The impact of customer loyalty programmes on consumer decision-making and brand loyalty: A University of KwaZulu-Natal student perspective

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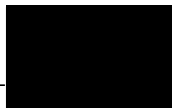
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ABSTRACT

Due to the rapid increase in competition in the retail market, retailers offer several types of loyalty programmes and frequent-buyer programmes to increase sales of products through customer repeat purchases over a period of time. This study sought to determine the perceptions of University of KwaZulu-Natal (UKZN) students on loyalty programmes as a means of influencing consumer decision-making, as well as increasing brand loyalty. Furthermore, this study investigated the type of loyalty programmes that were most influential in students' purchase decisions.

The sample size consisted of 375 students from the University of KwaZulu-Natal's Westville campus. A probability sampling technique was used to achieve a higher generalisation of results. The sampling method that was the simple random sampling method. The respondents completed a questionnaire consisting of 2 sections. The validity and reliability of the questionnaire were assessed using Factor Analysis and Cronbach's Coefficient Alpha respectively. Descriptive and inferential statistics was employed to generate the results of the study.

The results of this study showed that there are significant intercorrelations among the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study relating to UKZN students respectively. There is no significant difference in the perceptions of UKZN students, varying in biographical profiles (gender, age, race, educational level and college) regarding each dimension of the study (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes). The results further indicated that UKZN students are influenced by customer loyalty programmes in terms of consumer decision-making. The recommendations generated from the results of this study provide insight into how this goal could be achieved. Furthermore, recommendations for future research suggest that this research should be done in other universities across the country and globally to compare the differences.

Keywords: brand loyalty, consumer decision-making, customer loyalty, perceived value, types of loyalty programmes, university students.

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ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of variance
BA	British Airways
CRM	Customer Relations Management
EBK	Engel-Blackwell-Kollat
FNB	First National Bank
KFC	Kentucky Fried Chicken
PGD	Postgraduate Diploma
PR	Public relations
SPSS	Statistical Package for Social Science
UKZN	University of KwaZulu-Natal
UNSW	University of New South Wales
WOM	Word-of-Mouth

CHAPTER 1

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

This chapter introduces the topic of this research which is titled, *"The Impact of Customer Loyalty Programmes on Consumer Decision-making and Brand Loyalty: A UKZN Student Perspective"*. Furthermore, the essential aspects of the study, such as the problem identification, the problem statement, the aim and objectives, the significance as well as rationale of the study are discussed in this chapter.

In recent years, there has been a rise in the use of loyalty programmes by marketers. Loyalty programmes are gaining popularity because of their ability to provide customers with loyalty incentives such as points redeemable for prizes or discounts (Khan, 2013). A study by Aries (2019) reported that the average South African tertiary student spends more than the average South African individual each month, making them a valuable market to be understood by retailers. In South Africa, loyalty programmes have emerged as an essential tool for customer retention and building sustainable customer loyalty through enhanced relationships (Buttle, 2009). Many retail companies such as Pick 'n Pay and Checkers are offering loyalty cards to customers (Aries, 2019). Over the last eight years, South Africa has seen the largest growth in loyalty programmes (Buttle, 2009). Surveys on the loyalty industry have indicated that the South African consumer has an average of ten loyalty programmes that they are signed up to (Khan, 2013). Dis-Chem is the first among the major South African retailers who implemented a loyalty programme that especially target young adults between the age of 18-25, the typical tertiary student age, called FOR YOUTH programme (Marketing Spread, 2018).

Furthermore, the implementation of a loyalty programme involves considerable cost and effort and shows the firm's overall commitment to establishing a lasting relationship with its clients. This demonstration of commitment and goodwill deepens the connection between the firm and customer (Arunmuhil & Arumugam, 2013). Loyalty programmes and customer retention are closely related. In light of this, this study seeks to understand the following:

1) Factors affecting consumer attitude towards loyalty programmes;

2) The impact that loyalty programmes have on consumer decision-making process;

3) The impact that loyalty programmes have on customer retention.

1.2 BACKGROUND OF THE STUDY

In the contemporary world, a business offering quality products and better services will, without a doubt, have a competitive edge over the others (Arunmuhil & Arumugam, 2013). Obtaining a new customer can be five times more expensive compared to retaining an existing one; therefore, companies have various strategies in place to retain customers (Arunmuhil & Arumugam, 2013). The use of loyalty programmes, as a powerful tool of relationship marketing, is becoming popular to encourage customer loyalty. Companies value long and reliable customer relationships and customers are expecting to receive different benefits when shopping on a regular basis in certain stores or retail chains (Khan, 2013). Customer satisfaction and customer loyalty are closely linked (Leventhal, 2016). It is essential that companies invest in making the brand more enjoyable to manage and if the company succeeds in getting more loyal customers, it could charge premium prices for the product or brand (Khan, 2013). When customer loyalty is discussed, usually the customer rewards are also introduced (Leventhal, 2016). The use of loyalty programmes around the world in all industries, are increasing, because many companies see the benefits of a loyalty programme. The use of retail loyalty programmes worldwide has grown by 15% from 2017 to 2018 (Colloquy, 2018). The United States has 3.8 billion loyalty programme memberships across all sectors, with the retail sector accounting for 1.6 billion loyalty programme memberships (Colloquy, 2017). In 2017, Truth (2018) investigated retail loyalty programme usage around the world and reported that South African retailers are quickly catching up with global retailers in terms of number of loyalty programmes and number of memberships.

1.3 PROBLEM STATEMENT

Because of the rapid increase in competition in the retail market, retailers offer several types of loyalty programmes and frequent-buyer programmes to increase sales of products through customer repurchases over a period of time. According to Gupta, Gupta and Shainesh (2018), loyalty programmes have been introduced in all sectors from DVD shops to supermarkets, amongst others. According to Gupta et al. (2018), there is a significant correlation between the introduction of loyalty programmes and customer retention. Despite the wide spread of loyalty programmes in

the retail sector, there is little research that focuses on the influence of these programmes and customer retention. A study by Wood (2014) found that university students between the ages of 18 and 24 are the largest segment of buyers of fashion and lifestyle products. Therefore, this research sought to determine the perceptions of UKZN (Westville campus) students on loyalty programmes as a means of influencing consumer decision-making. Furthermore, this research investigated the type of loyalty programmes that have the most and least amount of influence on their decisions.

1.4 RATIONALE FOR THE STUDY

The importance of this study was to help the researcher clarify the role of loyalty programmes and their impact on customer retention. There has been very little research done on the relationship between customer loyalty programmes and customer retention in South Africa (Arunmuhil & Arumugam, 2013). While many research studies have focused on the topic of loyalty programmes, the majority of past research on the subject of loyalty programmes focused on what happens after customers have already joined a loyalty programme (McCulloch, 2018). With the majority of past research focusing on what happens after consumers have already joined a loyalty programme, limited research has, however, focused on the impact loyalty programmes has on consumer decision-making (Liu & Ansari, 2019). This study provided valuable insight into the impact that loyalty programmes have on decision-making and brand loyalty.

1.5 RESEARCH QUESTIONS

1) What are the perceptions of UKZN (Westville campus) students on loyalty programmes as a means of influencing consumer decision-making?

   In this regard, the sub-questions of the study include:

   1.1 Are UKZN (Westville campus) students enticed to purchase products or brands that are linked to customer loyalty programmes?
   1.2 What are the perceptions of UKZN (Westville campus) students on the convenience and ease of accessing loyalty programmes?
   1.3 Do rewards compel UKZN (Westville campus) students to register for a loyalty programme?

1.4 Do UKZN (Westville campus) students have any privacy concerns about registering for loyalty programmes?

2) Do UKZN (Westville campus) students perceive loyalty programmes as an effective means of increasing customer loyalty?

3) What are the perceptions of UKZN (Westville campus) students on loyalty programmes in terms of perceived value and brand loyalty?

4) Does the type of loyalty programmes (points systems, loyalty cards, tiered programmes, coalition loyalty programmes) influence UKZN (Westville campus) students' perceptions of the effectiveness of customer loyalty programmes?

1.6 RESEARCH OBJECTIVES

1) To determine the perceptions of UKZN (Westville campus) students on loyalty programmes as a means of influencing consumer decision-making. In this regard, the sub-objectives of the study include:

1.1 To determine if UKZN (Westville campus) students are enticed to purchase products or brands that are linked to customer loyalty programmes.

1.2 To uncover the perceptions of UKZN (Westville campus) students on the convenience and ease of accessing loyalty programmes.

1.3 To determine if rewards compel UKZN (Westville campus) students to register for a loyalty programme.

1.4 To determine whether or not UKZN (Westville campus) students have any privacy concerns about registering for loyalty programmes.

2) To ascertain whether or not UKZN (Westville campus) students perceive loyalty programmes as an effective means of increasing customer loyalty.

3) To determine the perceptions of UKZN (Westville campus) students on loyalty programmes in terms of perceived value and brand loyalty.

4) To explore whether or not the type of loyalty programmes (points systems, loyalty cards, tiered programmes, coalition loyalty programmes) influence UKZN (Westville campus) students' perceptions of the effectiveness of customer loyalty programmes.

1.7 HYPOTHESES

The following hypotheses have been generated from the objectives of the study and will be tested using statistical analysis.

Hypothesis 1:

There are significant intercorrelations among the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study relating to UKZN (Westville campus) students.

Hypothesis 2:

There is a significant difference in the perceptions of UKZN (Westville campus) students, varying in biographical profiles (gender, age, race, educational level and college) regarding each dimension of the study (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes).

1.8 CONTRIBUTION OF THE STUDY

In recent years, there has been an increase in the types and usage of loyalty programmes amongst students in South Africa, which makes it an important area to focus on (Arunmuhil & Arumugam, 2013). This study is needed because it contributes towards the existing scholarly literature, as a study of this nature has not been extensively researched from a university student perspective, especially in South Africa. Furthermore, this study will determine the relationship between brand loyalty and loyalty programmes amongst university students.

1.9 OVERVIEW OF METHODOLOGY

The study was conducted at the University of KwaZulu-Natal Westville in KwaZulu-Natal province, South Africa. The study was empirical in nature following a quantitative method. The target population was 12 532 and the sample size was 375 students. Quantitative data was collected

from students using online questionnaires and was then analysed using Statistical Package for Social Science (SPSS). The methodology is discussed in greater detail in Chapter 3.

1.10 LIMITATIONS OF THE STUDY

This study focused on UKZN Westville students only as opposed to all five campuses. The location and age group were limited as it only focused on one specific campus. Non-response was another limitation and due to Coronavirus, the response rate was slow. Furthermore, the study was limited to Westville campus only and did not include the College of Humanities which is situated on the Howard College campus.

1.11 STRUCTURE OF THE STUDY

This research project is divided into six chapters and is structured as follows:

Chapter 1: Introduction and overview

The study is introduced and the rationale is explained. It contains the research problem, which will be followed by the research questions and objectives for the study. The limitations are outlined and a chapter by chapter overview of the study is provided.

Chapter 2: Literature review

This chapter discusses in detail the literature review. It follows a structured guideline and literature related to the research questions. Literature from past research is discussed and analysed. A thorough discussion of customer loyalty programmes and types is provided in addition to the consumer buying process and brand loyalty.

Chapter 3: Research methodology

The research methodology to be applied in the study is outlined. This chapter contextualises the background as well as the objectives of the study. Furthermore, it presents the research design and method to be implemented by discussing the sampling framework, data collection instrument and methods along with data analysis techniques implemented in this study.

Chapter 4: Presentation of results

This chapter of the study presents the results of the research which are illustrated with graphical representations for the sample that was used in the study. The results and analysis are indicated by using descriptive statistics and inferential statistics.

Chapter 5: Discussion of findings

The penultimate chapter of the study discusses the results that were presented in the previous chapter in detail. It further analyses the sub-dimensions of the study and the inferential statistics as well as the biographical variables of the study.

Chapter 6: Conclusion and recommendations

The dissertation concludes with Chapter 6, which provides a conclusion and recommendations. The researcher also suggests areas for future research.

1.12 CHAPTER SUMMARY

In this chapter, this study was introduced and an outline of what this research aims to achieve was presented. It provided an overview of the research questions and objectives, limitations of this research as well as a summary outline of each chapter in order to emphasise the influence and limitations of the study in terms of the effectiveness of customer loyalty programmes. The following chapter focuses on an in-depth discussion on the literature regarding customer loyalty programmes and consumer decision-making.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter provided an introduction to the study. Some of the main components, which were captured, include background of the study, the research problem, the research questions, research objectives, significance of the study and the outline of the study. This chapter provides a review of some of the key studies that which have been carried out by different scholars on the research topic. The chapter outlines the findings of studies which have been carried out in the area of customer loyalty, customer satisfaction, consumer behaviour, brand loyalty, and the impact of customer loyalty programmes on consumer decision-making and brand loyalty. The chapter also provides a review of some of the main customer loyalty models which can be used by businesses to improve the levels of loyalty of their customers.

2.2 THE CONCEPT OF CUSTOMER LOYALTY

Customer loyalty is the extent to which a company's customers are devoted to the different products that are offered by the given company and the extent to which the customers can choose the products which the company offers over those of the rival companies (Dagger & O'Brien, 2010). When the customers are brand loyal to a product, they often do not switch to other rival products (Dimitriadis, 2010). As Lombard (2011:3496) stated, "customer loyalty is positively linked to customer satisfaction because when the customers are happy, they will consistently favour the brands, which are meeting their specific needs". Brand loyalty is brought about by consistent efforts of the companies to provide the same product, every time (Dixon-Ogbechi, Haran & Aiyeku, 2009). Nobody is born with brand loyalty or an affinity for Gucci, Coke or BMW (Gasca, 2014). Debatably, family and friends have a significant impact at a young age of influencing one's exposure to brands, but not necessarily loyalty (Gasca, 2014). Customer loyalty plays a critical role in an organisation's success and customer loyalty becomes more important especially when customer acquisition alone does not equate to long-term success (Alamsyah, 2019). Customer loyalty is the main objective for strategic marketing planning since it brings about many favourable outcomes to companies. It is much less expensive to retain current customer than it is to seek new ones (Alamsyah, 2019).

There is a definite case for change in the loyalty space for those businesses that want to succeed. Retailers need to understand that there are new competitors that are disrupting the market and are challenging the status quo. As a result, they must understand that customer expectations are changing, they want different offerings from their loyalty schemes (Lekhuleni, 2019). To ensure that customer loyalty does not decrease over time as new joiners enter the market. Customers are not just looking to earn more rewards, but they want a different relationship with the businesses they choose to interact with. As a result, loyalty offerings are changing from transaction-based contacts between the retailers and customers towards an ongoing long-term relationship (Lekhuleni, 2019).

Currently, there is limited literature focused on benefits for the youth of customer loyalty programmes (Gasca, 2014). Although significant research into adult buying behaviour and branding exists, it is not appropriate to assume that this can be applied to younger consumers.

2.2.1 Customer Loyalty Models

2.2.1.1 The service quality model

The service quality model by Parasuraman, Zeithaml and Berry (1988) is a research instrument that can be utilised in designing, capturing consumer expectations and prevailing perceptions regarding a particular service. This model was developed based on an expectancy-disconfirmation paradigm that allows the service quality to be understood in the context of consumer expectation of quality (Parasuraman et al., 1988). The service quality model can be applied in different cultural contexts. The model is specifically designed to measure the level of quality by identifying consumer expectations and perceptions based on dimensions of service quality (Parasuraman et al., 1988). The core dimensions identified in the service quality model include reliability, assurance, tangibles, empathy and responsiveness (McCabe et al., 2007). The role of a service quality model is to provide specific diagnostics that would address any quality problems within an organisation. According to the model, where customer expectations are higher than their perceptions, the level of received service quality will be low. Contrarily, in a situation where the level of perceptions is higher than expectations, it will lead to a high level of service quality (Lee, 2016). The four important gaps in the service quality model include knowledge, standards, delivery and communications. Moreover, the RATER model is an evolution of the service quality model

by Parasuraman, Zeithaml and Berry (1988) (Ramseook-Munhurrun, Naidoo & Nundlall, 2018). The main idea is based on five gaps, which result in lower than expected quality of services (Ramseook-Munhurrun, Naidoo & Nundlall, 2018). The RATER model is evaluated in five dimensions (reliability, assurance, tangibles, empathy, responsiveness).

2.2.1.2 Commitment loyalty model

Commitment loyalty models have been used alongside market strategies as the basis for determining the extent of consumer faithfulness for a particular period of time. In addition, the commitment loyalty model will form an important basis for identifying factors that drive loyalty about their customers (Duff & Einig, 2015). The commitment loyalty model is founded on the basis of having customers with a higher commitment level towards a brand and are likely to become more loyal. According to research by Duff and Einig (2015), a commitment loyalty model is a conceptualised model that has unidimensional constructs in influencing consumer decisions (Moorman, Zaltman & Deshpandé, 2009). According to Buckinx et al. (2007), the five important dimensions that promote commitment loyalty include affection, normative, economic, forced and habitual commitments. In a study by Rusman (2020), affective commitment is the single most important factor. Customers' satisfaction with the performance of a product or service is the single largest contributor to loyalty and affective commitment has the largest positive impact on satisfaction and loyalty. On the flip side, forced commitment has a huge negative impact on loyalty. It is almost natural for people to reject what they're forced to do. When customers do not have alternatives, they grow resentful toward the product, service and provider, leaving them almost always in search of something else (Rusman, 2020). However, Rusman (2020) state that companies can build loyalty through forced commitment by showing customers alternatives if they do exist.

