categorised into the components related to factors impacting monthly expenditure modification and expenditure trade-offs. The qualitative analysis was validated for inter-rater reliability, in order to mitigate possible researcher bias when interpreting the results. Although this process is more often used in quantitative research, when used in qualitative research it can be a useful for assessing the value of research and enhancing analysis of the qualitative data (Armstrong, Gosling, Wienman & Marteau, 1997; Marques & McCall, 2005). This process involved the raw data and transcripts being sent to three other experienced researchers that engaged attentively with the information, in the same way that the primary researcher had done, and offering independent insights and opinions (Marques & McCall, 2005).

FINDINGS

General trend towards monthly expenditure variability

Participants in this sample reported that they regularly modified their budgets and expenditure

patterns. Not one of the sample participants stated that their category expenditure remained the same in a four-month period. This trend validated the study, and eight specific themes underlying monthly expenditure modifications are explored below:

Eight emerging themes explaining monthly expenditure variation

Theme 1: Income variability impacts consumer expenditure

The observation that monthly income can fluctuate significantly between months, has a direct impact on category expenditure. Inconsistent wages from non-permanent employment or micro-entrepreneurship are a major contributing factor. The loss of a job for one or more members of the household also has a significant impact on expenditure.

In **HH101014**, for example, income decreased from R1500 to R390 from December to January, due to the termination of an employment contract. During this period, groceries increased from 60% to 86%, where this percentage then remained fairly constant – despite the amount spent on groceries increasing from R288 to R1744. This was accompanied by a decrease in eating out from 40% to 0% from December to January. Income eventually returned to R1600 in March. The following quotes provide qualitative insight into the observed variation in expenditure as a result of income variability:

“Our employment contract came to an end.”

“They’ve renewed my contract at work – so this means I’m going to be working full-time.”

“My first-born son got a job.”

Owing to the loss of jobs during December and January, more groceries were bought, while the eating out expenses decreased. When the job contract was renewed, and their adult child found a job in February and March, expenses increased, as the household could afford more. The largest expense, of R177, was on groceries in January.

Theme 2: Trading groceries for entertainment or eating out

Although classified as different categories, groceries and entertainment often fulfill similar needs. While not true in all cases (for example the lottery), expenditure on food and beverages in an entertainment capacity, can substitute for grocery expenditure. The sample cases below provide a unique window into the trading off of more essential categories (like groceries) for entertainment and costlier eating out.

HH521010 experienced a decrease in electricity and groceries from 40% to 21% and 60% to 56%, respectively, between February and March. During this time, cellphone expenses rose from 0% to 16%. Between April and May, cosmetics and groceries increased from 0% to 14% and from 56% to 83%, respectively. In addition, cellphone and cleaning materials decreased from 16% to 2% and from 7% to 1%, respectively. The following quotes illustrate certain situational variables that influence the category trade-off expressed in the financial diaries:

"They were going to the house warming for their cousin, so they all bought groceries as gifts."

"Nomthandazo went with her sister to visit their aunt in Umzumbe, to have a Thanksgiving ceremony. As their aunt was looking after her sister, they bought some gifts for her like blankets, groceries, pinafores, pork and traditional beer."

When attending gatherings, groceries were bought as gifts. Therefore, during times of celebration, a smaller percentage was spent on cellphones, cleaning and electricity expenses. Additionally, more was spent on cosmetics during this time. The largest expense of R431 was on groceries in May.

Theme 3: Seasonal trade-off effects

The trend of trade-off between groceries and other categories was particularly noticeable during the festive season. The study was intentionally targeted at exploring the months

that span the festive season and New Year. While a study that spans a full calendar year would give more robust results – the festive season is a key season for many marketers, as expenditure tends to peak (Terblanche et al., 2013). Easter, birthdays, back-to-school and traditional ceremonies are annual phases of expenditure category disruption – as categories like entertainment, school, clothing and eating out may temporarily spike.

From February to April, **HH521019** saw cleaning materials and cosmetics increase from 0% to 5.2% and 1% respectively, while groceries decreased from 100% to 93%. From April to May, groceries increased to 95%, while cleaning materials and cosmetics decreased to 4.6% and 0% respectively. The following quotes express the situation:

"When its [the] festive [season] we are celebrating Christmas and New Year; it's time to be happy [and] we eat nice things that we don't always eat during the year."

"In January we buy school uniforms and pay school fees and then we save the rest for other things we might need."

During the festive season, more groceries are brought to feed the children (with stokvel money). The largest expense of R1231.79, was on groceries in April.

HH601021 saw eating out increase from 0% to 25%. At the same time, groceries decreased significantly from 94% to 70%. This trade-off is understood from the following quote:

"Normally I buy school uniforms in November and [in] December I buy them clothes, and in January I will concentrate on books only."

Despite getting a new microwave, the household increased the amount they ate out. The largest expense was on groceries in March – which was R379.00.

Theme 4: Shock, trade-off, recovery

In some households, unexpected personal

setbacks, losses and income shocks in one month, directly impacted expenditure. The disruptive nature of an unforeseen setback caused an immediate inter-category trade off. The subsequent months usually saw a recovery to somewhere near the original category breakdown. A noticeable reduction in luxury purchases (for example new clothes and cosmetics) was sometimes replaced by expenses relevant to the disruption.

With **HH101012**, groceries increased from 23% to 98% from December to January, where it remained fairly constant. This was accompanied by a decrease in other expenses from 77% to 0%. The shocks are expressed in the following quotes:

"I can't forget the death of my sister's child."

"My uncle was attacked by a stroke."

"Checkers Hyper donated food parcels to my charity organisation."

