

Application & Procedure of Grounded Theory: Gaining Insight into Brand Choices

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Abstract

Using a Grounded Theory approach, this article demonstrates step-by-step how marketing academics can gain fresh insights into consumer behaviour. By using this methodology, researchers analysed 42 in-depth interviews in six product categories - cars, financial services, toothpastes, breakfast cereals, mobile phone providers and TV sets. This approach allowed the development of new knowledge about the relationships between consumer life stages and the brand choices consumers make throughout their lives. The researchers identified distinct stages in consumers' lives when they re-evaluate previous choices, particularly those not made by them. Understanding when those re-evaluations occur, and what drives new decisions, gives marketers opportunities to acquire new, or re-capture 'lost' customers.

Introduction & Background

The development of marketing academic knowledge is built upon the advancements of its research methods. This allows a new side of consumer behaviour to be uncovered, previously hidden from the eyes of researchers. Inspired by the theme of 'Doing more with less', this paper examines the qualitative methodological approach of Grounded Theory (GT henceforth) in relation to its benefits for marketing academics and researchers alike.

In this article, researchers illustrate how to use a Classic Grounded Theory approach to uncover the history of consumer choices and experiences with every brand in an entire product category. The aim of this study is to understand whether there is a link between changes in consumer brand preferences and changes in consumer life stages (from childhood through to retirement) or significant life events. While it is generally accepted that changes in consumers' lives impact upon their purchasing or spending behaviour as a result of changes in marital status (Wells and Gubar, 1966; Wilkes, 1995; Mathur, Lee and Moschis, 2006) or birth of a child (Wells and Gubar, 1966; Mathur, Lee and Moschis, 2006), these findings relate to the first time purchase of new products and services (i.e. a new category, such as nappies or a retirement plan). The issue of *brand preference* change (i.e. from Holden to Honda or from Rice Bubbles to Special K) as a function of changes in consumers' lives is a relatively under researched topic.

GT was first adapted as a formal methodology by Glaser and Strauss (1967). Discontented with the belief that all significant theories had been discovered already, Glaser and Strauss set out to address how theories can be discovered directly from data (Glaser and Strauss, 1967; Goulding, 2000). As a consequence, unlike many other methodologies, a GT approach entails that data collection and analysis occurs simultaneously, allowing the researcher to discover trends as they emerge. This allows the researcher to further explore these trends, observing variations and relationships, identifying where more data is needed (Strauss and Corbin, 1998). Most importantly for researchers, Glaser and Strauss (1967) emphasised that theories developed under a GT approach should be able to be used in a practical setting that both predicts and explains behaviour through establishing empirical generalisations.

With its roots entrenched in sociology, GT has successfully been implemented into various disciplines. In a marketing context, its application has been successfully applied to retail environments (Pioch and Schmidt, 2001; Schmidt and Pioch, 2001) and studies on advertising (Hirschman and Thompson, 1997; Andronikidis and Lambrianidou, 2010). However, despite GT's significance in building theory and understanding behaviour, the marketing literature base is relatively limited. Moreover, GT could provide important discoveries into consumer behaviour. Recently, a handful of authors have called for more marketing studies to incorporate a GT approach (Goulding, 2005; Rindell, 2009). However, to date, only the work of (Goulding, 2000; Goulding, 2005) has demonstrated step-by-step how a GT approach can be applied in a marketing context. Therefore, we used GT to look into consumer behaviour using a method that has not been widely used in the marketing discipline, one that will yield significantly deep and practical findings.

In this article, the authors use an inductive research method, building theory from data. As little prior research exists in brand preferences changes, a GT approach was adopted which provides support for developing previously undiscovered theories. Strauss and Corbin (1997) discuss that a GT methodology is very effective in carrying out qualitative research when the research objective is theory building, a pivotal first step in an under researched area.

Method

This paper outlines the successful application of a Classic Grounded Theory approach in a consumer behaviour context. The aim of the study is to examine consumer brand experiences with all the brands in an entire product category over the course of a consumer's life. Forty-two, one-on-one face-to-face interviews were conducted in Australia in 2010. Each interview was sixty to ninety minutes long. The research was conducted across six product categories: toothpastes and breakfast cereals (packaged goods); TV sets and automobiles (durables); mobile phone and financial services providers (services).