2.2.2 Benefits of Customer Loyalty

The findings of a study carried out by Ariffin and Maghzi (2012) demonstrated that brand loyalty plays a major role in increasing the revenues that the companies get. According to the findings of the study, customer loyalty increases the rate of retention of the customers and this helps in boosting the profits that the companies make (Ariffin & Maghzi, 2012). In a different study that was carried out by Barber and Scarcelli (2010), the findings indicated that customer loyalty ensures

that there is an increase in the sales which the companies make. Furthermore, this also increases the profitability of the given companies. This is congruent with a study by Le Roux (2019) that customer loyalty increase profitability as marketing cost is reduced for companies. Moreover, a study which was carried out by Brownell, Harris and Bargh (2009) indicated that through customer loyalty, the companies are in a position to attract new customers. The study noted that a highly effective rewards programme is capable of attracting new customers in a number of ways. According to the study, the main way through which they can attract new customers is through referrals. This is supported by Le Roux (2019) that loyal customers increase word-of-mouth. Positive word-of-mouth can lead to new customers without additional marketing costs (Le Roux, 2019). The findings of a study which was carried out by Buell, Campbell and Frei (2010:680) indicated that, "customer loyalty also result in an improvement in the brand image of the companies". Brand image refers to the manner in which the customers interpret the services or the products of a given brand (Chen, Chen & Chen, 2009). A positive image is highly beneficial for the companies as it creates an opportunity to acquire new customers, cross sell and up sell, minimise marketing spending besides being in a position to attract investors. The brand image is a highly valuable asset that is possessed by the companies (Collier & Kimes, 2013). There is a very strong relationship between customer loyalty and brand image. Through customer loyalty, the businesses are capable of improving their brand image (Collier & Kimes, 2013). At the same time, a strong brand image is highly beneficial to the businesses as it puts them in a position to maintain their customers. Brand image also reflects the minds of the customers (Clemes, Gan & Ren, 2011).

According to the findings of studies carried out by Curtis (2009) and Collier and Kimes (2013), customer loyalty allows companies to gain a competitive edge over their rivals. The findings of the two studies indicate that in the current market in which businesses operate, there is intense competition. Businesses can stand out by ensuring that their customers are loyal. The findings of the studies also indicate that customer loyalty towards given brands influence customers' buying decisions. When a given business and its competitors have the same type of product but one has better customer loyalty, the customers will buy from the company to which they are loyal (Dixon-Ogbechi, Haran & Aiyeku, 2009; Lee & Lyu, 2016). Le Roux (2019) found that customer loyalty provides a competitive advantage to companies as loyal customers are more willing to try new products and loyal customers are willing to give recommendations on how to improve and build

on the long-term relationship. According to Considine and Cormicana (2016), brands should build a strong social media presence to engage and attract millennials. Millennials are more active on Facebook than any other social media platforms.

Furthermore, according to the findings of a study by Considine and Cormicana (2016), loyal customers generally have a clear understanding of the business processes and they are capable of offering different kinds of suggestions for improvement. The feedback they give can be highly beneficial for the research and development department of the given companies. This can help the companies to improve their products and services. Similarly, the findings of a study by Collier and Sherrell (2010) indicated that an increase in customer retention can boost the bottom-line profit of the companies by between 25% and 100%, based on the fixed costs.

2.2.3 Factors Influencing Customer Loyalty

Globalisation has increased competition levels in both the local and international markets. Certain factors such as technological advancement, changes in customer expectations and high market competition based on quality are significant to the issue of customer loyalty (Upamannyu, 2015). In the highly competitive global markets, customers are vital assets that must be attained and maintained at all costs for businesses to attain their goals and objectives (Upamannyu, 2015). Therefore, businesses should remain committed to providing good quality services that ensure customer satisfaction for them to create customer loyalty (Rosmadi & Romdonny, 2019). Growth and development of businesses and organisation are dependent on customer loyalty and customer satisfaction. For businesses to get customers who are loyal to their products, they must ensure that the customers are satisfied with the products and services they receive. When customers experience greater satisfaction with products and services provided, it is easier for them to recommend the same products to other consumers. Studies conducted by various scholars have shown that the greater the customer satisfaction, the higher the value of customer loyalty and this increases profits margin in a business (Rosmadi & Romdonny, 2019). Therefore, the development of customer loyalty should be a strategic objective in an organisation. According to research findings by Collier and Sherrell (2010), some of the factors that influence customer loyalty include but are not limited to the quality of products and services provided, technology, trust, customer satisfaction and loyalty points.

2.2.3.1 Customer satisfaction

There is a close relationship between the development of customer loyalty and customer satisfaction in the business world (Rosmadi & Romdonny, 2019). One of the significant factors that contributes to sustainable customer behaviour and loyalty is customer satisfaction (Bahadur, Aziz & Zulfiqar, 2018). The present business environment is highly competitive and unless firms strive to ensure that their customers are satisfied, they are not in a position to gain a competitive edge over the other players in the industry. A study by Bahadur et al. (2018) shows that apart from playing a key role in influencing managerial decisions, customer satisfaction has a positive impact on customer loyalty. Theoretical and conceptual studies by Ha and Jang (2009) and Bahadur et al. (2018) have shown that satisfied customers have more power to repurchase the same kind of products or services and refer them to their friends. To support the link between customer satisfaction and customer loyalty, Kim and Jogaratnam (2010) studied the totality of customer loyalty and emphasised the dimension of measuring customer loyalty based on various business factors related to customer satisfaction. For example, it has been discovered that organisations that register a higher economic gain in terms of profit, have happier customers (Bahadur et al., 2018). There are various kinds of measures that can be implemented by companies to enhance the level of satisfaction and loyalty of the customers. One of the leading strategies entails making sure that the actual needs and expectations of the customers are met.

These customers are satisfied by the services and products they purchase and, therefore, remain loyal to these products which results in repurchasing of the same products from the same organisation (Kim & Jogaratnam, 2010). The level of customer satisfaction is linked to the ability of an organisation to retain its old customers and attain new customers (Kim & Jogaratnam, 2010). Furthermore, an increase in the level of satisfaction of the customers plays a major role in reducing customer complaints. It also minimises negative word-of-mouth, which can significantly affect the level of market share of the organisations through negative publicity. Based on these findings, it can be concluded that customer satisfaction is one of the major factors that influences customer loyalty, and customer satisfaction is said to have a great influence on customer behaviour and attitude towards certain products and services in an organisation (Ha & Jang, 2009).

Bahadur et al. (2018) found that 74% of millennials stated that poor customer service would make them less likely to purchase products from a brand they were loyal to. Companies can adopt

numerous strategies in order to enhance the level of satisfaction of their customers. One of the main strategies that can be used by the organisations in order to enhance the level of satisfaction of the customers is treating the customers with utmost attention (Ha & Jang, 2009). Some of the main tools that companies can use in order to evaluate the level of satisfaction of their customers include the use of customer satisfaction surveys (Ha & Jang, 2009). This can make organisations aware of how the customers feel about their goods and services. Kim and Jogaratnam (2010) stated that customer satisfaction leads to customer loyalty. Customer satisfaction and customer loyalty are the two sides of same coin. In the absence of one, the other cannot function properly and smoothly (Kim & Jogaratnam, 2010).

2.2.3.2 Trust

Trust is a key factor that influences customer loyalty in business. Trust is the confidence and belief that customers attach to a certain organisation with the belief that their needs will be meet according to their expectations (Sarwar, Abbasi & Pervaiz, 2012). Studies have shown that brand trust is a significant aspect of marketing and affects customer behaviour and attitude which results in brand loyalty and commitment. Based on the Commitment-Trust Theory, brand trust is said to be stronger than general customer satisfaction (Sarwar et al., 2012). Brand trust influences customer emotions thus developing and maintaining a brand relationship for a long time (Upamannyu, 2015).

One of the major strategies for a business is developing and maintaining a long-lasting relationship with the customers. This is because customers are key stakeholders that play a significant role in ensuring that the business attains a competitive advantage in the market. Positive and long-term customer trust is dependent on employee performance, quality of products and services provided in an organisation and branding (Nguyen, Leclerc & LeBlanc, 2013). Employees are the face of the organisation and if they provided excellent service to the customers, they help develop trust.

On the other hand, product branding and service delivery also play a significant role in building customer trust. Customers who have trust in the employees and the kind of services and products they receive will develop loyalty (Nguyen et al., 2013). For example, it has been noted that most customers have great trust in businesses with a strong reputation, great company image, brand name, and product branding (Nguyen et al., 2013). A survey by Upamannyu (2015) found that

57% of millennial women state that their purchase decisions are driven by a brand's values and stance on issues that are important to them.

There are various factors that can influence customer trust in an organisation. They include reputation of the given companies, the image of the companies as well as social identity (Nguyen et al., 2013). The way the company relates to different individuals at the social level will determine whether they are to be trusted or not. Trust has a remarkable influence on the decision made by the customer; it will determine whether the customer will remain loyal to the business or not. For example, businesses with a bad reputation will have a negative influence on customer loyalty. It will be difficult for such businesses to retain their customers on a long-term basis (Nguyen et al., 2013).

Moreover, Alamsyah (2019) pointed out that the lack of online consumer trust was the main barrier of consumer participation in e-commerce and has been found to be one of the major obstacles to the popularity of internet transaction. E-trust is the degree of confidence customers have in online exchanges, or in the online exchange channel (Alamsyah, 2019). Online trust includes consumer perception of how the website would deliver on expectation, how believable the website's information is, and the level of confidence in site channel (Alamsyah, 2019). Trust appears to be especially important for creating loyalty in online service as it is perceived as high-level risk transaction since customers lack direct contact with the company and have to hand over sensitive personal information, such as credit card numbers, in order to complete the transaction (Alamsyah, 2019).

Based on the review above, it can be concluded that trust plays a significant role in developing and maintaining customer loyalty in a business, organisation or firm.

2.2.3.3 Product and service quality

Product and service quality plays a significant role in increasing the degree of customer loyalty in business. Growth and development in any business are dependent on the quality of products and services they produce and provide to their customers. The more quality a product or service has, the more useful and satisfying it is to the customer (Rosmadi & Romdonny, 2019). Customers will enjoy using products and services that are of great value and quality and this enjoyment leads to the development of customer loyalty. The concept of quality is regarded a contributor to customer

loyalty and a strong agent that leads to attaining a competitive advantage in the highly competitive global market that contributes to business success (Donio', Massari & Passiante, 2006). Good quality in both products and services leads to increased customer loyalty. Quality has a direct link to customer attitude and behaviour directed towards the supplier and this contributes to the customer's willingness to remain loyal to the product or service provider. This means that product and service quality has a positive role in the development of customer loyalty (Donio' et al., 2006).

For example, studies by various scholars have shown that quality product and service is closely linked to increased customer loyalty and development of future customer loyalty in business (Casidy & Wymer, 2015; Donio' et al., 2006). An example provided by Donio' et al (2006) is customer loyalty among customers using mobile phones that provide customers with quality services. A survey by Rosmadi and Romdonny (2019) found that 54% of millennials cited high quality as an important contributor to brand loyalty. Another study by Casidy and Wymer (2015) concluded that 54% of men and 51% of women ranked quality as the most important factor when making a purchase.

2.2.3.4 Technology

Studies have shown that there is a notable gap in research conducted on the relationship between technology and customer loyalty (Kim, Park & Morrison, 2008). Based on the fact that technology advancement plays a significant role in enhancing growth and development in the businesses today, perceptions of technology and the contributions it makes to customer loyalty are of great importance. Studies conducted on the use of improved systems in the government and private sectors to gather, store and retrieve information have indicated that technology plays a significant role in developing and maintaining customer loyalty (Donio' et al., 2006). For example, studies conducted in the implementation of e-government systems in Thailand indicated that use of improved service systems has increased the intention of using such systems (Kim et al., 2008).

Improved technology has developed increased customer loyalty resulting from reduced cost, time, reduced errors and increased efficiency and effectiveness (Kim et al., 2008). Technology has made it possible for customers to conduct their businesses online and access major government services and conduct business from the comfort of their homes or offices. Therefore, it can be concluded that technology has played a key role in enhancing customer loyalty to technology-based services.

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Kim et al. (2008) found that 97% of millennials said they would actively engage with loyalty programmes if they could access their rewards information from their smartphones. Another study by Casidy and Wymer (2015) concluded that 85% of loyalty programme members who have redeemed with their mobile phone stated their experience was improved by that technology. Technological advances are inevitable and they are increasingly changing the loyalty space. In the past customers would typically have a plastic card scanned on payment, rewards would then be received later through the post or by email as coupons (Lekhuleni, 2019). Nowadays, smartphones and other technologies have changed the business environment because customers are more connected, merging both the physical and online worlds.

Technology has also created a two-way communication with customers in the form of social media. Customers are now able to use social media to complain, with the expectations that their issues will be resolved through the same channels (Lekhuleni, 2019). This then gives customers more control when it comes to their interaction with loyalty services.

2.2.3.5 Loyalty points/programme

The points programme is the most common programme around the commerce world as it is the simplest one (Kim et al., 2008). With a points-based loyalty programme, customers earn points for various behaviours, such as purchases and stores visits, which can then be redeemed for rewards (Moisescu, 2014). Donio' et al. (2006) claimed that loyalty points are one of the main drivers of customer loyalty. Companies value long-term customer loyalty (Moisescu, 2014), while consumers seek to build trust within a company that offers products they want at affordable prices (Casidy & Wymer, 2015). Points programmes motivate customers to stay invested in the company over the long term in hopes of accruing enough points to redeem them for something worthwhile (Casidy & Wymer, 2015).

Le Roux (2019) found that a company's most loyal customers are also its most profitable. With each additional year of a relationship, customers become less costly to serve. Over time, as the loyalty life cycle plays out, loyal customers even become business builders: buying more, paying premium prices, and bringing in new customers through referrals (Le Roux, 2019). A loyalty programme attracts customers to the company and develop a relationship over time (Le Roux,

2019). The loyalty programme has to reward the right people with the right rewards, as no business can make money on customers who are chronic switchers (Gupta et al., 2018),

Kim et al. (2008) state that the use of digital platforms is essential to ensure that loyalty programmes are implemented properly. By putting customers at the forefront of the digital platform the company will not only have a greater chance of retaining customer loyalty, but there is also a greater possibility that they will spread the good word about the business too (Casidy & Wymer, 2015). Loyalty programmes have made it possible for companies to attract and retain customers (Casidy & Wymer, 2015).

2.2.4 How to Improve Customer Loyalty

The context of the contemporary marketplace is characterised by intense competition and a changing business environment (Moisescu, 2014). The level of customer satisfaction as a basis for promoting customer loyalty can be improved through evaluating customer experience on the service brand (Baumann et al., 2017; Nyadzayo & Khajehzadeh, 2016). As a result, customer loyalty can be improved through establishing policies for customer affective commitment, service quality and level of customer satisfaction (Bahadur et al., 2018). Recent studies carried out by different scholars like Srivastava and Kaul (2016), Srivastava and Rai (2014) and Bahadur et al. (2018) have shown that attitudinal and behavioural loyalty are important measures of customer loyalty within the service industry (Jiang & Zhang, 2016). Word-of-mouth through referrals is an integral attribute that develops loyal customers because it is regarded as an antecedent and reliable source of information.

Currently, the business environment faces difficulties in developing long-term relationships with its target customers (Imbug, Ambad & Bujang, 2018). As such, providing better and quality services is integral in strengthening the level of customer loyalty. According to Imbug et al. (2018), core services, pricing and brands improve the level of customer experience that leads to a positive impact on customer loyalty. For example, developing a distinct core service will increase the level of customer experience that promotes customer interaction with service providers and influences the brand position within the customer mind, thereby creating loyalty (Imbug et al. 2018).

2.3 CUSTOMER LOYALTY PROGRAMMES

According to Zakaria, Rahman, Othman, Yunus, Dizulkipli, and Osman (2014:25), "loyalty programmes are implemented by business organisations to induce customer satisfaction and forestall any defections from customers". Considering the fact that it is more costly to acquire customers, companies should always ensure that they have in place various strategies that are aimed at ensuring that the customers are retained (Jiang & Zhang, 2016). One key strategy that companies can adopt is the use of customer loyalty programmes. Customer loyalty programmes are highly effective in ensuring that the given companies retain the customers. They are programmes that are mainly aimed at encouraging the customers to buy more of the products and services, which the companies are offering (Kim & Kim, 2016).