The unfortunate circumstances of a death and illness in the family caused a large amount to be spent on other expenses – rather than groceries. During the months that followed, these expenses were minimised and most money was spent on groceries. The initial low amount spent on groceries in December (23%) was explained by food donations from Checkers Hyper. This percentage then increased drastically to almost 98% in January, owing to a sister visiting the household, which required an increase in grocery expenditure to accommodate her. The largest expense of R2,356.12 was on groceries in April.

HH101018 also saw an increase in groceries (81% to 99%) and a decrease in school expenses (19% to 0%) from December to January. The shocks experienced by the household are illustrated in the following quotes:

"I attended a funeral of a family member in Limpopo."

Owing to many funerals, money was spent only on essentials such as groceries. This meant there was not enough money to spend on

schooling. The largest expense of R1397 was on groceries in January.

The spending of **HH101023** was also impacted by a number of funerals. From December to January, eating out decreased from 78% to 38%, and then even further to 0% from January to March. Groceries then increased from 9% to 48% from January to February:

"Last week I buried my cousin."

"Also our family friends lost a child."

Eating out expenses may have been high owing to the household attending funerals. Eating out expenses decreased and groceries expenses increased when the household attended fewer family gatherings.

Theme 5: Inter-month budgetary trade-offs

Instead of seeing category expenditure as a monthly cycle aligned with income frequency, budgetary items are spread over a series of months. When observing the total spend for a series of months, some of the months might find no expenditure in some categories. The spread of category expenditure over multiple months creates an inconsistency in budgeting, and makes measurement of household expenditure difficult without multiple data points – as was achieved in this study.

With **HH101019**, from December to January, groceries increased from 32% to 96%. Clothing, electricity and other expenses all decreased to 0% from 20%, 10% and 33% respectively, during this time. From January to March, cosmetics, health care and eating out increased from 0% to 16%, 10% and 11%, respectively. During this time, groceries decreased from 96% to 59%. Situations that led to the trade-offs are illustrated in the following quotes:

"I attended a meeting of traditional healers."

"There have been lots of weddings in the family."

"I bought some stationery [during] last school term, and in terms of paying for the school fees I budgeted the money

from November last year.”

From the data, it seems that expenditure is not simply contained within monthly budget cycles. Spending is often spread over multiple months where, for example, food stockpiling may occur in months where future ad hoc expenses were expected (like a wedding). In months where there are no funerals or weddings, most money is spent on groceries.

Theme 6: Once-off expense as an anchor to the trade-off ripple effect

In some of the households, a once-off expense had an unpredictable category trade-off ripple effect. Unlike the observation in Theme 2, the trade-off is not a substitution between two related (albeit different) categories. With the case illustrated in the households below, the once-off expense (for example a clothing purchase) would impact on groceries. The difference between this observation and the shock and recovery point, is the probability that the once-off expense could be expected (or planned for). The return for a new school year was a noticeable event in a number of the households. Buying school uniforms and stationery in January, meant that other categories had reduced expenditure. Similarly, spending money on irregular expenses like house upgrades or farming services would have a ripple effect on other categories.

In **HH201020**, clothing and expenses decreased from 7% and 9% respectively to 0% from December to January. Groceries increased from 78% to 87% from January to December, and then again to 92% the following month. In a similar way as the previous household, the following quotes help to describe the situation:

“As you see, we are building a new house. it’s not easy because we have to leave [out] some of the groceries.”

“We are focusing on the children going back to school and building.”

Owing to the household building a new home, the percentage spent on clothing and other expenses was reduced to accommodate for this

expense. Additionally, the opening of schools reduced the amount of money spent on children and allowed for expenses to be focused on groceries. The largest expense of R989.00, was on groceries in December.

HH201024 also saw an increase in groceries from 71% to 98%, while clothing decreased from 26% to 0% during the December/January period, as expressed in the quote:

“Since it is January our mood is more stressful because we don’t have money and we are planning to fence this yard.”

During January and February, less was spent on clothing owing to the family saving to build a fence around their yard. This meant that groceries formed a higher percentage of expenditure. Donations to the family from March to April allowed for more money to be spent on eating out. The largest expense of R1097 was on groceries in January.

Theme 7: Business-home expense trade-off

The observation that income sources do not always come from formal (waged) employment, means that many BoP households rely on informal trade and micro-entrepreneurship for income. The result of the micro-enterprise activity is a budgetary overlap as work-related and home-related expenses merge as expenditure in one area has an impact on the other. In the example of running small-scale grocery or alcohol trading from home, supplies would come as a household expense – as opposed to a large business where business expenditure and household expenditure would be separated. Income from micro-enterprise may also be unrecorded by data collection. For example, a street vendor who makes a little revenue could spend the income on replenishing stock.

With **HH521014**, from February to April there was a decrease in electricity spend from 7% to 0%. Both cellphone and cleaning materials increased from 0% to 3%, where cellphone expenses continued to grow to 9% and cleaning materials to 8% from April to May. The

connection between expense trade-off and business expense is seen in the following quotes:

“Jabu went to order some clothes that she is selling for people at the pay points.”

“Jabu took her daughter to crèche so that she can go and sell at pay points from the beginning of April.”

Owing to selling clothes, Jabu may have been required to use her cellphone more. Additionally, she may have been required to wash clothing – and therefore more cleaning material was required. The largest expense of R471 was on groceries in April.

HH521017 also saw an increase from 0% to 7% in cellphone expenses from February to March. From April to May, these cellphone expenses reduced back down to 0%, while groceries increased to 98%. The home-business expense trade-off is seen in the following quotes:

“I use SMS and WhatsApp to communicate with most of my customers.”