To address concerns over possible memory bias, the study used prompt cards representing every brand's packaging or logo. The respondents were prompted about the entire product category. As per Figure 1, respondents shuffled the cards to create 'maps' that would illustrate their experiences with every brand. Respondents' maps included: *'childhood brands'*, *'brands I would never buy'*, *'tried before, but would never again'* and *'would consider in the future'*. Each respondent was questioned about two of the categories of their choice. The interview covered questions such as: *"tell me about your experiences with this product category"*, *"which brand did you purchase first, and after that?"*, *"why did you stop using this brand?"*, *"why did you start using this brand?"*, *"which brands have you never used and why?"*, *"please arrange the brands in some order or grouping that would represent your experiences with this product category"*.

Figure 1: A selection of consumer 'category maps'.



The Process and Application of Grounded Theory

Identify an Area for Further Investigation and Begin Initial Data Collection

The first step of GT involves identifying an area that the researcher wishes to examine. Ideally, this interest should arrive due to a lack of knowledge in the literature, as the researcher will build their own theory (Goulding, 2000; 2005). However, previous knowledge in the area of interest is not only expected, but it is also encouraged, as previous knowledge gives the researcher focus (Goulding, 2000). The danger lies in researchers relying too heavily on previous work, missing opportunities to build their own theories (Goulding, 2000).

In the present study, the researchers identified a gap in the lifestyle change and brand choice literature. Researchers discovered that studies had documented the change in category purchase due to a specific change in lifestyle (e.g. marriage) (Wells and Gubar 1966; Wilkes 1995; Mathur, Lee and Moschis 2005), but did not encounter any studies that examined the choice of *brands* within a category over consumers' lifetime. This gap in the literature led to the area of interest and theory generation.

Simultaneously Analyse, Collect and Code Data

In any research undertaking a GT approach, researchers analyse, code and interpret data while it is being collected (Glaser and Strauss 1967). In addition, researchers must consistently compare data. The data could be similar, or indeed dissimilar, to discover any emerging themes or patterns (Goulding 2001). This continual comparison is the cornerstone of identifying concepts within the data. The coding of concepts should begin after the first data source is consulted (in this paper's case, in-depth interviews), as this initial data will act as the foundation for all subsequent analysis and data collection (Corbin and Strauss, 2008). Drawing from Glaser and Strauss's (1967) original work, coding can be as simple as noting in margins, or can be in a more elaborate form including a line-by-line analysis of an interview transcript.

Based on Classical Grounded Theory, in this study, researchers employed the following techniques for concept coding: a) writing memos for every interview summarising key themes and non-verbal reactions; b) using photographs of brand experience 'maps'; and c) writing a 'researcher journal' that brings together key concepts across all the interviews. Below is an extract from an interview memo:

About a female, 45 y.o.: A key factor that drives her decisions is security – for this reason she uses and would always use the BIG banks. Later we realised that her need for security comes from her experiences of a poor life when she was a small child living with her family on Christmas Island. So, subconsciously, she is making decisions (particularly money-related) that are very conservative and preserving – to make sure she retains what wealth she has and to make sure she and her family would never have to go back to that poor life.

Saying that, she admits that she keeps hearing from other people and media (in particular) how bad the BIG banks are – they are greedy, they are uncaring of their customers, they don't give back to the community (a quality which is very important to her because of her own work in a charity organisation). Yet, acknowledging all that (and even her own bad experience when Westpac overcharged her) she still would only use the BIG banks – because they mean security, and if necessary, would be bailed out by the Government.

Theoretical Sampling and Theoretical Saturation

As its name suggests, theoretical sampling involves the sampling of data (and respondents) in an attempt to develop the theory as it emerges (Glaser and Strauss 1967; Goulding 2000). In the present study, the open coding process lead to researchers selectively interviewing respondents based on where the emerging theory stipulated. As can be observed in **Table 1**, the lopsidedness in demographics is a tactic used to acquire respondents whom will offer the most insights. For example, when researchers observed that brand image and status were very important in brand choices of younger consumers, the decision was made to interview more youngsters to verify this assumption. Subsequently, older respondents were interviewed to observe whether such preference was a function of the category (in this case cars) or, indeed, age.

Table 1 - Demographics of respondents as a result of theoretical sampling

	18-24	25-34	35-44	45-54	55+	Total
Male	2	6	4	-	2	14
Female	6	9	4	4	5	28
Total	8	15	8	4	7	42

Theoretical saturation relates to staying in the field until new data emerges (Corbin and Strauss 2008). This process is efficient, as it recognises the point in analysis in which further data collection is not going to add to the developing theory (Corbin and Strauss, 2008). In the present study, after 42 in-depth interviews were conducted, it became apparent to researchers that there weren't any further variations emerging from the field. Prior to leaving the field, all conclusions reached from the data were thoroughly interrogated (Malshe and Sohi, 2009).