According to Dlamini (2019), there are 15 million registered loyalty programme users in South Africa. A report by Vijay, Thoppan, Jeyakumar and Fekete (2018) found that the average South African consumer is subscribed to about nine different rewards programmes, covering various sectors from retail/grocery programmes to banking rewards. To engage and retain millennials, loyalty programmes should leverage whatever experiential components they currently have and consider adding new ones. Easy places to begin are games and expanded mobile services. According to Jiang and Zhang (2016), millennials are more likely than older counterparts to join programmes associated with food delivery, restaurants, education, health, diet and exercise. A study by Jiang and Zhang (2016) found that 65% of Gen Z and 71% of Millennials are highly influenced by loyalty programmes.

2.3.1 Convenience and Ease of Accessing Loyalty Programmes

Nowadays, customer loyalty programmes have low entry requirements in order to attract their target market. Many retail outlets and restaurants implement this type of system such as Pick 'n Pay with their Smart Shopper card. Customers from 18 years and above can sign up with no requirements and immediate use (Bednall, 2018). The arrival of digital loyalty programmes ushered in a new era of personalised customer experiences that has revolutionised brand loyalty for the better. In our growing convenience-driven landscape, loyalty is fast becoming synonymous with mobile, and it is no secret why. Mobile devices offer customers greater visibility of rewards and give brands more control of how and who they are rewarding (Bednall, 2018). A real life

example is Vida e Café. When Vida e Café launched their new loyalty app, they saw double the activity rate on their mobile loyalty app compared to their card (Bednall, 2018). In a 2017 survey by Truth, an expert loyalty consultant, 87% of the 28 000 South African participants voted Vida e Café as one of the top five easiest-to-use loyalty programmes in South Africa (Bednall, 2018). It seems that loyalty is no longer just more convenient through mobile but can actually drive engagement and spend through ease of use. To understand how easy it is to access a loyalty programme, Figure 2.1 displays the five easiest-to-use retail loyalty programmes in South Africa.

Figure 2.1

The 5 easiest-to-use retail loyalty programmes in South Africa
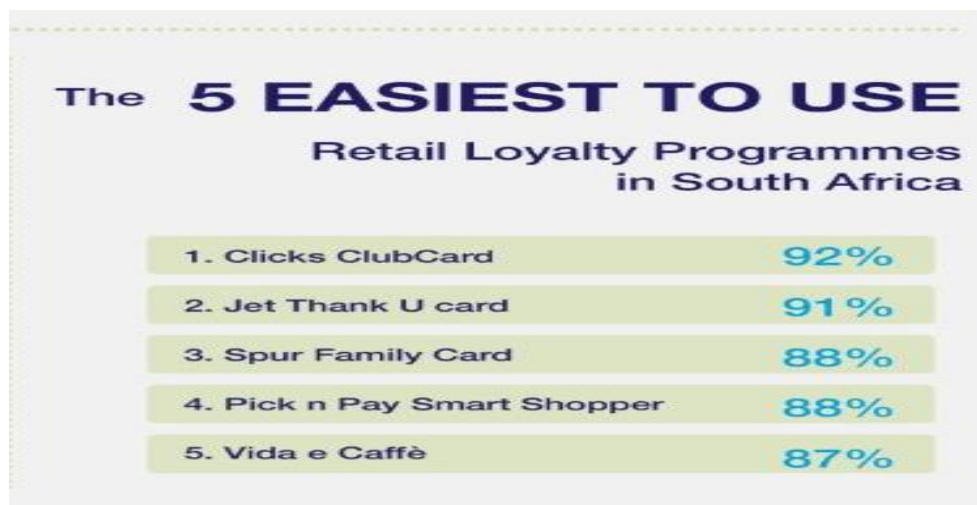
Source: Writer, S. (2018)

From Figure 2.1, it is evident that Clicks ClubCard is the easiest to use with 92% of respondents affirming ease of use. It can also be noted that all five of these programmes are free to join and easy to use. Brands should also take youth into account when developing loyalty programmes. Loyalty use among under-25s increased from 53% in 2015 to 67% in 2017 (Bednall, 2018). There is less disposable income in this mobile-savvy age group, so loyalty programmes that go beyond pure transactional value and focus on engagement especially through mobile perform best (Bednall, 2018). A 2018 CodeBroker survey of more than 440 millennials belonging to loyalty programmes from various industries found that an astounding 97% agreed they would actively engage with loyalty programmes if they were able to access their rewards information directly on

their smartphones (Bednall, 2018). Customers nowadays can simply just download the app on their phone at their own convenience and sign up. This is much easier than physically going in the store to register. Moreover, mobile payment systems provide a huge advantage over traditional credit cards due to the frictionless nature of the transaction (Bednall, 2018).

2.3.2 Types of Customer Loyalty Programmes

2.3.2.1 Points systems

Points systems are common loyalty programmes used by companies, whereby frequent customers earn points on their purchases in exchange for discounts or free goods. The general aim of loyalty cards is "to alter client repeat behaviour by fortifying usage of service or goods and retain clients by raising exchanging costs so as to have a win-win circumstance for both the customer and the organisation" (Gupta et al., 2018:189). According to Kopalle and Neslin (2013), not all points are tied to monetary transactions: points may be earned from social sharing, emails, or other actions customers take to drive traffic to a company's website. A good example is the Pick n Pay Smart Shopper Programme where you earn points for each purchase. Vodacom is another popular points system; for example, in 2018, Vodacom launched a points programme where customers can earn points every time they recharge (Bednall, 2018).

2.3.2.2 Tier system

Finding a balance between achievable and desirable rewards is a challenge for most companies designing loyalty programmes. One of the ways to overcome this is to implement a tiered system. Tiered systems offer small rewards as a base offering for being a part of the programme and encourage repeat purchases by increasing the value of the rewards as the customer moves up the loyalty ladder (Gupta et al., 2018). The major difference between the points system and the tiered system is that customers extract short-term versus long-term value from the loyalty programme. Tiered programmes work better for high commitment, and for higher priced businesses like airlines, hospitality businesses or insurance companies (Gupta et al., 2018). A practical example is Emirates Skywards Programme where customers can earn miles when travelling; and the higher the miles, the higher the customers ranking. It is vital for companies to set clear and possible objectives for customers.

In 2010, Woolworths launched the WRewards loyalty programme based on a tier system according to how much the customer spends annually. Customers who spend less than R8 400 fall into the category of valued tier, customers who spend between R8 400 and R25 200 fall into the category of loyal tier and customers who spend R25 200 or more fall into the category of VIP tier (Woolworths, 2020). A downside of tiered programmes is that companies that make it difficult for customers to reap the benefits of reaching the next tier, may have a membership base of unengaged customers (Gupta et al., 2018).

2.3.2.3 Loyalty cards

Loyalty cards are an incentive plan that enables a retail business to collect customer information by monitoring their spending habits and popular brands. According to Gupta et al. (2018:202), "loyalty cards may assist to provide a company with valuable information, such as personal details, habits and preferences, which can be used in effective targeting and positioning". In exchange for their voluntary participation in the programme, consumers are given brand discounts, vouchers, points or some other incentive. A practical example is the Clicks loyalty cards where customers can qualify for discounts and special offers. These days, many companies, shops and restaurants offer different types of loyalty cards. They are helpful in building a strong bond between customers and a company (Kopalle & Neslin, 2013).

Once customers are retained, the chances of repeated purchases increase, resulting in high returns (Kopalle & Neslin, 2013). Magatef and Tomalieh (2015:76) stated that "competing offers affect the degree of customers' sensitivity to loyalty cards and repeated purchases". This suggest that in order to have better impact from loyalty cards, companies should focus more on providing exclusive benefits to the customer. The key purposes of loyalty cards are increased sales and subsequently long-term relationships with customers (Kopalle & Neslin, 2013). In order to increase sales, some retail stores offer special days/nights to customers on which they can use their cards (Kopalle & Neslin, 2013). Undoubtedly, this programme is beneficial to both parties, the customer and the company. Cardholders get further discounts and free items such as magazines, whereas companies generate extra sales and track customer buying behaviour.

2.3.2.4 Coalition programme

Coalition programmes can be effective for retaining customers and growing the company. According to Kopalle and Neslin (2013), coalition programmes are created when unrelated brands sign on with another unrelated brand to offer a joint loyalty programme. Coalition programmes occur when companies partner up to provide rewards or incentives. For example, British Airways collaborated with ABSA bank to provide consumer benefits such as free flights and discounted hotel accommodation around the world (Kopalle & Neslin, 2013). Another example is Pick 'n Pay and BP, who have a joint loyalty programme. Consumers can now swipe their Smart Shopper card at any BP garage to receive points and promotions and at selected garages, Pick 'n Pay Express stores are open at all hours (Loots, 2019). Gupta et al., (2018) claimed that when the time came to redeem rewards, there were multiple brands to choose from. Kopalle and Neslin (2013) state that coalition programmes offer unparalleled convenience to both the customers and companies. Kopalle and Neslin (2013) found that loyalty consumers in the United States ranked fuel savings as their preferred loyalty currency (39%) over cash-back rewards (35%).

Gupta et al. (2018), found that unrelated brands earns credibility when it is placed alongside other reputable companies. Magatef and Tomalieh (2015) found that, in order for companies to remain competitive and survive, they need to think differently and that the future of loyalty programmes, lies in coalition programmes.

2.3.2.5 Paid programme – VIP member club

With VIP clubs, consumers pay a monthly or yearly fee in exchange for access to special services, benefits and exclusive events (Gupta et al., 2018). A survey by Technology Advice revealed that 57% of customers are more likely to participate in a loyalty programme if it offers a VIP status and exclusive rewards (Kopalle & Neslin, 2013). A VIP programme's effectiveness is directly related to the perceived value of the rewards the company chooses to offer, whether that be store credits, discounts, points, or an asset unique to the organisation (Gupta et al., 2018). Kopalle and Neslin (2013) claimed that, in order for the programme to be effective, customers need to have specific rewards tailored for them.

A popular example is Discovery Vitality Active Rewards. Customers can earn points or rewards when achieving certain goals. This programme also enables customers to get major discounts at

select gyms. When customers achieve their goals, they can redeem their points for discounts or free items such as FitBit watches. The current monthly membership is R249 (Loots, 2019). A study by Jiang and Zhang (2016) found that, 41% of millennials use premium loyalty benefits at least every few days vs. 24% of non-millennials.

2.3.2.6 Win-back programme

Kopalle and Neslin (2013) stated that a win-back programme is used to reactivate customers who have gone silent and stopped engaging with the brand. Gupta et al. (2018) claimed that firms still have a 60–70% chance of selling to lost customers again. Kopalle and Neslin (2013) suggested that a win-back programme can target many different segments such as customers who have not made a purchase in six months, customers who have cancelled their subscriptions and customers who have not made a referral. A practical example is the US-based meal-kit delivery service, Blue Apron, that reaches out to customers who have cancelled their deliveries and incentivises them to re-subscribe with $30 off their next month of meals (De Villiers, 2019). A study carried out by Uncles, Dowling and Hammond (2003) found that companies can partner with other companies to offer deal incentives to win back lost customers from competitors. Uncles et al. (2003) claimed that companies should offer special discounts to customers which they lost and also to new ones in order to encourage repeat purchases and build brand loyalty. Customers are receptive to offers promising everything from a free vacation to coupons (Bahadur et al., 2018). The strategy has brought to light, perhaps even created, a segment of chronic switchers, who routinely shop for the lowest price (Bahadur et al., 2018). According to Donio' et al. (2006), no business should want those customers as the economics of loyalty ensure that no business can make money on them.

2.3.2.7 Cash-back programme

Gupta et al. (2018) defined cash-back programmes as programmes, whereby companies incentivise customers in the form of monetary rewards. Cash-back programmes builds greater trust among consumers and are more likely to attract a customer to repeat their purchase/transaction with you (Bahadur et al., 2018). There are several big trends influencing the future of cash-back programmes such as the purchasing power shift to millennials and digitisation, which increases utility, meaning cheaper and faster transactions (Bahadur et al., 2018). In South Africa, Discovery Vitality is the best cash-back programme available where customers can earn back up to 25% at Clicks and

Dischem pharmacies (De Villiers, 2019). Another practical example is Pick 'n Pay, whereby, a customer can get R1 back for every R200 spent either at BP or at the store (De Villiers, 2019).

Furthermore, banks in South Africa also have various cash-back loyalty programmes. Standard Bank is a leading bank with the programme in the form of UCount rewards linked directly to the bank card, where customers can enjoy savings and instant cash-back at various retailers across the country (De Villiers, 2019). First National Bank (FNB) is another example with a cash-back rewards programme called eBucks. This programme has several cash-back incentives at various different stores and services such as 15% back in eBucks on Uber and Uber eats, 50% back in eBucks at FNB forex, amongst others (eBucks, 2020).

2.3.2.8 Referral programmes

Referral rewards programmes incentivise customers for sharing the company's brand with others on an individual basis (Gupta et al., 2018). Since a referred customer trusts their peer's recommendation, they are even more likely to make their first purchase from the company and then remain a loyal customer for a longer period of time (Gupta et al., 2018). According to Kopalle and Neslin (2013), referral programmes are effective because marketing is done by the customer instead of marketing to the customer. Customers share their experience of the product or service with other customers, thus, promoting word-of-mouth (Gupta et al., 2018). Kopalle and Neslin (2013) found that referrals are the most trusted form of advertising. A study by Clendeen (2019) found that 46% of Gen Z consumers and 55% of Millennials are willing to share their data in exchange for personalised experiences.

A real-world example is Dropbox. Dropbox is one of the largest file sharing and cloud-storage services on the internet (Clendeen, 2019). Dropbox launched a rewards programme with a 2-sided incentive. Dropbox offered extra storage space which drove to an increase in signups by 60% (Clendeen, 2019). Dropbox offered 500mb free storage to both the referred customer and the advocate. Uber is another good example; Uber's model is based on a free ride concept to both the referred and advocate (Clendeen, 2019).

2.3.2.9 The charity programme

Kopalle and Neslin (2013) stated that charity loyalty programmes involve companies in donating a portion of a purchase to a certain organisation or group of people. Major companies around the world are now moving towards this type of programme. Currently unused loyalty points and air miles can be converted into a cash donation for charity. American Airlines was one of the first companies that implemented this programme where customers can donate unused miles towards a good social cause (Clendeen, 2019). American Airlines convert the miles into cash and then donate the cash to the charities (Clendeen, 2019). Moreover, in South Africa, companies such as Kentucky Fried Chicken (KFC) offer this type of loyalty programme from their Add Hope campaign, where customers have the choice of donating R2 to feed a hungry child (Clendeen, 2019). Another well-known charity programme is the MySchool card which can be swiped at participating stores nationwide and a percentage of each transaction is allocated to their school or charity organisation (Clendeen, 2019). Being a cardholder of MySchool also has various benefits to the customer such as special discounts at Woolworths (Woolworths, 2020). MySchool collects over R6 million per month for donations (Clendeen, 2019). Furthermore, Discovery Vitality offers clients the option to donate their air miles to various organisations of their choice such as Doctors Without Borders, amongst others (Clendeen, 2019).

Moreover, Imagine Communications, an American based company joined hands with 'everydayhero' to offer a new platform, points4purpose, which allows customers to donate their unwanted loyalty points towards a social good (Mitchell, 2018). Expedia, Sony and Budget Car Rentals are some of the companies using this platform (Mitchell, 2018). Ivan Schwartz, director of Imagine Communications, claimed the company provides a platform for organisations to grow and retain their relationship by enabling them to support the cause of their choice (Mitchell, 2018). According to Mitchell (2018), the charity programme is popular amongst millennials.

2.3.2.10 Game programme (gamification)

The use of games and play for education and behaviour change is defined as gamification (Breuer & Bente, 2010). "Gamification is the application of game elements for purposes other than their expected use for entertainment" (Breuer & Bente, 2010:88). Gamification is also used as an ingenious way to promote a business or product. For example, players can earn badges, discounts

and other rewards for visiting real-world shops and "checking-in" to mobile phone applications such as Facebook (Breuer & Bente, 2010). Gamifying rewards has proven to be effective for the young, tech-savvy demographic. Allowing customers to level up with more purchases that they make or to complete "quests" in order to earn specific rewards, is an innovative way to keep them coming back (Breuer & Bente, 2010). These programmes are complicated to set up at first but their effect on the company's brand image makes them worth the effort (Breuer & Bente, 2010).

A practical example is Domino's, which uses gamification to extend its already significant member base (Edgar, 2017). Those who are registered in the Domino's reward programme can now take part in new game, 'Piece of the Pie Pursuit'. It is a pizza theme game in which customers can play and earn points to use towards the next free pizza (Edgar, 2017). According to Breuer and Bente (2010), gamification was developed targeting the youth with specific games such as time-based challenges and leader boards to motivate the youth to join the programme and to use it. Nike has also developed a gamified programme called NikePlus. The game allows users to go on a virtual treasure hunt to find new shoe designs (Edgar, 2017).