“We cook more food as we also have visitors during that time and I buy nice things.”

“... to prepare for the visitors who are coming on Easter holidays.”

This increase in cellphone expenses may be from contacting family members to organise gatherings and clients for business reasons. During the Easter period, the family hosted visitors, and this may have resulted in the trade-off between cellphone expenses and groceries.

Theme 8: Informal savings (Stokvel) effects on category trade-off

Informal saving collectives (mainly found in developing economies) are often referred to as Rotating Savings and Credit Associations (ROSCAs) (Ambec & Treich, 2007; Besley, Schreiner, 2000). In South Africa, ROSCAs are known as stokvels (Lappeman et al., 2019; Tengeh & Nkem, 2017). Some 11.4 million

South Africans belong to 811 130 stokvels, which have a collective value of R49 billion a year (Booyesen, 2016; Massmart, 2011; Mfeti, 2017; NASASA, 2016). Informal savings can act in a similar way to a sudden increase in income. While technically already recorded as income in previous months, a stokvel (informal savings club) provides an increase in disposable income (if the stokvel is cash-based), or an increase in groceries and other household items (like cosmetics or cleaning materials) – in the case of a festive season hamper (NASASA, 2016; Simpson & Dore, 2007; Skenjana, 2013). The sudden (although expected) input can significantly change the expenditure patterns in a household.

HH101019 saw grocery expenditure at only 31.56% in December (at least 20% less than on average), and this then increased to 95.99% in February. Expenditure for the “other” category was 33.02% in January. In February and March, none was spent on this category:

“The food can last until next year, until the second week of January. That’s why stokvels help.”

The sharp rise in grocery expenditure can be attributed to the fact that more groceries were needed to cater for in-laws. Since most spending was allocated to groceries, very little was spent in other categories. The stokvels enabled the family to purchase more groceries. In addition to this, it can also be concluded that, owing to buying in bulk and stokvels – the family still had groceries in January and did not have to spend much on this category. However, come February, they might have run out of most items and had to stock up on their groceries. High expenditure for the other category might be because of transport costs (to and from the funeral) and general funeral expenses such as monetary contributions to help the family of the deceased. Other expenses can also include expenses toward the family gathering, such as contributing towards drinks, food and other entertainment. From the interview, it is clear that the head of the family might have spent money on alcohol or other leisure activities.

HH101016 saw an increase in groceries from 35.95% in January to 67.75% in March. Stokvels are also mentioned among the quotes describing the situation:

"I have already joined a stokvel whereby we will be contributing R300 every month we take it to Freedom supermarket. We will collect that money at the end of the year."

Since schools have closed, the two children who are at university, are likely to come home for the holidays – explaining the higher expenditure on groceries. From the interview, it can be deduced that the family did not have to spend much on groceries in December and January, because, first, they bought in bulk in December and, second, the stokvel the household head had joined helped with the accumulating of groceries. Thus, they had to stock up in March only – explaining the increase in grocery expenditure.

Expenditure on cleaning materials with **HH101016** increased from 0.00% to 10.31% from December to January. This household also mentions stokvels:

"I also have a stokvel for soaps where we contribute R100 each month and you get 2 kg powder soap, 2 bars sunlight, soap for bathing, and dishwashing liquid and sta-soft."

The family purchased their stock of cleaning materials in January, thanks to the stokvel. The increase is because the family had to stock up on cleaning materials in January.

DISCUSSION

While some overlap exists, the eight themes described above explain the observed household monthly expenditure shifts that took place in the sample households. The findings from the consumer panel align with various other sources – although to date there are no aggregated findings of this nature. For example, the observation that income variability impacts

consumer expenditure (Theme 1) is aligned with the current literature that shows how BoP consumers experience income instability and inconsistency – often with daily wage payments (Chikweche & Fletcher, 2012). As in all BoP markets, low-income South Africans experience significant socio-economic pressure as economic constraints like unemployment, low income, and often inconsistent income play a role in financial decisions (Eifert, Gelb & Ramachandran, 2005; Johnson, Ostry & Subramanian, 2007; Nwanko, 2000). While measuring BoP income partially describes the constraints of BoP consumer behaviour, the impact of income variability on monthly expenditure is seen in the household cases that follow.

Trading groceries for entertainment or eating out (Theme 2) shows how limited financial resources lead to expenditure trade-offs (Charman, Petersen & Piper, 2012; Duvenage et al, 2010; Jacobs & Smit, 2010; Simpson & Lappeman, 2017). Chipp et al. (2012) identified South African BoP consumers as being highly considerate of choice costs and benefits in their pursuit of overall utility. This aligns with Hamilton and Catterall (2005:628), who identified the need for better observation of how BoP consumers attempt to "exert some control" over their lives through choices. Seasonal trade-off effects (Theme 3) align with Subrahmanyam and Gomez-Arias (2008), who observed that discretionary purchases correlate with irregular occurrences like the festive season. In addition, D'Andrea et al. (2004) observed how certain months have large purchases, while others do not. The results of the festive season on share of expenditure is observed in the following cases: The Shock, trade-off, recovery finding (Theme 4) is aligned with other literature that identified BoP households as being vulnerable to shocks as they experience significant pressure from a lack of resources (Charman, Petersen & Piper, 2012; Duvenage et al., 2010; Jacobs & Smit, 2010; Simpson & Lappeman, 2017).

Inter-month budgetary trade-offs (Theme 5) has been observed through stockpiling behaviour (Ailawadi et al., 2007; Ndubisi & Chew, 2006).