Developing Concepts, Core Categories and Describing the Results

From undertaking a GT approach, it was found that life stage changes impacts upon brand preferences. This was particularly evident in the breakfast cereals category. Most respondents started their lives with '*childhood*' cereal brands that usually included two sub-categories – '*brands I have always been given at home*' (usually lower priced, 'healthier' options) and '*brands I have been treated with*' (special occasions or at a grandparents' house).

However, when these consumers went through adolescence, these '*childhood*' brands were replaced with '*grown up*' brands. Respondents justified this behaviour by a desire to try new brands (intrinsic variety seeking), brands they always wanted but were never allowed, or through a change in their lifestyle ('*as I got older, I wanted to eat healthier*').

As the respondents' lives continued and they had their own families, these '*childhood*' brands came back into their brand repertoires for their children or grandchildren.

"Frootloops. Yea, had that as a kid. [Have you brought it recently?] No...it would be more like a treat than a breakfast I could eat everyday... Unless I was buying it for kids or if I had kids coming over, I'd probably get that." Female 24 y.o.

While the results for breakfast cereals could be attributed to the functional differences between the '*childhood*' brands (which are generally sweeter and are marketed towards kids with more colourful packaging), the theme of breaking away from the '*childhood*' brands was evident in all other categories under investigation. In the toothpaste analysis, most consumers admitted that they are currently purchasing a more expensive (and better quality) brand than

they used to have as children. The argument was that the respondents perceived health care (i.e. buying a more expensive but better quality toothpaste) to be of a higher priority than it was for their parents (for whom saving money was more important and health awareness was lower). In this category, researchers also saw the highest level of private label brand rejection.

In financial services, respondents usually had a bank account set-up at school or by their parents (in most cases, with their parents' own bank). Interestingly, most of those 'childhood' bank accounts had been subsequently cancelled or just abandoned as consumers grew older. Whether they started their first job or were looking for a first home loan, most consumers reported that they have re-evaluated the decisions made by others on their behalf, almost rebelling from those brand choices. Similar patterns were evident in the mobile phone provider category.

"When it was my choice and my money, then I could buy what I liked... Buy the ones you weren't allowed to have! I could do what I like." Male 40 y.o.

In the car category, respondents also went through distinct brand-purchasing behaviours over the course of their lives. The first car purchasing decision was usually the one that the respondents had less control over. Be it financial burdens or availability, respondents' first cars were usually the ones that they would not have chosen for themselves under different circumstances. After achieving more financial freedom, the respondents' second or third cars generally 'fit their image' or were exactly 'what I want to be seen driving'. Then, consumers started to make more planned, practical decisions taking into consideration functional requirements (what the car is going to be used for) and future family plans.

"I was thinking 'one day when I settle down and have my own kids, this car will have to go because it is not practical anymore'... My husband said 'the car I buy now will eventually replace your Mitsubishi Mirage, then we will upgrade to a bigger family car'. We plan ahead now." Female 32 y.o.

Conclusion, Limitations & Future Research

This article demonstrates an application of GT in a marketing context. This approach uncovers some unique and previously unobserved knowledge about consumer brand choices. The use of a GT approach enabled richer and deeper insights into consumer behavior than other methodologies provide. Through theoretical sampling, researchers were able to effectively guide the data to the developing theory.

This study has identified distinct stages of consumer's lives when they are prone to make substantial changes in their brand preferences. Interestingly, brands' performance plays a very minor role in these re-evaluations. These instances are related to changes in consumer life stages and associated roles. For example, from being given brands at a young age, rebelling these brands and gaining independence, to purchasing for a family. These times in consumers' lives present marketers with the opportunity to acquire new customers (the aim of every brand wanting to grow). This opportunity can be realised through attracting teenagers who are trying to find themselves through associations with new brands, or winning back 'lost' customers as they get older and return back to buy their nostalgic brands for their families.

The limitation of the current research relates to its scope - Australian context and six product categories. To produce more generalisable results, multiple countries should be examined, both in population and available brands. Finally, echoing the calls in the literature (Goulding 2005; Rindell 2009), we encourage future researchers to step out of the beaten path, and try to

tackle research questions from new angles using unconventional methodologies in the marketing discipline (such as GT).

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