2.3.2.11 Cryptocurrency (blockchain) loyalty programme

Tael (2018) defined a cryptocurrency loyalty programme as a programme, whereby customers earn crypto points/currency which they can exchange for goods and services. Blockchain is a public, digitally accessible, and database solution providing decentralised management of transactional data (Tael, 2018). Williams (2017) stated that companies can elevate customers experience by offering instantaneous rewards for every purchase. Tael (2018) claims that with block chain systems, there is a greater redemption rate, therefore, making it more appealing to customers and more especially the youth. Unlike other loyalty programmes, cryptocurrency programmes can encourage customers to purchase more often as the currency rewards can be used in other stores or cashed out into the local currency of that country (Lindzon, 2018). Millennials do not like to be geographically bound and prefer rewards which can be used globally; therefore, the cryptocurrency programme is well-established amongst the youth (Lindzon, 2018).

Moreover, experimental loyalty agency, LoyaltyX and the University of New South Wales (UNSW) have partnered on an innovative blockchain loyalty research project, giving students an opportunity to earn 'Ethercryptocurrency' at the checkout of participating merchants simply by

scanning a barcode in their digital wallet (Williams, 2017). According to Williams (2017), UNSW students can earn $5 of 'Ether' for every 10 transactions they make across 11 retailers at the university which includes health juice bar, 'Boost Juice'. Etherium is the second biggest crypto currency in the world after Bitcoin (Tael, 2018). Furthermore, Singapore Airlines, a leading airline operator, has already launched its own updated loyalty programme, KrisPay (Tael, 2018). According to Lindzon (2018), if the perceived value of a blockchain-powered loyalty programmes is greater than existing rewards programmes, consumers will eventually demand it. Blockchain-powered platforms can provide benefits to existing rewards programmes, including enhanced security, a better user experience for consumers through increased authentication, faster transaction speeds and potentially lower operating costs (Lindzon, 2018).

2.3.3 Customers' Expectations from Customer Loyalty Programmes

A study by Kopalle and Neslin (2013) found that customers are looking for more than just discounts or coupons from a loyalty programme. Keller (2013) claimed that one of the most common problems is that many small businesses assume that the shoppers will become more loyal to their business by simply rewarding customers with discounts. However, according to Keller (2013), this is the wrong approach and companies should rather focus on creating an emotional connection with their customers. Doing this will show that companies care for their customers. Keller (2013) found that 79% of customers will only consider shopping with brands that care for them such as offering birthday rewards. As Vijay et al. (2018) stated, the main reason why customers join loyalty programmes is because they want to benefit financially. The points rewards system is one of the biggest reasons why customers register for loyalty programmes as they can cash the points in for discounts during their purchases (Vijay et al., 2018). People like feeling special and a company's loyalty programme members are no different. One reason customers join loyalty programmes is to feel like part of an elite group. VIP programmes allow companies to identify who their loyal customers are and reward them accordingly. VIP tiers drive customers to purchase more often and in greater quantities (Magatef & Tomalieh, 2015). A good example is Edgars which offers its loyal customers free access to VIP services such as a free monthly magazine and advice on legal issues (Loots, 2019).

Nowadays, companies are taking the principles from traditional programmes and incorporating modern technology. The process of gamification occurs when companies reward customers for

"checking-in" at the retail outlet or downloading their app. Nowadays, customers want to earn rewards easily and conveniently. A study by Bose and Rao (2011) states that 59% of customers would be more likely to join a loyalty programme that offers a smartphone app. Another main reason why customers join a programme is for graduated rewards. Graduated rewards according to Keller (2013) is when customers accumulate points in order to receive a free item. A good example is Starbucks with its My Starbucks Rewards system, where you receive one star for every R2 spent and the stars can be used towards free drinks (Loots, 2019). According to Saleh (2016), 69% of consumers say choice of retailer is influenced by where they can earn customer loyalty/rewards programme points, whereas 57.4% of consumers join loyalty programmes to save money and 37.5% to receive rewards. Furthermore, Saleh (2016) states that 44% of millennials are loyal to brands they buy and 52% will choose quality over price.

According to Loots (2019), there are over 100 loyalty programmes that are estimated to be operating in South Africa. Not all of them are successful because they either do not attract the consumer's interest and loyalty or they do not add sufficient value to the retailer (Loots, 2019). One of the main ways to determine if a programme is successful is to monitor the usage and see how frequently customers use it. According to Loots (2019), it is vital to monitor the most used loyalty programmes to see if they are successful. Figure 2.2 highlights the most used loyalty programmes in South Africa.

Figure 2.2

The most used loyalty programmes in South Africa in 2018
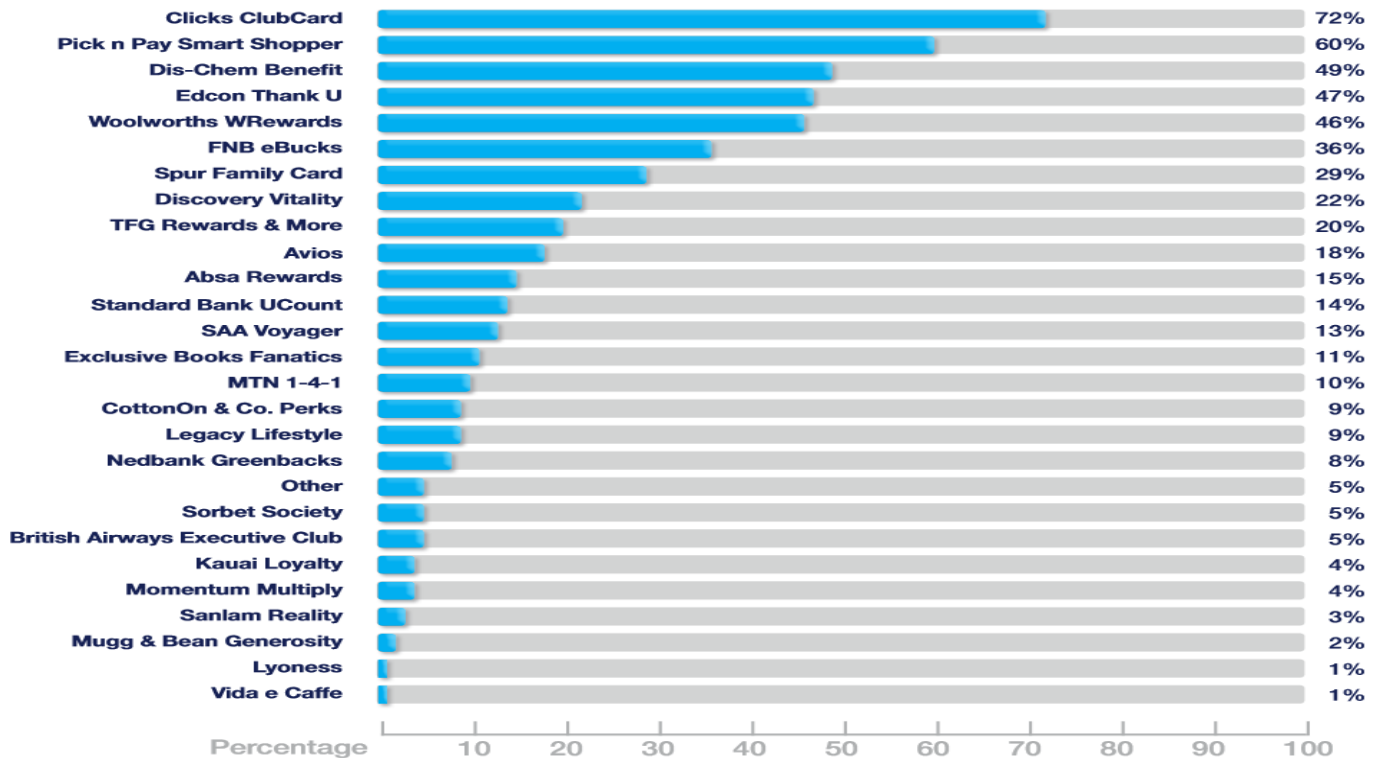
Source: Writer, S. (2018)

These are just some of South Africa's widely known and most used loyalty programmes. From Figure 2.2, it is clear that the Clicks ClubCard is the most popular at 72%. Pick n Pay Smart Shopper is the second most popular at 60%. Vida e Caffe is the least popular with only 1% of users. From Figure 2.2, it is evident that retail and grocery shopping is the most used followed by fashion, food and travel. The top three most-used loyalty programmes are free to join and easy to use thus encouraging more people to join and participate.

There has been a growing change in youth loyalty programmes (Yi & Jeon, 2002). Loyalty programmes are no longer just utilised by the older and mature market (Yi & Jeon, 2002). According to research firm AC Nielsen, South Africa has the highest penetration of loyalty programmes globally, with approximately two-thirds of the population belonging to more than one scheme (Writer, 2018). According to Writer (2018), demographics of customers influence the type of programmes customers register for such as age, gender and race. In order to determine the

impact from the youth perspective, the researcher has to classify the usage of loyalty programmes by age. Figure 2.3 displays loyalty programmes by age in order to understand the impact it has on the youth.

Figure 2.3

Most used loyalty programmes by age in 2019
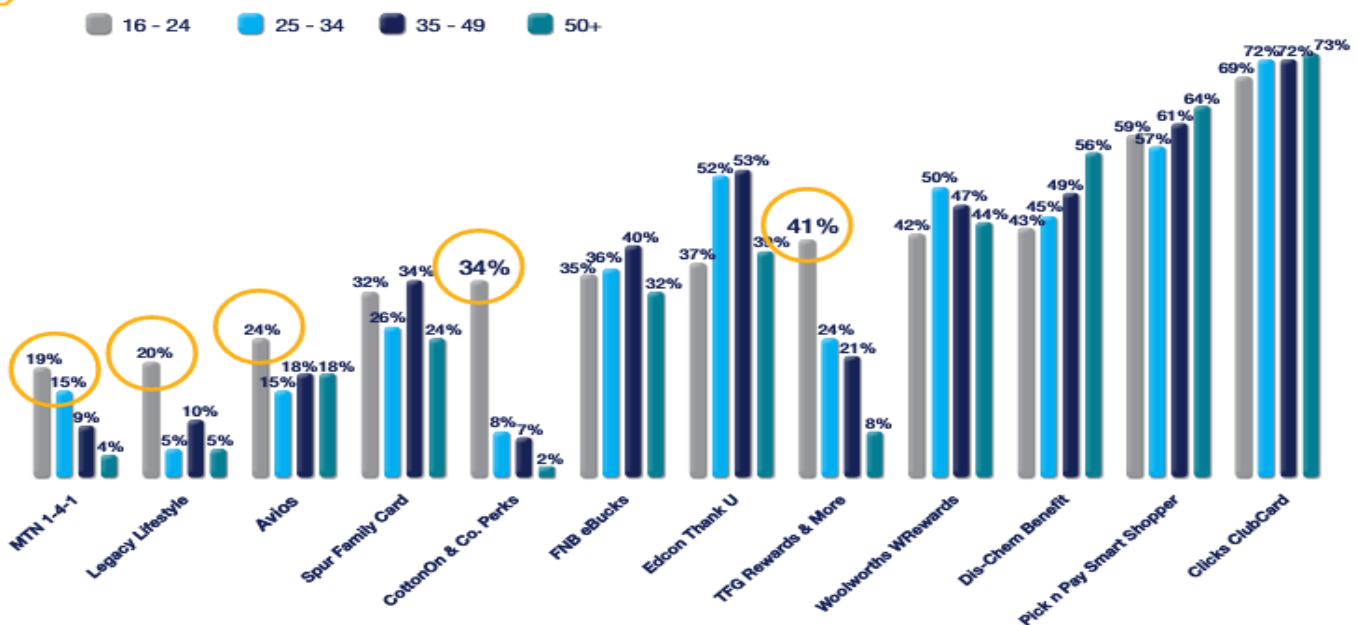
Source: Loots, F. (2019)

From Figure 2.3, it is clear that only age bracket 16-24s tell a more interesting story. For survey respondents under 25, there is the largest penetration within Clicks ClubCard, where 69% are Clicks ClubCard members and Pick n Pay Smart Shopper, with 59% of under 25s being Smart Shopper members. The youth category (16-24) showed the best outcome from five different programmes, being MTN 1-4-1, Legacy Lifestyle, Avios, Cotton On and TFG Rewards. It is evident that the age category of 16–24 is more inclined towards fashion, travel and technology. The age group from 25–34 reacted positively to Woolworths and Edgars as this clearly shows the growth of the middle class and this age group tend to be more lavish spenders. The rise of the age group 16–24 and 25–34 can be explained by the low entry requirements and the free-to-join approach (Loots, 2019). According to Loots (2019), it is vital to monitor registered users who are frequently active.

Figure 2.4

Percentage of registered members who are active users
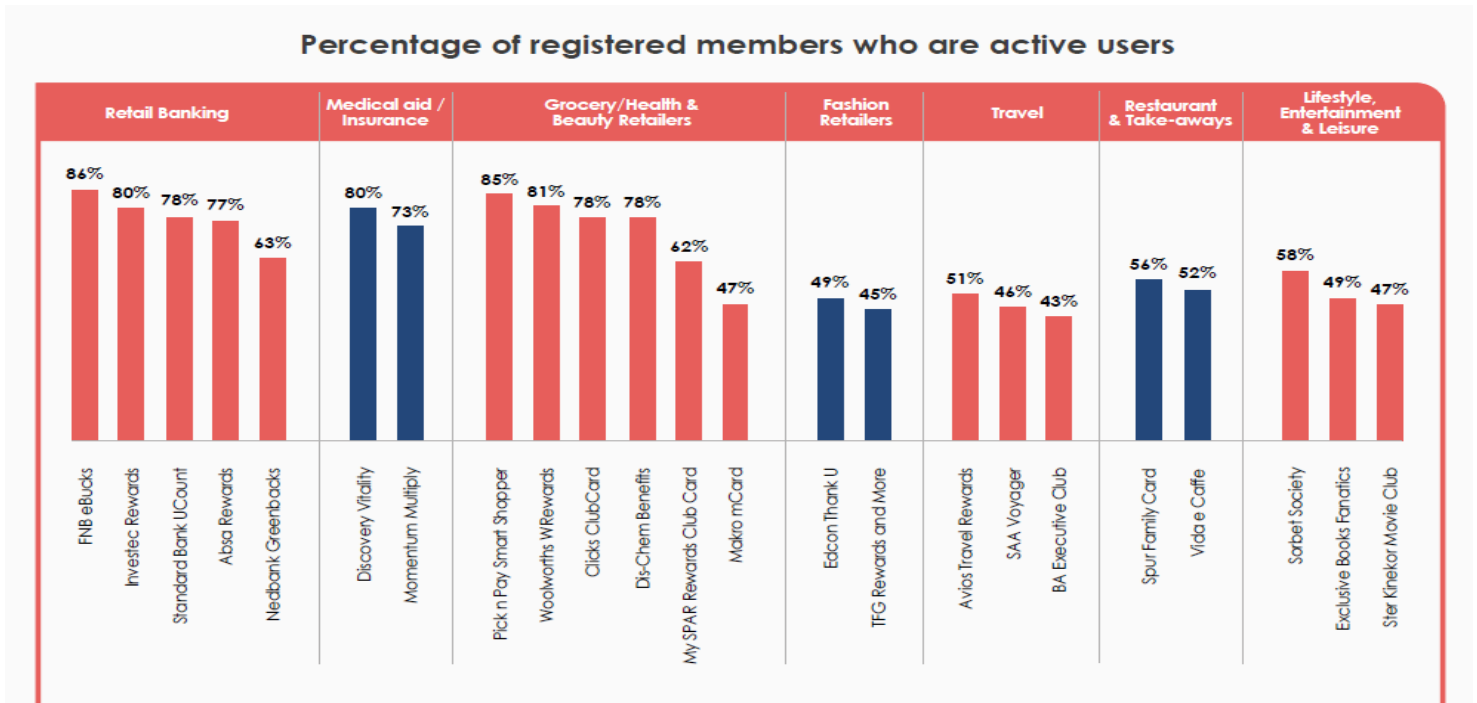
Source: Loots, F. (2019)

From Figure 2.4, it is evident that majority of users who are registered for loyalty programmes make use of them often. The highest usage was the FNB eBucks programme, followed by Pick n Pay Smart Shopper. British Airways (BA) Executive Club was the least used, followed by TFG Rewards. Retail banking displayed the highest usage followed by grocery/health. Figure 2.4 is consistent with the findings from Figures 2.2 and 2.3. From Figure 2.3, the most used loyalty programmes (Clicks Club Card and Pick n Pay Smart Shopper) are consistent with Figure 2.4 (Clicks Club Card, 78% and Pick n Pay Smart Shopper, 88%) as from Figure 2.4, the percentage is similar to Figure 2.2. The findings from Figure 2.3 are consistent with the youth who are active members.