Stockpiling is a purchasing activity where an individual acquires a large accumulated supply of a good for the future (Ailawadi et al., 2007). Stockpiling increases household consumption rates, but also prevents or delays consumers from switching to competitor brands within the marketplace (Ndubisi & Chew, 2006). A study by Gupta (1988) and by Hong, McAfee and Nayyar (2002) found already loyal consumers more likely to stockpile when their desired brand is on promotion. According to Krishna (1994), brand switchers do not have the same desire to stockpile as loyal consumers do. The reason for this difference is that they are governed by the idea that there will be another brand on promotion in the near future. In contrast, Ailawadi et al. (2007) found that deal-prone consumers are more likely to stockpile. When a consumer purchases more of a product than he would have in the absence of a promotion, he is less likely to purchase a competitor's product – as he/she is temporarily taken out of the marketplace (Ndubisi & Chew, 2006). Jacobs and Smit (2010) emphasised that BoP households lack of income and access to low-interest loans often results in higher real costs for many goods.

A one-off expense as an anchor to the trade-off ripple effect (Theme 6) aligns with Banerjee and Duflo (2007), who noted that social, cultural and festive engagements have great significance in most BoP markets. These events, however, have a financial implication, as expenses can be significant. A large funeral expense, for example, can impact on discretionary expenditure for a few months. This one (often unexpected) event can have a multi-month impact on category expenditure. A similar ripple effect is observed in the use of a single budget for business-home expenses (Theme 7). Informal business activity is known for inefficiency without sufficient scale, regulation and support (London & Hart, 2004; London et al., 2010). The impact of business expenses (e.g. buying stock for micro-retail) easily impacts on available money for household expenditure. Informal business inefficiencies and demand needs therefore directly impact household expenditure. The income made would also likely escape being recorded as household income, is

it was absorbed immediately by the micro-enterprise (Charman & Petersen, 2017; James, 2014). Finally, the inconsistent income and expenditure of informal savings instruments (Theme 8) is not only hard to measure – but also impacts on the consistency of expenditure patterns. A stokvel payout in one month could dramatically change the household expenditure profile for that particular month. This aligns with Kurtz (1973), who explained that informal savings groups must be viewed as a way of life for poor households. These groups help them to adapt to the conditions that create poverty. These points also align with research that shows that stokvels are often the only means for BoP households to access savings or credit (Adams & Canavesi de Sahonero, 1986; Verhoef, 2001). As in any other situation, access to credit directly impacts on expenditure.

CONCLUSION

Any cross-sectional analysis of BoP consumer expenditure is likely to fail in the accurate portrayal of expenditure behaviour. As this study explored, expenditure changed on a monthly basis and Figure 2 summarises the themes described in the findings of this study – showing that a shift in category expenditure can be influenced by multiple factors.

In Figure 2, a particular consumer household will display a certain expenditure profile in a given month (month A). If no significant event occurs that could impact category expenditure, the expenditure profile might be relatively similar the following month (Month B, Possibility 1). Should one of the eight identified phenomena be significant, there is a strong possibility of the category expenditure profile changing (Month B, Possibility 2). The pathways to a category trade-off provide a filter that enables the understanding of possible BoP household trends. For example, the points related to the seasonal trade-offs and stokvel season (where applicable) might involve a different (and more predictable) strategy than phenomena that are less predictable. The findings of this study make a unique contribution toward understanding consumer behaviour in South African BoP

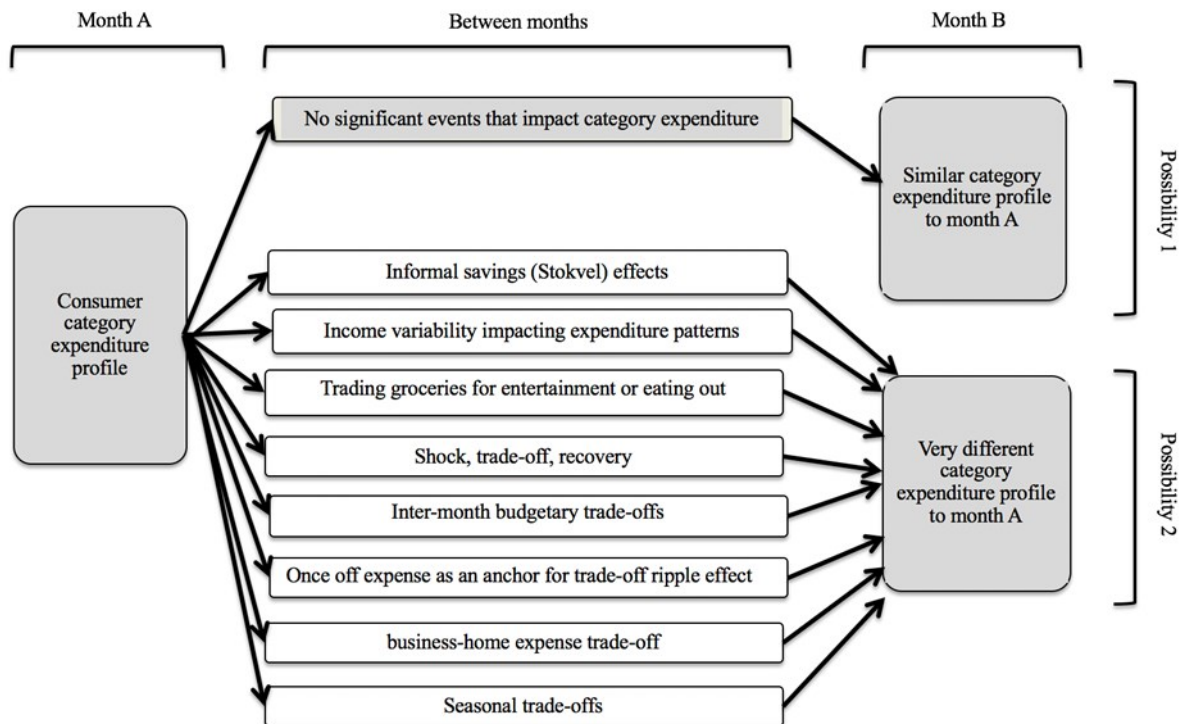


FIGURE 2: IDENTIFIED PATHWAYS TO A SIGNIFICANTLY DIFFERENT CATEGORY EXPENDITURE PROFILE

households.