2.3.4 Benefits of Customer Loyalty Programmes

According to the findings of a study by Uncles et al. (2003), there are two main aims of the customer loyalty programmes that are most significant in business. Loyalty programmes are aimed at raising purchases by increasing customer consumption to increase sales revenues which is

achievable by increasing the number of products bought from the supplier. The other aim is developing a strong positive relationship between the customer and the brand to retain old customer and attract new customers (Uncles et al., 2003). Therefore, customer loyalty programmes have several benefits such as customer retention, increasing sales, developing trust, developing trade relations and assisting organisations and businesses in the development of brand public relations (PR). Customer loyalty programmes are beneficial to both the business and the customer. For example, these programmes can have rewards for the customers, which are accumulated in terms of various incentives while customers repurchase within the business. The customers do not benefit from such programmes in the instance where they make a single purchase because customer loyalty programmes are aimed at developing customer loyalty over some time (Bose & Rao, 2011).

Studies like the one carried out by Magatef and Tomalieh (2015) indicate that customer loyalty programmes are proving to be powerful tools in enhancing customer loyalty in the competitive global market in relationship marketing. Customer loyalty programmes are structured on marketing efforts that encourage customers to develop loyal purchasing behaviour by encouraging them through various forms of incentives. These programmes enhance customer retention through various approaches which include but are not limited to reduced prices on products and services, free samples, sales coupons that confined to frequent buyers and advanced access to new products for customers marketing (Magatef & Tomalieh, 2015). Loyalty programmes are associated with the benefit of encouraging customers to shift to dynamic decision-making from myopic decision-making and this encourages customers to indulge in repetitive buying of products in large volumes more frequently (Bose & Rao, 2011). Customer loyalty programmes are also beneficial in helping businesses retain their customers in places where price competition is not allowed by the government or trade laws. In such cases, businesses can retain their customers through loyalty programmes that provide incentives to their customers under the provided prices and thus give the business a competitive advantage over its competitors (Bose & Rao, 2011). Loyalty programmes are, therefore, considered as part of the strategies applied by businesses to help develop solid customer relationship marketing (Magatef & Tomalieh, 2015).

Previous research has classified the benefits that consumers receive by participating in loyalty programmes in different ways (Le Roux, 2019). The most used of these classifications include

categorising as either hard or soft benefits, secondly as economical, psychological or sociological benefits, and lastly as either utilitarian benefits, hedonic or symbolic benefits.

Other benefits that are associated with customer loyalty programmes include reduced cost of serving customers. Research conducted shows that the cost associated with serving loyal customers is lower than the cost of finding new customers (Magatef & Tomalieh, 2015). For example, a business dealing with loyal customers does not incur the high cost of marketing compared to a business dealing with a new customer who is not familiar with the products and services provided by the business. On the other hand, loyalty programmes benefit the business in terms of price sensitivity. Loyal customers are less sensitive to prices and even when the prices increase, they will still purchase the products because they have already developed trust in them (Magatef & Tomalieh, 2015). This benefits the business in the sense that it will not lose its customer due to the increase in prices, which can have some negative impact on the business profits. Loyalty programmes encourage repurchasing and loyal customers spend more on the business because they indulge in frequent buying of the products (Magatef & Tomalieh, 2015). This is because satisfied customers enjoy using the products and they will not consider trying different products from other businesses (Magatef & Tomalieh, 2015). A study by Dlamini (2019) found that tier programmes have several benefits to the company such as that customers spend more frequently in the store in order to increase their tier rankings. This, in fact, increases revenue for the company.

It has been noted that loyalty programmes help develop customer trust and a positive relationship (Dlamini, 2019). This helps the business in creating a solid network that increases its marketing scope. Trust indicates that customers have the willingness to share the information about the products with their friends that is beneficial to the business in terms of marketing (Dlamini, 2019). Referrals work better in terms of marketing than other strategies and consumers tend to trust products that are introduced to them by people who have already used them and gained confidence in their quality (Magatef & Tomalieh, 2015). Loyalty programmes help businesses gather consumer information that is stored in the company's database and this helps the business conduct a comprehensive analysis on the type of fast-moving products, what products can be purchased together and what type of incentives are more effective to use (Magatef & Tomalieh, 2015). Moreover, the new cryptocurrency programmes allow companies to mine their own currency which reduces the cost involved for the companies (Tael, 2018). Companies with blockchain

technology also incentivise their staff with cryptocurrency and Deloitte Touche Tohmatsu Limited is an example which introduced the internal rewards programme (Tael, 2018). Williams (2017) claims that the major advantage of block chain technology is that the process is very transparent and the information cannot be duplicated. Tael (2018) claims that companies can track the historical price of goods, eliminate fraud and conduct real-time coupon tracking to tap the potential value.

As Vijay et al. (2018) state, loyalty programmes are also beneficial to the customer. Customer information provided through loyalty programmes compels businesses to increase the quality of the products and services provided so that they can retain their customers (Dlamini, 2019). In this case, the customers benefit by getting the best products, which give them value for their money. On the other hand, customers benefit from accessing quality products and services at reduced prices which reduces their expenditure. Some of the loyalty programmes include the use of improved technology such as using online shopping platforms. This is beneficial to the customer in the sense that they can gain access to the products or services they need in the comfort of their homes which will be delivered to their desired point of collection saving them time, energy and transport costs (Magatef & Tomalieh, 2015). Customer loyalty programmes also give the customers the chance to sample some of the products from the business before using them and, if they are not satisfied with the quality, they will not incur any loss in purchasing products that they will not use (Yi & Jeon, 2002). According to Yi and Jeon (2002), companies are now influencing customers to join their programmes in order to qualify for free samples of new products. Many brands are now incorporating their loyalty programmes into smartphones with their own branded app. Most digital loyalty providers provide the ability to communicate directly with loyalty programme members through the loyalty platform (Bednall, 2018). Companies can now send push notifications to clients instantly. This simple action is an incredibly powerful tactic, as it allows a business to deliver the right messages, at the right time, to the right customer (Bednall, 2018).

2.3.5 Privacy Concerns for Customer Loyalty Programmes

In recent years, loyalty programmes have been established to allow the creation of detailed consumer profiles through the collection and processing of purchase information. However, collecting this information does raise customers' concerns about privacy. Information collected through loyalty programmes is likely to be particularly private not only comprising a person's

main details such as their name, address and date of birth, but also their spending habits (Khairawati, 2019). Loyalty programme data often contains information or indicators of the wealth, habitual whereabouts at certain periods of time, behaviours and interests, and possibly even health information of a company's most valuable clients (Khairawati, 2019). A study by Almohaimmeed (2019) found that more than one in 10 loyalty members (13%) express frustration or dissatisfaction with too much personal information being requested during programme enrolment, as well as a lack of control over the privacy of their information. Loyalty programmes come in a variety of different forms such as the physical retailers like Makro, online retailers like Takealot and even third-party start-ups like Skynamo. However, with all the convenience, the downside is that all the customer data is easily available. As retailers are pushing their way into online sales, they are becoming infamous because of the amount of user data they collect (Loots, 2019). Companies track the data when consumers shop online such as the time spent on certain products or which pages (Liyanaarachchi, 2020). Furthermore, companies can track the type of products customers purchased and spam them with emails about different products (Liyanaarachchi, 2020).

Liyanaarachchi (2020) classified customers into three groups, according to the level of their privacy concerns:

1. Privacy unconcerned – willing to reveal their data for small incentives.

2. Pragmatic – right rewards can convince them to reveal their data.

3. Privacy concerned – want to protect their data, regardless of the reward.

Of course, this classification means that the customers are informed about the impact of their decision, and make educated decisions, based on that information. An eMarketer report states that 80% of customers find loyalty programmes worthwhile, 30% are worried that they require too much personal information, and 24% say that they would not join a loyalty programme because it is a risk to their privacy (Almohaimmeed, 2019). Moreover, Almohaimmeed (2019) described three primary types of privacy that provide a useful benchmark namely, informational privacy, expressive privacy and accessibility privacy. The first concerns customers' right not to have information divulged about them. The second concerns customers' right to be free from surveillance when making personal decisions. The third concerns physical surveillance of

customers' public or private actions. There are at least three data points for each retailer loyalty scheme as pointed out by Khairawati (2019). First, consumers provide data on application to join the scheme. Secondly, retailers link these personal data to internal and external databases, for example geodemographic and lifestyle data. Thirdly, transaction details from in-store transactions is routinely available (Khairawati, 2019).

Even transaction data may be misunderstood with a view that the card is used to allocate points rather than to identify an individual. Khairawati (2019) pointed out that retailers use the data from the consumers purchase to make biographies of consumption. Collecting personal information is the crux of the problem. It is because of privacy concerns that companies are wary of offering personalised services and creating an emotional bond with the consumer. Liyanaarachchi (2020) stated that if a programme only asks a name and phone number, 76% are more likely to join a programme. In a time when public trust is eroded by data leaks, it is important for companies to reassure customers that their privacy is protected by more than just their word (Liyanaarachchi, 2020). Companies are now more observant and cautious as the new law, the Protection of Private Information Act in South Africa, has raised awareness around companies' obligations and consumers' rights when it comes to personal data (Loots, 2019). Undeniably, around the world, rewards programmes are being targeted by cybercriminals who steal and sell the rewards currency.

2.4. THE CONCEPT OF CONSUMER BEHAVIOUR

A consumer is a person that makes use of a product or service after identifying a need and desire before it guides them in making a purchase decision (Sherlekar & Krishanmoorthy, 2012). Therefore, the level of consumer satisfaction determines success in the market, but this is determined by the level of knowledge through understanding consumer behaviour (Nair, 2012). This is simply determining action of a consumer through evaluating and acquisition of goods and services. Usually, consumer behaviour is an action in response to an organism that is conceptualised by a consumer in a particular definitive manner (Sherlekar & Krishanmoorthy, 2012). Therefore, consumer behaviour is determined by values, emotions and attitudes held by a customer towards a particular product or service (Nair, 2012).

Study of consumer buying behaviour is most important for marketers as they can understand the expectation of the consumers. It helps to understand what makes a consumer to buy a product. It

is important to assess the kind of products liked by consumers so that they can release it to the market. Marketers can understand the likes and dislikes of consumers and design base their marketing efforts based on the findings (Ritonga & Ganyang, 2020). However, one should first focus on human behaviour as human behaviour encompasses every thought, feeling or action by people (Ritonga & Ganyang, 2020). This implies that every thought, motive, sensation and decision that is made every day, is classified as human behaviour (Ritonga & Ganyang, 2020). Ritonga and Ganyang (2020) provide a link between human behaviour and consumer behaviour, by stating that consumer behaviour has been defined as the study of human behaviour in a consumer role, whereas, consumer behaviour, represents specific types of human actions, namely those concerned with the purchase of products and services from marketing organisations.

The concept of consumer behaviour involves multidimensional activities that influence consumer decisions to acquire, utilise and disposition of a product or service (Sherlekar & Krishanmoorthy, 2012). In particular, the concept of consumer behaviour involves determining how decisions are made and limited by scarce resources of time, money and consumption. Additionally, consumer behaviour encompasses acquisition, consumption and disposing. Acquisition involves seeking information about a product feature and analysing alternatives. Consumption is determined by how, where and what time a consumer can utilise a product (Nair, 2012). Lastly, disposing defines how consumers are able to get rid of any offering that they had acquired previously. Understanding the concept of consumer behaviour is an important aspect in enhancing market segmentation (Nair, 2013). This is because consumers in the market are differentiated based on age, gender, income levels, professions, education and religion (Nair, 2013). Therefore, the consumer concept is important in developing a design for establishing a marketing mix so that it can influence all its target customers in a dynamic marketplace.

2.4.1 Factors Influencing Consumer Behaviour and Decisions

Marketers study consumers buying patterns to solve where they buy, what they buy and why they buy. However, it is not easy to solve why consumers buy a particular product because the answer is deeply locked in the minds of consumers (Belch & Belch, 2018). Consumer behaviour is a part of human behaviour and by studying previous buying behaviour, marketers can estimate how consumers might behave in the future when making purchasing decisions (Kotler & Armstrong 2010).

There are various factors, which include the buying behaviour of the consumers. The first one includes marketing campaigns. It is worth noting that advertising plays a major role in influencing the buying behaviours of the consumers (Kim & Jogaratnam, 2010). Advertising may result in a shift in the share of the market of highly competitive sectors through influencing the buying decisions of the consumers. Marketing campaigns carried out on regular basis are capable of influencing the consumer buying decision to such an extent that they might opt for one brand over another (Kim & Jogaratnam, 2010). Consumers are also capable of indulging in indulgent or frivolous shopping (Kim, Park & Morrison, 2008). Social media marketing has been top-of-mind for brands targeting 18–24s (Kim, Ng & Kim, 2009). Brands have learned the importance of transparency, relevance and shared conversation versus traditional push approaches (Kim et al., 2009). Ritonga and Ganyang (2020), found that marketing campaigns can influence consumer behaviours because they elicit reactions, utilising imagery and word associations tied to emotional responses.

The prevailing economic conditions also influence the buying behaviours of the consumers. Consumer spending decisions are largely influenced by the economic situation that prevails within the markets in which the given businesses operate. When there is a conducive economic climate, the consumers can be confident and at the same time, willing to indulge in purchases notwithstanding their financial obligations (Kim et al., 2009). According to Vijay et al. (2018), a change in financial situation is the top reason millennials give for switching. Given the economic volatility experienced by today's youth, that is a cause of concern for brands (Kim et al., 2009). Fernandes, Venkatesh, Panda and Shi (2021) state that consumer behaviour is influenced largely by economic factors. Economic factors that influence consumer behaviour are: personal income, family income, savings, amongst others (Fernandes et al, 2021).

Moreover, personal preferences of the consumers also influence their buying behaviours. At personal levels, consumer behaviour is always affected by different shades of dislikes, likes, priorities, values as well as morals (Kim & Jogaratnam, 2010). Group influence is also a leading factor, which affects the purchasing behaviour of the consumers. The main influential group generally consists of the members of the family, classmates, immediate relatives as well as the secondary influential group, which consists of the neighbours, as well as acquaintances (Kim et al., 2009). To a great extent, they affect the buying decisions of the consumers. Fernandes et al

(2021) found that an individual normally lives through two families. The first is family of orientation. This is the family in which a person takes birth. The influences of parents and individual's upbringing have a strong effect on the buying habits (Fernandes et al, 2021). The second is family of procreation. This is the family formed by an individual with his or her spouse and children. Normally, after marriage, an individual's purchasing habits and priorities change under the influence of spouse (Fernandes et al, 2021).

Consumer behaviour is determined by how individuals are able to make decisions relating to spending available limited resources, like time and money to purchase consumption items (Srivastava & Rai, 2014). Success in any form of business working in a dynamic and competitive market is vital for all business owners to properly understand their consumers (Tendai & Chigada, 2017). This is important because it informs the decision-making process that alternatively results in a purchase or non-purchase. Consequently, the level of an individual making a decision about a particular product is influenced by both internal and external factors.

According to Tendai and Chigada (2017), understanding the level of consumer behaviour is determined by identifying an individual who is tasked with a buying decision. In their study, they concluded that "a marketer should maintain a high level of watch concerning the buying decisions because this can be affected by the type and nature of a product" (Tendai & Chigada, 2017:570).

A study by Ariffin and Maghzi (2012) identified that the nature of consumer behaviour is influenced by psychological factors like perceptions about quality, value and marketing mix elements that influence the decision to buy. A study by Fernandes et.al (2021) found that motivation and perception are the major factors influencing psychological factors. Motivation acts as a driving force that impels an individual to take action to satisfy his needs (Fernandes et al, 2021). In another study, Barber and Scarcelli (2010) conducted a study to determine factors affecting consumer buying behaviour and concluded that physical, social, cultural and personal factors had a direct impact on consumer behaviour. The researcher identified specific personal factors like occupation, economic level and motivation as leading factors in predicting the consumer behaviour towards making a decision to spend more than they would wish (Barber & Scarcelli, 2010).

Vijay et al. (2018:153) stated that the "prevailing pricing environment within a particular market has a positive impact to the level of consumer behaviour". They identified shopping experience, level of customer awareness, privacy concerns, buying strategy and perception of a fair price as being the leading factors in positively influencing a particular consumer behaviour (Vijay et al, 2018). As such, a business entity should carefully develop its pricing decisions. The role of dynamic pricing is important because it will help to address reprisal attitudes and other important self-protection fundamentals (Vijay et al., 2018). A study by Bose and Rao (2011) found that many retailers are offering discounts for students, such as discounted gym memberships and special incentives for opening bank accounts. Offering discounts or a reward to students not only helps the consumer but also the company, as it builds and maintains customer loyalty.

Bose and Rao (2011) carried out a study which was mainly aimed at exploring the role of women in consumer decision-making behaviour of durable goods. The findings of the study revealed that consumers are concerned with quality in making a decision to purchase a particular product or service (Bose & Rao, 2011). In relation to female consumers, convenience was found to be a major inducing factor for promoting behaviour to buy a particular product. According to Nyadzayo and Khajehzadeh (2016), the other important factors that determine the consumer behaviour of women towards durable goods include brand, service and cost. The study concluded that consumers need superior quality as opposed to cost price (Bose & Rao, 2011). According to Tendai and Chigada (2017), the consumer behaviour of South African millennials is determined by their level of conversance and consistency of the product with their culture. Tendai and Chigada (2017) found that attitude, fashion, country of origin, consumer ethnocentrism and opinion from leaders influences consumer behaviour.

2.4.2 Influence of Loyalty Programmes on Decision-Making

According to Kotler and Keller (2012), humans have two modes of decision-making:

- The first makes instant decisions, acts on impulse and emotion.

- The second is more rational, measured and takes a longer time to come to conclusions.

Belch and Belch (2018) stated that companies often use Expectancy Theory as a foundation for their loyalty programmes to show customers the value of becoming a member and to register for

a loyalty programme. For example, Truworths rewards new customers R1000 in fashion vouchers when they open an account, showing customers immediate value. In return, Truworths receives customer data that they can use to reach out in the future (Loots, 2019). Furthermore, Truworths offer a 6-months' interest free account which prompts customers to shop immediately even without paying up front (Loots, 2019). Moreover, Kotler and Keller (2012) claimed the goal-gradient effect influences customers in terms of how they purchase. "The goal-gradient effect states that as we get closer to achieving a result, we accelerate our behaviour" (Kotler & Keller, 2012:189). For instance, this is why a 10-space coffee card pre-stamped twice will get completed faster than an eight-space card with no stamps. Customers usually increase their efforts when they are nearing a free gift or discount (Kotler & Keller, 2012). By adding tiers to a loyalty programme, companies show their customers that there is always something of value within reach (Belch & Belch, 2018). In order to fully understand how consumers process their decisions, the decision-making model needs to be discussed.

2.4.3 Consumer Decision-Making Model

In consumption, consumers pass through different stages of the purchasing decision-making process (Belch & Belch, 2018). In 1968, a five-step model of the consumer buying decision process (known as the Engel-Blackwell-Kollat or EBK model) was developed by researchers Engel, Blackwell and Kollat. As evident in Figure 2.5, it consists of five steps: problem/need recognition; information search; evaluation of alternatives to meet this need; purchase decision; and post-purchase behaviour (Belch & Belch, 2018).

Figure 2.5

Consumer decision-making model
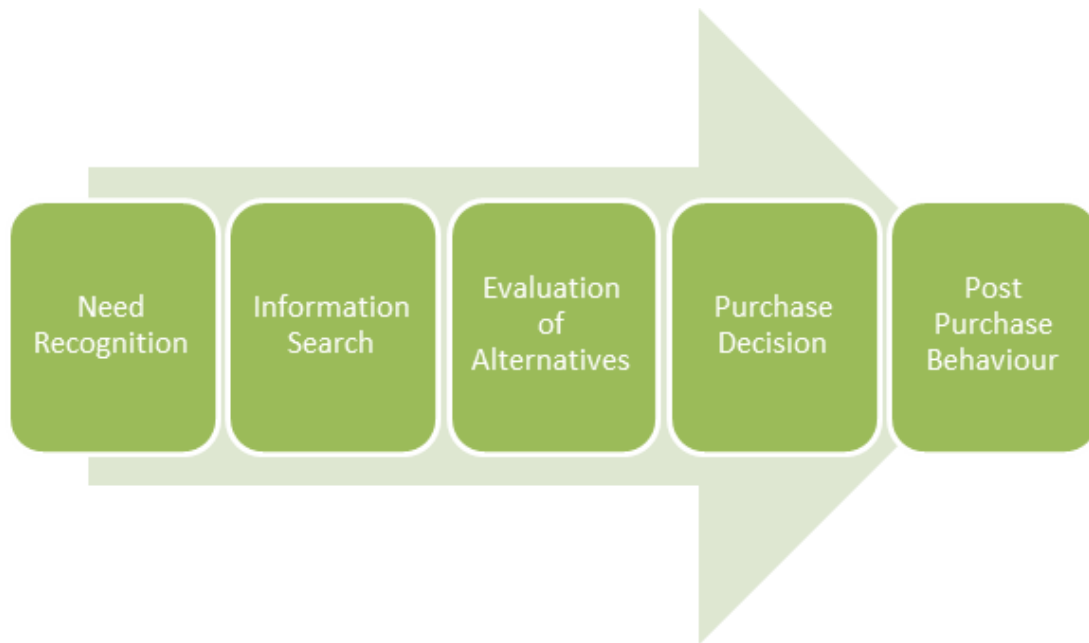
Source: Belch G.E. and Belch, M.A. (2018)

There are a number of processes that are followed by consumers when they are buying certain products and services.

2.4.3.1 Need recognition

The first in the process is need recognition. Before any kind of purchase takes place, customers must always have a compelling reason why they need the given product (Sherlekar & Krishanmoorthy, 2012). Consumers must have a problem that the given product will solve. Basically, the consumer is looking for a solution to resolve a state of discomfort. According to Belch and Belch (2018), need recognition can also be viewed as either simple or complex. Needs occurring frequently and that can be dealt with almost immediately are termed simple need recognition. The need recognition stage is influenced by loyalty programmes as customers look for long-term solutions for their problem. Consumers have certain perceptions about what they want and look for to repeat purchases; therefore, they choose brands or companies with good customer service and incentives (Belch & Belch, 2018). In another study by Shcherba (2020), need recognition can be arranged in a hierarchy according to Maslow's theory. According to Maslow's theory, when a human being ascends the levels of the hierarchy having fulfilled the needs in the

hierarchy, one may eventually achieve self-actualisation. Maslow eventually concluded that self-actualisation was not an automatic outcome of satisfying the other human needs (Shcherba, 2020).

2.4.3.2 Search for information

The second stage includes the search for information. After the recognition of the problem, the process of searching for information starts. The information search process of a consumer is internal and external, whereby, internal is information in the consumer's memory, and external are sources of information through advertising and external media (Sherlekar & Krishanmoorthy, 2012). A number of customers nowadays search for information on social media platforms. Many customers rely on information that they get from their social media friends to make purchase decisions (Srivastava & Kaul, 2016). On the other hand, there are personal sources that a customer can retrieve information from. This information which is delivered by friends, family or colleagues is naturally very subjective and relies mostly on own experiences with the product in question (Sherlekar & Krishanmoorthy, 2012). According to Keller (2013), the information search stage is very important especially when consumers search for information on high-priced items. In addition, the more the product fulfils the need for prestige and self-esteem, the more the customer tends to purchase the same good again. This tendency can be supported by a customer loyalty programme. The customer will determine the timing and type of reward has on the value of perception (Keller, 2013). Furthermore, referral loyalty programmes directly influence this stage. Word-of-mouth referrals can influence customers' decisions as they consider word-of-mouth a trusted source (Bednall, 2018). Nowadays, word-of-mouth referrals are mostly found online with a referral code or link for new or potential customers to join and the referrer can get points or cash-back. Companies are now offering extra points or discounts when customers leave reviews on their products or company (Keller, 2013). Srivastava and Kaul (2016) stated that customers search for the best available information on the products with the best cost-saving; thus, customers are greatly influenced by loyalty programmes. Customers usually weigh the pros and cons for each decision; thus, customer loyalty programmes will surely influence their decisions (Bednall, 2018). Brand awareness plays a pivotal role in the information-search stage. It is in this stage where the customer looks to build long-term relationships with companies.

2.4.3.3 Evaluation of alternatives

After this stage, there is the evaluation of alternatives. Though some individuals come to quick decisions, a number of the customers might not settle for the first solution (Sherlekar & Krishanmoorthy, 2012). They will assess several different options, as well as the probable drawbacks or benefits of each of them. There are times when evaluation is done taking into consideration the reviews that the given products have received from their social media pages (Nyadzayo & Khajehzadeh, 2016). Forums/blogs seem to be a good place to get valuable information and allow discussion with current or former customers. Social media offer consumers a wide range of reviews and opinions of tools and platforms to help them to compare alternatives, for example, groups on Facebook and review websites like 'Hello Peter'. Consumers make decisions based on what information is available and make decisions on what best matches their needs (Keller, 2013).

According to Shcherba (2020), evaluation of alternatives is also known as a consideration set, the evoked set tends to be small relative to the total number of options available. When a consumer commits significant time to the comparative process and reviews price, warranties, terms and condition of sale and other features it is said that they are involved in extended problem solving. Unlike routine problem solving, extended or extensive problem solving comprises external research and the evaluation of alternatives (Shcherba, 2020). Consumers use extensive problem solving for infrequently purchased, expensive, high-risk, or new goods or services. In order for a marketing organisation to increase the likelihood that their brand is part of the evoked set for many consumers, they need to understand what benefits consumers are seeking and specifically, which attributes will be most influential to their decision-making process (Shcherba, 2020).

Consumer evaluation is influenced by two major characteristics which are objective (features, price and ease of use) and subjective (which involves experience from the brand and feedback from past consumers) (Keller, 2013). Customer loyalty programmes are influenced by both objective and subjective characteristics. For objective, companies influence consumers from their loyalty programmes such as discounts, cash-back or extended warranties (Sherlekar & Krishanmoorthy, 2012). For subjective evaluation, companies use the tactic of referral marketing and limited time sales to influence consumers to purchase (Keller, 2013). According to Sherlekar

and Krishanmoorthy (2012), several companies are now integrating customer reviews on their home page to influence customers to trust the brand and to purchase.

2.4.3.4 Purchase decision

Purchase decision is the next step in the process. Decision-making takes place after the consumer has explored different kinds of available options. The ultimate purchase decision might be disrupted by various factors that could include negative feedback from the other customers on social media pages or based on word-of-mouth (Sherlekar & Krishanmoorthy, 2012). At this stage, consumers will decide whether they will buy products/services or not. The purchase decision is influenced by perceived risk, whereby, the purchase can be modified, postponed or avoided (Sherlekar & Krishanmoorthy, 2012). However, Shcherba (2020) state that the decision may be disrupted due to a situation that one did not anticipate, such as losing a job or a retail store closing down. Keller (2013) stated that during this stage companies can still lose customers. In order for companies to attract and motivate customers, loyalty programmes play a vital role. Customers evaluate the benefits that they get from different retail stores loyalty programmes before making a purchase (Keller, 2013). For example, customers will evaluate the benefits they perceive to suit them the best such as extended warranties, cash-back or complementary items for the product (Sherlekar & Krishanmoorthy, 2012).

2.4.3.5 Post-purchase evaluation

The last stage is post-purchase evaluation. After making a purchase, customers often evaluate the performance of the given product and check whether they will continue buying the given product or not. A number of consumers may share their experience with the products using social media platforms like Facebook (Kotler and Keller, 2012). Satisfied consumers promote the product and are likely to purchase further products, while dissatisfied consumers will complain about the product (Kotler and Keller, 2012). Cognitive dissonance, another form of buyer's remorse, is common at this stage. This is when the customer may experience feelings of post-purchase psychological tension or anxiety (Shcherba, 2020). For example, the customer might feel compelled to question whether he has made the right decision. Customer loyalty programmes directly influence the post-purchase stage. Companies' loyalty programmes include referrals or reviews for special discounts or coupons. Companies want to ensure that customers return to the

brand. Customers can make use of their extended warranties and evaluate the after sales service of the company. For return customers, customers can enjoy using and earning their loyalty points (Kotler and Keller, 2012).

2.5 THE CONCEPT OF BRAND LOYALTY

Brand loyalty has been an increasingly attractive and popular topic of research for both marketing practitioners and researchers in recent years (Macdonald & Sharp, 2003). Companies have started to focus more attention on loyal customers because they are more profitable than non-loyal customers (Keller, 2013). Keller (2013) defined brand loyalty as a consumer's preference to buy a particular brand in a product category. Arora (2018:46) defined brand loyalty as "the biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological decision-making, evaluative processes". This happens when consumers feel the brand provides the right product features or quality level at the right price. This perception may translate into repeat purchase resulting in loyalty (Keller, 2013).

Brand loyalty creates many benefits for the owners of the brand. Arora (2018:49) asserted that "all advantages, such as increased market share, premium prices, higher margins and higher return on investment lead to the emergence of competitive advantage and even may be a barrier to entry of competitive brands". Arora (2018) claimed that companies can introduce new products under the same brand umbrella and business licensing. Keller (2013:231) asserted that "competitive advantage built and based on brand equity is less sensitive to various crisis situations and has a strong ability to survive difficult times". This is because a good and well-known brand benefits from customer loyalty even in the event of quality issues or delays in the launch of new products (Arora, 2018).

2.5.1 Factors Influencing Brand Loyalty

2.5.1.1 Brand awareness

Brand awareness is defined as the capacity of a prospective customer to acknowledge that a brand is an element of a certain product category (Macdonald & Sharp, 2003). Recognition of a brand name is an essential part of brand awareness. Creating brand awareness is the first step towards

building a brand. A brand with a strong brand recall can impact a person's choice within a service and product category (Macdonald & Sharp, 2003). When using customer loyalty programmes, advertisers get the opportunity to intensify consumers' exposure to a brand, thereby increasing brand awareness. Customer loyalty programmes enhance brand awareness and increase the chances to compete in a competitive market (Macdonald & Sharp, 2003).

Arora (2018) stated that brand awareness has two aspects, namely, brand recognition and brand recall. Brand recognition is the overall level of familiarity with a specific brand. Moreover, brand recall means remembering the brand name in association with a similar brand group (Keller, 2013). Furthermore, brand awareness plays an important role in building a brand in the consumers' mind for the reason that consumers make purchasing decisions based on knowledge, awareness or experience of a specific brand (Macdonald & Sharp, 2003). Thus, brand awareness is correlated to brand loyalty in making decisions as it relates to customers' thoughts. A study by Hsu et al. (2011), found youth between 16 and 24 years of age demonstrated a significant positive influence of brand awareness on brand loyalty. Brand awareness is found to be specially important when consumers buy a given product for the first time; it is also viewed as a tactical decision by consumers (Keller, 2013). Moreover, advertising and positive word-of-mouth regarding a brand may enhance brand awareness, which plays an important role in consumer decision-making (Macdonald & Sharp, 2003). Therefore, companies can advertise their loyalty programmes in order to entice customers to choose them over their competitors. Both customers and companies look for long-term business, and customer loyalty programmes are vital to maintain their relationship (Keller, 2013). Companies in this phase look to build trust. Trust according to Keller (2013), is considered to be a vital element in the selling process, as it contributes to competitiveness, reduces transaction costs and boosts long-term relationships. Arora (2018) contended that loyalty is gained via trust. Furthermore, Keller (2013) stressed that trust positively impacts customer loyalty.

2.5.1.2 Brand image

Keller (2013) defined brand image as a view that consumers have as a result of their memory of a certain product. Thus, brand image does not exist in the technology, features or the actual product itself, but is something brought out by promotions, advertisements or users. Keller (2013) argued that favourable, strong and unique associations can offer a positive brand image which creates a bias in the mind of consumers, thereby, increasing brand equity. Customer loyalty programmes

help to enhance the image of the brand in customers' minds (Keller, 2013). For example, discounts can enable customers to connect to a brand more conveniently. Therefore, marketing tools can be used to gain a competitive advantage and still create a positive brand image (Keller, 2013).

Arora (2018:51) concluded that "consumers are more likely to purchase well-known brand products with positive brand image as a way to lower purchase risks". Therefore, consumers usually believe they can make a satisfying purchase by choosing well-known brands and also lower any purchase risks by doing so. According to Arora (2018:51), "consumers are usually limited in regard to the amount of time and product knowledge to make an informed purchase decision when facing similar products to choose from". As a result, brand image is often used as an extrinsic cue to make a purchase decision. According to Keller (2013), brand image can affect marketing activities positively or negatively.

2.5.1.3 Perceived quality

Perceived quality can be defined as the judgement that a customer has of a product's general dominance or excellence (Keller, 2013). Perceived quality is an attitude that results from the comparison of consumer expectations with the actual performance (Macdonald & Sharp, 2003). Hsu et al. (2011:42) postulated that "perceived quality is a perception of the consumer regarding the overall superiority of a brand in relation to its intended purpose and relative to alternative brands". Keller (2013) proposed five dimensions of service quality, namely, reliability, responsiveness, tangibles, empathy, and assurance. In terms of perceived quality, customer loyalty programmes aim to provide information about the products and can enhance in-store experience, thus enhancing customers' views on quality (Arora, 2018). Considering the relationship between perceived quality and brand loyalty, several studies indicate a positive impact of perceived quality on purchase intention (Arora, 2018; Chen & Chen, 2010). Chen and Chen (2010) who tested the relationship between quality and behavioural intention in Taiwan among 447 students, found a significant correlation between quality and behavioural intention.