Another significant contribution of this research, is a better understanding of sales inconsistency. When a business experiences spikes or troughs in sales, conclusions may be quickly drawn (either optimistically or pessimistically). The findings of this study show that apparent shifts in sales may have more to do with consumers' temporary re-allocation of expenditure to another category, than with defection. This phenomenon may be observable, for example, in micro-entrepreneurs or large retailers. In addition to understanding that expenditure shifts are not always an act of brand switching, marketers may use the findings of this study to better understand BoP consumer lives. In particular, the challenges of resource constraints directly impact choice, and the role of situational variables has the potential to create unwelcome expenditures (for example funeral contributions).

RECOMMENDATIONS FOR FUTURE RESEARCH

While no other similar studies have been conducted previously, there is much room for methodological improvement in terms of the current research. In addition, avenues for future research are possible. A larger sample of household data could yield more themes. The size of the sample (household number and distribution) was limited to 80 over four months. The timing limitation of the study may also provide a new avenue for future research; this study was completed over a panel of four months, with each area having a maximum of four waves. However, a study of this kind could be reproduced by tracking household attitudes and spending for a year (as done by Morduch and Schneider, 2017). While similar themes may emerge, the richness of the data will improve significantly.

Future research should also seek to test the findings of this study in international BoP

contexts, and in segments with higher disposable incomes. While higher net-worth households may have more stability in income and expenditure (more fixed expenses like home loans and insurance policies) – understanding the influences on expenditure modification has many potential benefits for understanding consumer behaviour at all levels.

ACKNOWLEDGMENT

This article was based on a doctoral dissertation written and supervised by the authors and accepted in 2017 at the University of Cape Town.

REFERENCES

- Adams, D.W. & Canavesi de Sahonero, M.L., 1986, 'Rotating savings and credit associations in Bolivia', *Savings and Development*, 13(3), 219-236.
- Ailawadi, K., Gedenk, K., Lutzky, C., & Neslin, S., 2007, 'Decomposition of the sales impact of promotion-induced stockpiling', *Journal of Marketing Research*, 44(3), 450-467.
- Alam, I., 2002, 'An exploratory investigation of user involvement in new service Development', *Journal of the Academy of Marketing Science*, 30(3), 250-261.
- Alwitt, F., & Donley, T., 1996, *The low-income consumer: Adjusting the balance of exchange*, Thousand Oaks, CA: Sage.
- Ambec, S. & Treich, N., 2007, 'Roscas as financial agreements to cope with self-control problems', *Journal of Development Economics*, 82(2007), 120-137.
- Anderson, C., Day, K., & McLaughlin, P., 2006, 'Mastering the thesis: Lecturers' representations of the purposes and processes of Master's level thesis supervision', *Studies in Higher Education*, 31(2), 149-168.
- Armstrong, D., Gosling, A., Weinman, J., & Marteau, T., 1997, 'The place of interrater reliability in qualitative research: An empirical study', *Sociology*, 31, 597-606.
- Baker, R., Brick, J.M., Bates, N.A., Battaglia, M., Couper, M.P., Dever, J.A., Gile, K., & Tourangeau, R., 2013, 'Summary report of the AAPOR task force on non-probability sampling', *Journal of Survey Statistics and Methodology*, 1(2), 90-143
- Banerjee, A.V., & Duflo, E., 2007, 'The economic lives of the poor', *The Journal of Economic Perspectives*, 21(1), 141-168.
- Barki, E., & Parente, J., 2006, 'Consumer behaviour of the base of the pyramid market in Brazil', *Greener Management International*, (56), 11-23.
- Bochner, A., & Riggs, N.A., 2014, 'Practicing narrative inquiry', *The Oxford handbook of qualitative research*, 195-222.
- Booyesen, J., 2016, 'PnP partners with stokvel group'. [Online] Available: <http://www.iol.co.za/business-report/companies/pnp-partners-with-stokvel-group-1978633> [2017, April 3].
- Braun, V., & Clarke, V., 2006, 'Using thematic analysis in psychology', *Qualitative Research in Psychology*, 3(2), 77-101.
- Charman, A., & Petersen, L., 2017, 'The township economy: Hidden billions'. In Simpson, J., & Lappeman, J. *Marketing in South Africa (4th edition)*, Van Schaik, 67-74.
- Charman, A., Petersen, L., & Piper, L., 2012, 'From local survivalism to foreign entrepreneurship: The transformation of the spaza sector in Delft, Cape Town', *Transformation: Critical Perspectives on Southern Africa*, 78, 47-73.
- Chen, S., & Ravallion, M., 2010, 'The developing world is poorer than we thought, but no less successful in the fight against poverty', *Quarterly Journal of Economics*, 125(4), 1577-1625.
- Chen, S., & Ravallion, M., 2013, 'More relatively poor people in a less absolutely poor world', *Review of Income and Wealth*, 59(1), 1-28.
- Chikweche, T., & Fletcher, R., 2011, 'Branding at the base of pyramid: A Zimbabwean perspective', *Marketing Intelligence & Planning*, 29(3), 247-263.
- Chikweche, T., & Fletcher, R., 2012, 'Revisiting the marketing mix at the bottom of pyramid (BOP): From theoretical considerations to practical realities', *Journal of Consumer Marketing*, 29(7), 507-520.
- Chikweche, T., Stanton, J., & Fletcher, R., 2012, 'Family purchase decision-making at the bottom of the pyramid', *Journal of Consumer Marketing*, 29(3), 202-213.
- Chipp, K., Corder, C., & Kapelianis, D., 2012,