The reason why perceived quality is different from real quality is because a previous bad image of a product will influence consumers' judgement on product quality in the future (Hsu et al., 2011). Moreover, even if the product quality has been changed, consumers will not trust that product because of an unpleasant previous experience (Arora, 2018). Perceived quality will be affected by

factors such as previous experience, education level, and perceived risk and situational variables such as purchase purpose, purchase situation, time pressure, and social background from consumers (Macdonald & Sharp, 2003). Companies can influence customers by offering special rewards or discounts in order to attract customers to try their products. According to Keller (2013), customers are more likely to try out different products if they are affordable and from a trusted company.

2.6 CHAPTER SUMMARY

This chapter has addressed some of the previous studies that have been carried out in the area of customer loyalty, consumer behaviour and customer satisfaction. It appears that customer loyalty plays a significant role in enhancing business growth and helping businesses attain competitive advantage through customer retention. Various factors that affect customer loyalty in business include customer satisfaction, trust, service quality, product quality, and technology advancement. Loyalty programmes are aimed at helping businesses attain customer loyalty by increasing purchasing power and this is attainable through the provision of rewards to the customers who indulge in frequent purchasing.

Loyalty programmes are beneficial to both the business and the customer as they help in building a positive relationship between the business and the customer. Loyalty programmes play a significant role in helping businesses retain their old customer and also attract new customers. These programmes reduce the cost of running the business because it is less costly dealing with retained customers compared to finding new customers. Furthermore, loyalty programmes encourage repurchasing of products which helps the business increase its profits. Loyalty programmes help businesses stay on the competitive edge even in markets where prices are controlled and regulated by the government and trade unions. Customers also benefit from loyalty products because they are given the chance to sample some of the products before buying them for use, get quality products and services which give them value for their money and they can enjoy various incentives from frequent buying of products and services from the same business.

The next chapter, Chapter 3, will focus on the research methodology and data collection process.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

After a thorough study and analysis of the situation factors, Sekaran and Bougie (2014) defined research as a process of finding solutions to a problem. Business research can be defined as a systematic and organised effort to investigate a specific problem encountered within the work setting, which requires a solution (Sekaran & Bougie, 2014). Henning (2004:16) described methodology as a "coherent group of methods that complement one another and that have the ability to fit to deliver data and findings that will reflect the research question and suit the researcher purpose". Bryman and Bell (2011) claimed that research is directly influenced by management and business at large and does not exist in isolation. The research methodology used is, therefore, vital to obtain a result that can add value and solutions to the problem being investigated.

This chapter comprises a discussion on the sampling technique, as well as the data collection method that was adopted for this study. A description of the population and the sample used in this study is provided. A detailed account of the process of data analysis is also undertaken giving attention to the nature of both descriptive and inferential statistics. Statistical analysis of the questionnaire is also discussed as a questionnaire is the data collection tool that was used in the study.

3.2 PROBLEM STATEMENT

Due to the rapid increase in competition in the retail market, retailers offer several types of loyalty programmes and frequent-buyer programmes to increase sales of products through customer repurchase over a period of time. According to Gupta et al. (2018), loyalty programmes have been introduced in all sectors from DVD shops to supermarkets, amongst others. According to Gupta et al. (2018), there is a significant correlation between the introduction of loyalty programmes and customer retention. Despite the wide spread of loyalty programmes in the retail sector, there is, however, little research that focuses on the influence of these programmes and customer retention. A study by Wood (2014) found that university students between the ages of 18 and 24 are the

largest segment of buyers of fashion and lifestyle products. Therefore, this research seeks to determine the perceptions of UKZN students on loyalty programmes as a means of influencing consumer decision-making. Furthermore, this research encapsulates the type of loyalty programmes that have the most and least amount of influence on their decisions.

3.3 OBJECTIVES OF THE STUDY

1. To determine the perceptions of UKZN students on loyalty programmes as a means of influencing consumer decision-making. In this regard, the sub-objectives of the study include:

    1.1 To determine if UKZN students are enticed to purchase products or brands that are linked to customer loyalty programmes.
    1.2 To uncover the perceptions of UKZN students on the convenience and ease of accessing loyalty programmes.
    1.3 To determine if rewards influence UKZN students to register for a loyalty programme.
    1.4 To determine whether or not UKZN students have any privacy concerns about registering for loyalty programmes.

2. To ascertain whether or not UKZN students perceive loyalty programmes as an effective means of increasing customer loyalty.

3. To determine the perceptions of UKZN students on loyalty programmes in terms of perceived value and brand loyalty.

4. To uncover whether or not the type of loyalty programmes (points systems, loyalty cards, tiered programmes, coalition loyalty programmes, amongst others) influence UKZN students' perceptions of the effectiveness of customer loyalty programmes.

3.4 RESEARCH DESIGN

According to Bryman and Bell (2011), a decision in terms of research design has to be made after selecting either a quantitative or a qualitative study. According to Burns and Grove (2016:195), a research design is defined as "a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings". Polit, Beck and Hungler (2011:167)

defined research design as "the researcher's overall for answering the research question or testing the research hypothesis".

According to Bryman and Bell (2011), there are various types of research designs such as exploratory research, descriptive research, causal research and empirical research. For the purpose of this study, empirical research was used. Empirical research is based on observed and measured phenomena and derives knowledge from actual experience rather than from theory or belief. Sekaran and Bougie (2014) stated that the main advantage is that it authenticates traditional research through various experiments and observations. Creswell (2014) stated that it plays a vital role in increasing internal validity. According to Creswell (2014), one of the disadvantages is that, most of the time, a researcher will need to conduct research at different locations or in different environments: this can lead to it being an expensive endeavour.

An empirical research study was chosen for this study as this approach enabled the researcher to measure and analyse data using statistics which were conducive to testing the hypotheses of the study. Furthermore, the researcher was able to generalise the research findings with the use of the quantitative research approach. The use of empirical research allows for the collection of primary data based on experiences on the field rather than theory. This was best suited for the topic as it provided a more accurate outcome of the research objectives.

3.5 RESEARCH APPROACH

According to Sekaran and Bougie (2014), there are three types of methodologies used in research, qualitative, mixed methodology and quantitative. Depending on the nature of the study and what the researcher wants to solve, all research methodologies have advantages and disadvantages. In order to determine the most appropriate research method, one needs to understand the benefits of all research methods.

3.5.1 Qualitative Research

First there is qualitative research which Creswell (2014:53) described as "research that begins with assumptions, a worldview, the possible use of a theoretical lens and the study of research problems inquiring into the meaning individuals or groups ascribe to a social or human problem". Creswell (2014:54) suggested that "qualitative research offers opportunities for conducting exploratory and

descriptive research that uses the context and setting to search for a deeper understanding of the person(s) being studied". Some advantages of qualitative research include that it is economical and timely compared to most quantitative methods. There are several disadvantages as well; for example, analysis of data can be time-consuming as it uses open-ended questions and each question needs to be interpreted separately.

3.5.2 Mixed Methodology

Mixed methodology according to Creswell (2014) is the kind of research where the researcher combines quantitative and qualitative techniques, methods and concepts in a single study. Mixed methodology often helps researchers to answer questions that are not covered by qualitative and quantitative study.

3.5.3 Quantitative Research

Lastly there is quantitative research which Leedy and Ormrod (2005:89) described as "research that involves identifying characteristics of an observed phenomenon and does not involve modifying the situation under investigation". Quantitative research design emphasises objectivity in measuring and describing phenomena (McMillan & Schumacher, 2011). As such, the research design maximises objectivity by using numbers, statistics, structure and control. Quantitative research uses methods adopted from the physical sciences that are designed to ensure objectivity, generalisability and reliability. Sekaran (2016:154) indicated that "quantitative research can be generalised, based on multiple research studies and is derived from numbers". Furthermore, the use of quantitative research questions allows the researcher to explore the relationship amongst variables, while quantitative hypotheses, allows the researcher to make predictions about the probable effects of relationship among variables (Creswell, 2014).

The quantitative methodology was chosen for the purpose of this study after weighing the advantages and disadvantages of all three approaches. This is because it is more reliable than a qualitative approach (Creswell, 2014). Furthermore, it uses numbers and statistics to analysis and interpret findings that can be generalised from a sample to the population (Creswell, 2014). Apart from that, it allows the researcher to gather large amounts of information in a short period of time and is also easier to analyse (Sekaran, 2016).

3.6 RESEARCH SITE AND CONTEXT

The University of KwaZulu-Natal has five campuses, namely, Howard College, Westville campus, Edgewood campus, Pietermaritzburg campus and the Medical School. This study is aimed at UKZN students from the Westville campus in order to ascertain consumers' buying behaviour. The rational for focusing on Westville campus students is that the Westville campus has the largest cohort of commerce students who should have a basic knowledge of marketing concepts as they would have been exposed to these topics in their curriculum. The physical address of the Westville campus, University Road, Westville. Furthermore, the researcher obtained a gatekeeper's letter to use this site.

3.7 TARGET POPULATION

According to Davies (2007), a target population is a group of people or occasions that are studied so the researcher can have a better understanding of the situation of the study. Davies (2007) postulated that the entire population of social science research is often too broad for study and is beyond the reach of the researcher and thus requires the selection of a sample. The researcher's target population for this study was students from the University of KwaZulu-Natal, Westville campus. The target population included all registered students from the three colleges at Westville campus, which are the College of Agriculture, Engineering and Science, College of Health Sciences and the College of Law and Management Studies. The population included the undergraduate and postgraduate students from all the colleges at the UKZN Westville campus. Table 3.1 below represents the figures of students registered at the university for the 2019 academic year.

Table 3.1

Registrations per Campus, 2019

College	UG	PG	Howard	Pmb	Med Sch	Westville	Edgewood	TOTAL
COLLEGE OF AGR, ENG & SCIENCE	7424	1998	2638	2970		3814		9422
COLLEGE OF HEALTH SCIENCES	4531	2219	1385		2552	2813		6750
COLLEGE OF HUMANITIES	15684	5786	10219	4138			7113	21470
COLLEGE OF LAW & MAN STUDIES	7056	3215	1991	2375		5905		10271
TOTAL	34695	13218	16233	9483	2552	12532	7113	47913

Source: University of KwaZulu-Natal (2019)

3.8 SAMPLE

According to Ruesink (2010:72), "sampling is the process of choosing a subset of units from the population". The target population for this study was Westville campus, which had 12 532 registered students in 2019.

3.8.1 Sampling Method

According to Sekaran and Bougie (2014), sampling is a technique of selecting a suitable representative group which is part of a population for the purpose of determining parameters and characteristics of the entire population. Burns and Grove (2016:31) referred to sampling as "a process of selecting a group of people, events or behaviour with which to conduct a study". According to Sekaran and Bougie (2014) there are two types of sampling methods: probability and non-probability sampling.

3.8.1.1 Probability sampling

In probability sampling, all elements in the population are considered and each element has an equal or known chance of being selected as the subject (Devkota, 2018). In research, there are various types of sampling which can be used.

a) Simple random sampling: Simple random sampling is when each person in the population has an equal probability of being chosen for the sample. For example, if there is a population of 100 people, each person would have odds of 1 out of 100 of being chosen (Sekaran, 2016).

b) Systematic sampling: Systematic sampling means that every "nth" participant is drawn from a complete list, randomly between 1 and n. For example, every 10th person listed could be selected (Sekaran, 2016).

c) Stratified random sampling: This type of sampling involves dividing subjects into groups that are mutually exclusive and then using simple random sampling to select group members (Sekaran, 2016).

d) Cluster sampling: This is when a cluster is assigned to each member of the target population, then the clusters are carefully selected at random and all members of the selected clusters are involved in the sample (Welman et al., 2015).

3.8.1.2 Non-probability sampling

Non-probability sampling is a sampling technique where it is impossible to calculate the odds of any member selected for a sample This is the opposite of probability sampling, where the odds can be calculated (Creswell, 2014). Some of the non-probability sampling plans are more dependable than others and could offer some important leads to potentially useful information in terms of population (Sekaran, 2016). Non-probability sampling is often used because the procedures used to select units for inclusion in a sample are much easier, quicker and cheaper when compared with probability sampling (Sekaran, 2016). There are different types of non-probability sampling such as convenience sampling, snowball sampling, judgemental sampling and quota sampling.

The sampling method which will be used for the research is simple random sampling. The main advantage of simple random sampling is that every subject in the population have a chance to participate. Since the questionnaire is done online, there is a greater chance of success rate if selecting the whole population. According to Creswell (2014), it eliminates sampling bias.

3.8.2 Sample Size

Hair, Wolfinbarger, Ortinau, and Bush (2014:129) defined a target population as "individuals who a will be used in the study by the researcher as part of the study". According to Sekaran (2016:237), "a sample is a subset of the population". The sample size is the number of people or elements that the researcher selects from a population. For this study, the sample size of 375 was used which is in line with the recommendations of Sekeran and Bougie (2014). Table 3.2 shows the populations and the sample size that is suitable for each. The sample of 375 students was proportionately allocated to the different colleges based on the subjects registered at Westville campus.

Table 3.2

Sample Size Table
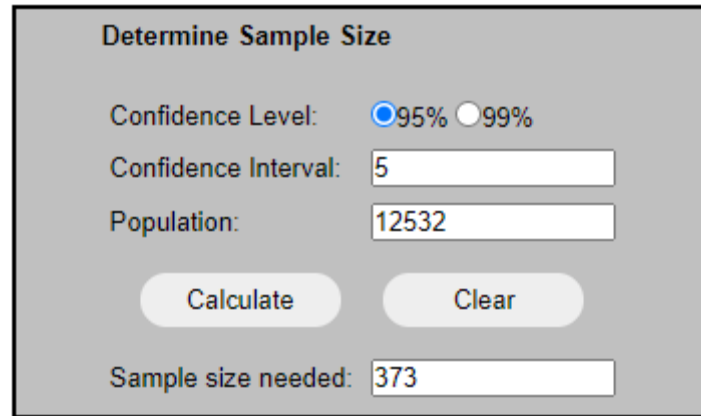
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Source: Sekaran, U & Bougie, R. (2014)

This is confirmed by the online sample size calculator, as shown in Figure 3.2 below, using a 5% confidence level.

Figure 3.2

Sample size calculation

Determine Sample Size

Confidence Level: ●95% ○99%

Confidence Interval: 5

Population: 12532

Calculate   Clear

Sample size needed: 373

Source: SurveySystem.com. (2020)

3.9 DATA COLLECTION

Data collection is when relevant data is gathered by a researcher involved in a study. For this research, quantitative data collection methods were used because the study was quantitative.

3.9.1 Sources of Data

According to Sekaran (2016), there are two sources that data can be accessed, namely, primary and secondary data. Primary data sources involve the researcher conducting field work to obtain new information (Sekaran, 2016). According to Quinlan (2011:325) "primary sources of data include observations, interviews, focus groups, panels, questionnaires and internet research". Secondary data is when the researcher uses other materials that has already been published and research already done (Creswell, 2014). Sekaran and Bougie (2014:226) stated that secondary sources of data "include case studies, periodicals, books, journal articles, government publications, statistical abstracts, census data, the media, databases and annual reports of companies". The data collection method that was adopted for this study was a survey.

3.9.2 Questionnaires

Burns and Grove (2016) defined a questionnaire as a research tool that consists of a series of questions in order to gather information from the respondents. According to Sekaran and Bougie (2014:300), "a questionnaire consists of a pre-formulated set of written questions to which respondents are requested to record their answers, which ordinarily comprises closely related alternatives". The main advantage of questionnaires is that researchers can collect data relatively quickly as they do not need to be present when the questionnaires are completed. Moreover, the respondent can remain anonymous and cover a wide area. However, a drawback with questionnaires is that respondents may lie because they want their answers to be socially acceptable. Most people want to present a positive image of themselves and so may lie or bend the truth to look good. Creswell (2014) stated that questionnaires have low response rates and that the researcher cannot usually be present to clarify any doubts. However, questionnaires can be an efficient way to evaluate behaviour, perceptions, desires, views and expectations of fairly large numbers of subjects more cost-effectively and rapidly than other approaches. An important distinction is between open-ended and closed questions.

3.9.2.1 Types of questions used in questionnaires

There are two types of questions, open-ended and closed-ended. Open-ended questions are questions that allow someone to give a free-form answer (Burns & Grove, 2016). The core advantage of open-ended questions is that they allow you to find more than you anticipate. Closed-ended questions ask for a "yes" or "no" answer, selection on a fixed scale such as a Likert scale from "very good" to "very poor" (or similar) or check box. The choices made by the participant are therefore limited (Burns & Grove, 2016). Closed-ended questions are often good for surveys, because you get higher response rates when users do not have to type much (Burns & Grove, 2016). For the purpose of this study, close-ended questions were used because of higher response rates. There are several types of questionnaire administration.