- 'Where practice meets theory: Defining and reviewing the bottom of the pyramid for South African marketers', *Management Dynamics: Journal of the Southern African Institute for Management Scientists*, 21(1), 18-29.
- Chipp, K., Corder, C., & Kapelianis, D., 2013, 'The role of collectivism in defining the South African Bottom of the Pyramid', *Management Dynamics: Journal of the Southern African Institute for Management Scientists*, 22(1), 2-13.
- Clerfeuille, F., & Poubanne, Y., 2003, 'Differences in the contributions of elements of service to satisfaction, commitment and consumers' share of purchase: A study from the tetraclass model', *Journal of Targeting, Measurement and Analysis for Marketing*, 12(1), 66-81.
- Cohan, S., 2018, *Business principles for landscape contracting*. Routledge. London.
- D'Andrea, G., Stengel, E.A., & Goebel-Krstelj, A., 2004, 'Six truths about emerging market consumers', *Strategy and Business*, 34, 2-12.
- Deaton, A., 2010, Price indexes, inequality, and the measurement of world poverty, *The American Economic Review*, 100(1), i-34.
- De Rada, V.D., & Martín, V.M., 2014, 'Random route and quota sampling: Do they offer any advantage over probably sampling methods?', *Open Journal of Statistics*, 4, 391- 401.
- Duvenage, S., Schonfeldt, H., & Kruger, R., 2010, 'Food product attributes guiding purchasing choice of maize meal by low-income South African consumers', *Development South Africa*, 27(3), 309-331.
- Egri, C., & Ralston, D., 2008, 'Corporate responsibility: A review of international management research from 1998 to 2007', *Journal of International Management*, 14(4), 319-339.
- Eifert, B., Gelb, A., & Ramachandran, V., 2005, 'Business environment and comparative advantage in Africa: Evidence from the investment climate data', *World Bank working paper series*, Washington, DC, World Bank, 195-233.
- Fisher, A., 1999, 'Consumer preferences and farmer's markets. Why: Finding answers for hunger and poverty', Why Hunger: <http://www.whyhunger.org/>. (accessed 7/01/2017).
- Forte, 2015, 'Know each customer's share-of-wallet? Understanding every customer's true potential'. *forteconsultancy.com*. http://www.forteconsultancy.com/Ourideas/527/Know_Each_Customer's_Share_of_Wallet_Understanding_Every_Customer's_True_Potential.aspx (accessed 27/10/2015).
- Gnau, K., Richardson, T., & Dippold, J., 1992, 'Nielson category management: Positioning your organisation to win', Chicago, NTC Business Books/American Marketing Association, 7-166.
- Gupta, S., 1988, 'Impact of sales promotions on when, what, and how much to buy', *Journal of Marketing Research*, 25(4), 342-355.
- Hamilton, K., & Catterall, M., 2005, 'Towards a better understanding of the low income consumer', *Advances in Consumer Research*, 32(1), 627-632.
- Harrison, R.L., & Reilly, T.M., 2011, 'Mixed methods designs in marketing research', *Qualitative Market Research: An International Journal*, 14(1), 7-26.
- Hong, P., McAfee, R., & Nayyar, A., 2002, 'Equilibrium price dispersion with consumer inventories', *Journal of Economic Theory*, 105(2), 503-517.
- Howard-Payne, L., 2015, 'Research note: The methodological implications of relying upon fieldworkers for qualitative health psychology research', *Forum Qualitative Sozialforschung/ Forum: Qualitative Social Research*, 16(2), Art. 3.
- Human, G., Ascott-Evans, B., Souter, W., & Xabanisa, S., 2011, 'Advertising, brand knowledge and attitudinal loyalty in low-income markets: Can advertising make a difference at the 'bottom-of-the-pyramid'?', *Management Dynamics*, 20(2), 33-45.
- Jacobs, G., & Smit, E., 2010, 'Materialism and indebtedness of low income consumers: Evidence from South Africa's largest credit granting catalogue retailer', *South African Journal of Business Management*, 41(4), 11-33.
- James, D., 2014, 'Money from nothing: Indebtedness and aspiration in South Africa'. Stanford University Press, CA.
- Johnson, S., Ostry, J., & Subramanian, A., 2007, 'The prospects for sustained growth in Africa: Benchmarking the constraints'. Working Paper 07/52, Washington, DC.: International Monetary Fund.
- Joseph Rowntree Foundation, 1994, 'Eating on a low income'. Joseph Rowntree Foundation (Social Policy Research): www.jrf.org.uk/

- knowledge/findings/socialpolicy/SP71.asp. (accessed 7/01/2017).
- Karampatsa, M., Grigoroudis, E., & Matsatsinis, N.F., 2017, 'Retail category management: A review on assortment and shelf-space planning models'. In: *Operational Research in Business and Economics*. Springer International Publishing, Cham, 35-67.
- Karnani, A., 2007, 'The mirage of marketing to the bottom of the pyramid: How the private sector can help alleviate poverty', *California Management Review*, 49(4), 90-111.
- Katz, J., 2015, 'A theory of qualitative methodology: The social system of analytic fieldwork', *Méthod(e)s: African Review of Social Sciences Methodology*, 1(1-2), 131-146.
- Keiningham, T.L., Aksoy, L., Perkins-Munn, T., & Vavra, T.G., 2005, 'The brand-customer connection', *Marketing Management*, 14(4), 33.
- Kolk, A., & Lenfant, F., 2012, 'Business-NGO collaboration in a conflict setting: Partnership activities in the Democratic Republic of Congo', *Business & Society*, 51(3), 478-511.
- Kolk, A., Rivera-Santos, M., & Rufin, C., 2013, 'Reviewing a decade of research on the "base/bottom of the pyramid" (BOP) concept', *Business & Society*, 1-40.
- Kolk, A., & van Tulder, R., 2010, 'International business, corporate social responsibility and sustainable development', *International Business Review*, 19(2), 119-125.
- Kotler, P., & Armstrong, G., 2015, *Marketing principles: Global and South African Perspectives*. Cape Town: Pearson.
- Krishna, A., 1994, 'The effect of deal knowledge on consumer purchase behaviour', *Journal of Marketing Research*, 31, 76-91.
- Kumar, V., & Leone, R.P., 1988, 'Measuring the effect of retail store promotions on brand and store substitution', *Journal of Marketing Research*, 25(2), 178-185.
- Kurtz, D.V., 1973, 'The rotating credit association: An adaptation to poverty', *Human Organization*, 32(1): 49-58.
- Lappeman, J., 2017, *'Monthly expenditure category fluctuations and trade-off in South Africa bottom of the pyramid households'* (Doctoral dissertation, University of Cape Town).
- Lappeman, J., Chigada, J., & Pillay, P., 2019, 'Rethinking share-of-wallet at the bottom of the pyramid: Using financial diaries to observe monthly category trade-offs', *Journal of Consumer Marketing*, 1-15.
- Lappeman, J., Kabi, T., Oglesby, H., & Palmer, O., 2017, 'Post-switching behaviour: Bottom of the pyramid (BOP) stockpiling as a result of sales promotion'. *Academy of Marketing Studies Journal*, 21(1), 18-41.
- Lappeman, J., Litkie, J., Bramdaw, S. & Quibell, A., 2019, 'Exploring retail orientated rotating savings and credit associations: festive season 'stokvels' in South Africa', *The International Review of Retail, Distribution and Consumer Research*. 1-28.
- Lariviere, B., Aksoy, L., Cooil, B., & Keiningham, T., 2011, 'Does satisfaction matter more if a multichannel customer is also a multicompany customer?', *Journal of Service Management*, 22 (1), 39-66.
- Littlewood, D., & Holt, D., 2015, 'Social entrepreneurship in South Africa: Exploring the influence of environment', *Business & Society*, 1-37.
- London, T., Anupindi, R., & Sheth, S., 2010, 'Creating mutual value: Lessons learned from ventures serving base of the pyramid producers', *Journal of Business Research*, 63 (6), 582-594.
- London, T., & Hart, S.L., 2004, 'Reinventing strategies for emerging markets: Beyond the transnational model', *Journal of International Business Studies*, 35(5), 350-370.
- Ma, S., Fildes, R., & Huang, T., 2016, 'Demand forecasting with high dimensional data: The case of SKU retail sales forecasting with intra- and inter-category promotional information', *European Journal of Operational Research*, 249 (1), 245-257.
- Malhotra, N., 2010, *'Marketing research: An applied orientation'*. Pearson Education, New York.
- Marques, J.F., & McCall, C., 2005, 'The application of interrater reliability as a solidification instrument in a phenomenological study', *The Qualitative Report*, 10, 439-462.
- Massmart., 2011, *'Stokvels get more for their money at Massmart stores'*. [Online] http://www.massmart.co.za/wp-content/uploads/2013/12/stokvels_get_more_for_their_money.pdf [accessed 03/04/2017].

- McConnel, C., Brue, S., & Flynn, S., 2009, *'Economics: Principles, problems, and Policies'*, New York, McGraw-Hill.
- McDowell, R., Thom, R., Frank, R., & Barnanke, B., 2009, *'Principles of economics'*, Maidenhead, Berkshire: McGraw-Hill.
- Mfeti, T., 2017, *'Stokvels: the power of a collective'*, [Online] <https://www.sanlam.co.za/mediacentre/media-category/media-releases/Stokvels%20The%20Power%20of%20a%20Collective> [accessed 28/09/2017].
- Miles, M., & Huberman, A., 1994, *'Qualitative data analysis: An expanded Sourcebook'*. Beverly Hills, CA, Sage.
- Miles, M., Huberman, A., & Saldana, J., 2013, *'Qualitative data analysis: A methods Sourcebook'*, Beverly Hills, CA, Sage.
- Morduch, J., & Schneider, R., 2017, *'The financial diaries: How American families cope in a world of uncertainty'*. Princeton University Press.
- Mpinganjira, M., & Dos Santos, M., 2013, *'Consumer behaviour: South African psychology and marketing applications'*. Cape Town, Oxford University Press.
- Munyewende, P.O., Rispel, L.C., & Chirwa, T., 2014, 'Positive practice environments influence job satisfaction of primary health care clinic nursing managers in two South African provinces', *Human Resources for Health*, 12(1), 27.
- Nailer, C.H.F., Stening, B.W., & Zhang, M.Y., 2015, 'In researching emerging markets, anthropology often trumps statistics', *International Journal of Market Research*, 57(6), 855–876.
- NASASA., 2016, *NASASA*. <http://nasasa.co.za/site/> (accessed 5/12/2016).
- Ndubisi, N., & Chew, T., 2006, 'Awareness and usage of promotional tools by Malaysian consumers: The case of low involvement products', *Management Research News*, 29(1), 28-40.
- Neethling, M., 2017, 'Brand building: Conceptualising South Africa'. In: Simpson, J., & Lappeman, J., *Marketing in South Africa* (4th edition), Van Schaik, 53-57.
- NIDS., 2016, *'Wave 4 Overview'*, National Income Dynamics Survey, SALDRU, Cape Town.
- Nwanko, S., 2000, 'Assessing the marketing environment in Sub-Saharan Africa: Opportunities and threats analysis', *Marketing Intelligence and Planning*, 18(3), 144-513.
- Ortinou, D.J., 2016, 'A retrospective on the use of survey methodologies in marketing research'. In: Campbell C., Ma J. (eds) *Looking forward, looking back: Drawing on the past to shape the future of marketing*. Developments in Marketing Science: Proceedings of the Academy of Marketing Science. Springer, Cham: 712-712.
- Pradhan, S., 2006, *'Retailing management 2E'*. Tata McGraw-Hill Education.
- Prahalad, C.K., & Hart, S., 2004, *'The fortune at the bottom of the pyramid: Eradicating poverty through profits'*, New Jersey, Wharton School Publishing.
- Prasad, R., & Jha, M., 2014, 'Consumer buying decisions models: A descriptive study', *International Journal of Innovation and Applied Studies*, 6(3), 335-351.
- Ravallion, M., Chen, S., & Sangraula, P., 2009, 'Dollar a day revisited', *The World Bank Economic Review*, 23(2), 163-184.
- Schillewaert, N., Langerak, F., & Duhamel, T., 1998, 'Non-probability sampling for WWW surveys: A comparison of methods', *International Journal of Market Research*, 40(4), 307.
- Shree, D., Gupta, A., & Sagar, M., 2017, 'Effectiveness of cause-related marketing for differential positioning of market entrant in developing market: An exploratory study in Indian context', *International Journal of Nonprofit Volunteer Sector Marketing*, e1573.
- Schreiner, M., 2000, 'Formal Roscas in Argentina', *Development in Practice*, 10(2), 229-232.
- Simanis, E., 2012, 'Reality check at the bottom of the pyramid', *Harvard Business Review*, 90(6), 120–25.
- Simpson, J., 2017, 'An overview of the South African consumer market'. In: Simpson, J., & Lappeman, J. *Marketing in South Africa* (4th edition), Van Schaik, 3-12.
- Simpson, J., & Dore, B., 2007, *'Marketing in South Africa: Cases and concepts* (3rd Edition)'. Pretoria, Van Schaik .
- Simpson, J., Egan, P., Lappeman, J., & Neethling, M., 2014, *'Connecting with the Majority' (also known as: Connecting with survivors)*. Report, Cape Town, UCT Unilever

- Institute of Strategic Marketing.
- Simpson, J., & Lappeman, J., 2017, '*Marketing in South Africa*' (4th edition), Van Schaik.
- Siziba, L.P., Jerling, J., Hanekom, S.M., & Wentzel-Viljoen, E., 2015, 'Low rates of exclusive breastfeeding are still evident in four South African provinces', *South African Journal of Clinical Nutrition*, 28(4), 170-179.
- Skenjana, B., 2013, 'SA has approximately 8000 stokvels worth R44 billion'. *Interview with CNBCAfrica*. CNBC (accessed 23/09/2016).
- StatsSA., 2013, '*General Household Survey 2013*'. Statistics South Africa, Statistical release P0318.
- Subrahmanyam, S., & Gomez-Arias, T.J., 2008, 'Integrated approach to understanding consumer behaviour at bottom of pyramid', *Journal of Consumer Marketing*, 25(7), 402-412.
- Taylor, E., & Lynch, G., 2016, '*Consumer finance research methods toolkit*'. Institute for Money, Technology & Financial Inclusion.
- Taylor, G., & Ussher, J., 2001, 'Making sense of S&M: A discourse analytic account', *Sexualities*, 4(3), 293-314.
- Tengeh, R.K. & Nkem, L., 2017, 'Sustaining immigrant entrepreneurship in South Africa: The role of informal financial associations', *Sustainability*, 9(8), 1396.
- Terblanche, N., Beneke, J., Corbishley, K., Frazer, M., Pentz, C., Venter, P., & Bruwer, J.P., 2013, '*Retail management: A South African Perspective*'. Cape Town: Oxford University Press.
- Tustin, D.H., Ligthelm, A.A., Martins, J.H., & Van Wyk, H. de J., 2005, '*Marketing research in practice*'. Pretoria, Unisa Press.
- Vannoorenberghe, G., & Voeten, J., 2016, '*Exports and innovation in emerging Economies: Firm-level evidence from South Africa*'. Policy brief DFID/Tilburg University research: 'Enabling Innovation and Productivity Growth in Low Income Countries' (EIP-LIC), 1-4.
- Verhoef, G., 2001, 'Informal financial service institutions for survival: African women and stokvels in urban South Africa, 1930-1998', *Enterprise and Society*, 2(2), 259-296.
- Walters, R.G., 1991, 'Assessing the impact of retail price promotions on product substitution, complementary purchase, and interstore sales displacement', *The Journal of Marketing*, 55(2), 17-28.
- Yanow, D., 2006, 'Qualitative-interpretive methods in policy research'. in *Handbook of Public Policy Analysis*, Chapter 27, 405.
- Zikmund, W., & Babin, B., 2010, '*Exploring marketing research*'. South-Western, Cengage Learning.