3.9.2.3 Types of questionnaires

First, there are mail questionnaires which can be mailed/posted out to a sample of the population, enabling the researcher to connect with a wide range of people (Creswell, 2014). The second type is self-administered questionnaires which the participants complete in the absence of the researcher

(Mitchell & Jolley, 2016). Lastly, there are web based/electronic questionnaires. The new and inevitably growing methodology is the use of internet-based surveys. This means receiving an e-mail on which you would click on an address that would take you to a secure web-site to fill in a questionnaire (Creswell, 2014). Electronic questionnaires can also be done online via survey hosting websites such as Survey Monkey or Google Forms. In terms of this research, the researcher uploaded the questionnaire on the UKZN notice board and captured it on Google Forms. Web based questionnaires have several advantages such as it being easy for the researcher to reach a larger target audience. It is also inexpensive, easy to administer and capture data with fast returns compared to mail type which may have lower response rates (Sekaran, 2016). For the purpose of this research, the researcher opted for electronic questionnaires as it suited the context the best for university students to save time and money. Since the target population and sample size is large, electronic questionnaires were the most efficient. Because of the sampling method being simple random sampling, an electronic mechanism was the only way to reach out to all the students in an unbiased way. Furthermore, electronic questionnaires were most appropriate during the COVID-19 pandemic as respondents could still complete the questionnaire at any place and time.

3.9.3 Construction of the Questionnaire

According to Sekaran and Bougie (2014), sound questionnaire design principles are focused on three areas. The first relates to wording; the second relates to measurement and planning of issues with regard to how variables will be categorised, scaled and coded after the responses are received; and the third concerns the general presentation of the questionnaire. Sekaran and Bougie (2014) stated that the language of the questionnaire must suit the level of understanding of the respondents and that the choice of words selected depends on the level of education of respondents. Therefore, it is for this reason the researcher compiled a very simple questionnaire with questions in English that was easy to understand for participants in this study (Appendix 4). Since the questionnaire was web-based, careful consideration had to be taken that the respondent could complete the questionnaire without any assistance and questions took the form of radio boxes, selection lists, and check boxes.

Closed-ended questions were utilised in the questionnaire. Creswell (2014) outlined that the advantage of using closed-ended questions is that it helps respondents respond quickly and easily. Sekaran and Bougie (2014) further state that closed-ended questions boast the benefits of easy

coding of responses. The researcher chose not to utilise open-ended questions in the research instrument because of the lengthy time and it was done online. The sequence of questions is such that the respondents are lead from questions of a general nature to those of a more specific nature.

The questionnaire (Appendix 4) consisted of 51 questions and was separated into two sections. Section A of the questionnaire used a nominal scale to record the participants' biographical details (gender, age, race, education level and college). A nominal scale is a measurement scale, in which numbers serve as "tags" or "labels" only, to identify or classify an object (Creswell, 2014). Nominal scales are used for quantitative studies. The key advantage of using a nominal scale is large number of questions can be collected quickly therefore increasing reliability (Creswell, 2014). Section B (the impact of customer loyalty programmes on consumer decision-making and brand loyalty) used a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Sekaran and Bougie (2014) defined a Likert scale as a five- (or seven-) point scale which is used to allow the individual to express to what extent they agree or disagree with a particular statement. Likert scales have the advantage that they do not expect a simple yes/no answer from the respondent, but rather allow for degrees of opinion. This scale ranges from:

(1) Strongly Disagree (SD)
(2) Disagree (D)
(3) Neither Agree nor Disagree (N)
(4) Agree (A) to
(5) Strongly Agree (SA)

3.9.4 In-house Pretesting and Pilot Testing

According to Bryman and Bell (2011), it is good practice to conduct a pilot study before administering a self-completion questionnaire. According to Creswell (2014:189), it is imperative to pre-test the instrument to "ensure that the questions are understood by the respondents, to guard against ambiguity in the questions and to ensure that there are no problems with wording and measurement". Furthermore, it is particularly crucial to pilot the questionnaire since there is no interviewer available to clear up any confusion (Bryman & Bell, 2011). The questionnaire was captured on Google Forms. Once the questions were captured onto Google Forms, a few trial runs were simulated of how the online questionnaire performed.

The questionnaire was pre-tested by 15 students of the University of KwaZulu-Natal to ensure that respondents could answer all the questions and questions were phrased to promote accurate responses. Further, pretesting was needed to make sure questions were not biased, offensive, or made the respondent feel uncomfortable. Moreover, pretesting needs to ensure that the wording of questions did not lead the respondent to an answer desired by the researcher. It was also vital to check that the questions answered the study objectives. Finally, the researcher needed to check if respondents could complete the questionnaire without assistance. No changes were necessary after the pilot test was conducted.

3.9.5 Validity and Reliability

In any study, it is imperative that the data collected is honest and relevant to the study. For the research to be successful, the reliability and validity of the research instruments needs to be outlined (Sekaran & Bougie, 2014).

3.9.5.1 Validity

According to Bryman and Bell (2011:41), validity is the most important criterion of research, and "is concerned with the integrity of the conclusions that are generated from a piece of research". Validity was measured using factor analysis which "confirms the dimensions of the concept that have been operationally defined, as well as indicating which of the items are most appropriate for each dimension" (Sekaran & Bougie, 2014: 222). According to Sekaran (2016), validity can be classified into three main features namely content validity, criterion validity and construct validity.

For the purpose of this study, the researcher used content validity and face validity as validity measures. Content validity refers to the degree to which the items on a test are fairly representative of the entire domain the test seeks to measure (Bryman & Bell, 2011). On the other hand, face validity refers to the extent to which a test appears to measure what it is intended to measure. A test in which most people would agree that the test items appear to measure what the test is intended to measure would have strong face validity. The items in the questionnaires were included based on repeated patterns that occurred when conducting the literature review so as to ensure content and face validity.

3.9.5.2 Reliability

Reliability can be defined as the degree to which measurements are free from error and therefore, give in consistent results (Bryman & Bell, 2011). The reliability of the questionnaire was established by testing for both consistency and stability. Reliability was measured using Cronbach's Coefficient Alpha which is a method used for measuring the internal consistency of a group of items (Andrew, Pedersen & McEvoy, 2011). According to Creswell (2014:233), "the closer Cronbach's Alpha is to 1, the higher the interval consistency reliability". For the purposes of this research, the consistency indicated to the researcher how well the items measuring the different aspects in the questionnaire fit together as a set.

Data was collected by the means of an online closed ended questionnaire created by using Google Forms and placed on the UKZN notice board for all students to view and answer. The researcher designed a pre-coded questionnaire to capture and key in data. This method enhances the speed and accuracy of the data capturing, especially when there are many items in the questionnaire and there are many questions. If for example, the variable is gender, the partitions are male and female; a numerical code of 1 will be assigned for male and 2 for females (Andrew, Pedersen & McEvoy, 2011).

3.10 DATA ANALYSIS

The data obtained from the questionnaires was inputted in Statistical Package for the Social Sciences (SPSS), a software where the data was coded and analysed. There are three important steps for getting this data ready for analysis. The first step for data preparation is data coding. Data coding requires entering the participants' responses into a database by assigning a number to that response (Sekaran & Bougie, 2016). After the responses have been coded, the second step is to edit the data by detecting and correcting illogical, inconsistent, or illegal data and omissions in the information returned by the participants (Sekaran, 2016). The last step is data transformation which is a process of changing the original numerical representation of a quantitative value to another value; hence, it is a variation of data coding.

The first step for data analysis is data coding. According to Sekaran (2016:302), data coding involves "assigning a number to the participant responses so they can be entered into the database". SPSS was used to code the data and store it which allocated a specific key or code to each variable.

SPSS was used to analyse descriptive and inferential statistics. The output can also be obtained by means of graphical representation, so that a user can easily interpret the result. Furthermore, the researcher used SPSS to produce a characteristic pattern between different data variables. However, when coding data, errors can occur. The researcher only coded completed questionnaires and incomplete ones were discarded. The data was analysed using descriptive and inferential statistics.

3.10.1 Descriptive Statistics

Descriptive statistics are used to describe the basic features of the data in a study. According to Creswell (2014) it provides simple summaries about the sample and the measures.

3.10.1.1 Frequencies and percentages

According to Sekaran and Bougie (2014:289), frequencies basically refer to "the number of times a certain phenomenon occurs, from which the percentage and cumulative percentage of their occurrence can simply be calculated". Frequencies can also be visually displayed by bar charts, histograms or pie charts which help to vividly interpret the data (Creswell, 2014). In this study, frequencies were used to record a specific variable such as age, gender, race, amongst others and can be illustrated by a bar graph or pie chart.

3.10.1.2 Measures of central tendency

There are three measures of central tendency: the mean, the median and the mode.

❖ **The mean**

The mean or average is a measure of central tendency that offers a general picture of the data (Sekaran & Bougie, 2014). According to Bryman and Bell (2011), it is the sum of all the values divided by the number of values. In terms of the questionnaire of this study, frequency analyses and mean analyses were conducted for Section B which included key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes).

❖ **The median**

The median is the middle value within a distribution set. The values are arranged from low to high or vice versa in order to determine the median. If a sample consists of an equal number of respondents, the median is calculated by adding the two middle numbers and dividing the total by two (Creswell, 2014).

❖ **The mode**

The mode is the value that appears most regularly in a series of data. In a graphic representation of the data distribution, the mode is always the highest point of the distribution graph (Creswell, 2014).

3.10.1.3 Measures of dispersion

Measures of dispersion reflect how the data is spread around the measure of central tendency (Wiid & Diggines, 2009). The three measures of dispersion connected with the mean are the range, variance and standard deviation.

❖ **The range**

The range refers to the difference in the extreme values in a set of observations (Wiid & Diggines, 2009). It also described as the maximum value minus the minimum value in the data set. Range is quite a useful indication of how spread out the data is, but it has some serious limitations. This is because sometimes data can have outliers that are widely off the other data points (Creswell, 2014).

❖ **The variance**

According to Sekaran and Bougie (2014:317), "the variance is calculated by subtracting the mean for each of the observations in the data set, taking the square of the difference and dividing the total of these by the number of observations". It measures how far each number in the set is from the mean and therefore from every other number in the set. The advantage of variance is that every deviation from the mean is treated the same regardless of direction (Creswell, 2014). On the other hand, the variance is not easily interpreted (Creswell, 2014).

❖ **The standard deviation**

The standard deviation offers an index of the spread of a distribution of variability in the data (Creswell, 2014). It is a commonly used measure of dispersion and is simply the square root of the variance (Wiid & Diggines, 2009). In this study, the measure of dispersion will be used to assess the extent to which UKZN students perception vary in terms of the influence of the four dimensions of the study (consumer decision-making, customer loyalty and retention, brand loyalty, and types of loyalty programmes).

3.10.2 Inferential Statistics

Inferential statistics are aimed at reaching conclusions that extend beyond the immediate data alone. They are used to make inferences from our data to more general conditions (Cooper & Schindler, 2008).

3.10.2.1 Pearson correlation (r)

The Pearson correlation matrix (or r) indicates the direction, strength and significance of the bivariate relationships of all the variables in a study (Cooper & Schindler, 2008). The correlation is derived by assessing the variations in one variable as another variable also varies (Sekaran & Bougie, 2014). A correlation of -1 indicates that the data points in a scatter plot lie exactly on a straight descending line; the two variables are perfectly negatively linearly related (Creswell, 2014). A correlation of 0 means that two variables do not have any linear relation whatsoever (Creswell, 2014). A correlation coefficient of 1 means that two variables are perfectly positively linearly related (Creswell, 2014). In this study, the chi-square correlation analysis will be used in order to determine the relationships and intercorrelations amongst the key dimensions of the study (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty, and types of loyalty programmes).

3.10.2.2 T-Test

There are certain instances when a researcher would be keen on knowing if two groups are different from each other on a particular interval-scaled or ratio-scaled variable of interest. A t-test is conducted in order to ascertain if there are any significant differences in the means for two groups in the variable of interest (Sekaran & Bougie, 2014). According to Creswell (2014:285), "a

nominal variable that is split into two subgroups is then tested to determine whether or not there is a significant difference in the means between the two split groups on a dependent variable which is measured on an interval or ratio scale".

3.10.3.2 Kruskal-Wallis one-way analysis of variance (ANOVA)

The one-way ANOVA is used to determine whether there are any significant disparities between the means of two or more independent (unrelated) groups. Therefore, unlike the t-test, it has no restriction on the number of means (Creswell, 2014). According to Cooper and Schindler (2008:57), "it is a parametric test that uses a single-factor, fixed-effects model to evaluate the effects of one factor on a continuous dependent variable". In this study, ANOVA will be done to determine whether there is significant difference between biographical variables (age, race, educational level and college) and the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study respectively.

3.10.3.4 Mann-Whitney U-Test

The Mann-Whitney U-test is used to contrast divergences between two independent groups when the dependent variable is either continuous or ordinal, but not normally distributed. The Mann-Whitney U-test is often considered the nonparametric substitute for the independent t-test but, unlike the independent-samples t-test, the Mann-Whitney U-test allows the researcher to draw different inferences about the data depending on the assumptions made by the researcher about the data's distribution. In this study, the Mann-Whitney U-test will be used to analyse the difference in the perceptions of male and female respondents regarding key dimensions of the study (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes).

3.11 ETHICAL CONSIDERATIONS

The first procedure regarding ethics was to get ethical clearance prior to administering questionnaires. Permission was obtained from the Registrar's office of UKZN to allow the researcher to conduct the study, on the Westville campus (Appendix 2).

Participation in this research was voluntary and participants could withdraw at any time. The participant was provided with a letter of informed consent to give them assurance about confidentiality and anonymity (Appendix 3). In this study, anonymity was ensured by not disclosing the participants' names on the questionnaire and research reports. Confidentiality was maintained by keeping the collected data confidential and not revealing any identities when reporting or publishing the study. All completed questionnaires are to be securely stored and destroyed after five years. Participants were not harmed or abused, either physically or psychologically, during the conduction of the research.

3.12 CHAPTER SUMMARY

Chapter 3 discussed the research methods that were used to obtain data. Careful consideration was given to the use of the appropriate research instrument to incorporate the aim and the objectives of this study so as to obtain relevant and reliable data. The questionnaire was pre-tested for accuracy and to ensure none of the questions were offensive, biased, derogatory or leading. Since the questionnaire was online, the researcher needed to ensure respondents' could answer all questions without any assistance.

Data analysis is presented in the next chapter in the form of frequency tables, graphs, cross-tabulations and correlations. The rich quality of data obtained from the questionnaire will enable the researcher to report on these results with much confidence.

CHAPTER 4

PRESENTATION OF RESULTS

4.1 INTRODUCTION

In this chapter, the research findings of the study are presented. The researcher used both inferential and descriptive statistics when processing the data. Data is presented in tabular and graphical form, choosing the most suitable way. Electronic questionnaires were made available via UKZN notice board to the undergraduate and postgraduate students at the University of KwaZulu-Natal's Westville campus. The research findings were then analysed using Statistical package for the Social Sciences (SPSS) and presented by means of figures and tables considering the most appropriate way in presenting details on the findings. The descriptive statistics include the mode, mean, median and standard deviation and data is presented in line with the research objectives and related research questions.

The major research questions that have been answered in this chapter are as follows:

RQ1:What are the perceptions of UKZN students on loyalty programmes as a means of influencing consumer decision-making? In this regard, the sub-questions of the study include:

1.1 Are UKZN students enticed to purchase products or brands that are linked to customer loyalty programmes?

1.2 What are the perceptions of UKZN students on the convenience and ease of accessing loyalty programmes?

1.3 Do rewards compel UKZN students to register for a loyalty programme?

1.4 Do UKZN students have any privacy concerns about registering for loyalty programmes?

RQ2: Do UKZN students perceive loyalty programmes as an effective means of increasing customer loyalty?

RQ3: What are the perceptions of UKZN students on loyalty programmes in terms of perceived value and brand loyalty?

RQ4: Does the types of loyalty programmes (points systems, loyalty cards, tiered programmes, coalition loyalty programmes) influence UKZN students' perceptions of the effectiveness of customer loyalty programmes?

4.2 PRESENTATION OF RESULTS

The research instrument consisted of 56 items, with a level of measurement at a nominal and an ordinal level. The questionnaire was divided into 2 sections which measure various themes namely:

Section A deals with the biographical data namely, gender, age, race, educational level and college.

Section B deals with the sub-dimensions of the study namely, consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes.

4.2.1 Descriptive Statistics

4.2.1.1 Biographical Details of Respondents

The minimum sample for this study was calculated as 375 subjects and the researcher received 375 correctly completed questionnaires. The biographical details of the 375 respondents are outlined in Table 4.1.

Table 4.1

Frequency Distribution of Biographical Variables

		n	%
Gender	Male	169	45.1%
	Female	206	54.9%
	Total	375	100.0%
Age in Years	18-21	258	68.8%
	22-25	93	24.8%
	26-29	7	1.9%
	30-33	7	1.9%
	34-37	3	0.8%
	38 and over	7	1.9%
	Total	375	100.0%
Race	Black	137	36.5%
	Coloured	27	7.2%
	Indian	167	44.5%
	White	44	11.7%
	Other (Please specify)	0	0%
	Total	375	100.0%
Educational Level	Undergraduate	275	73.3%
	Honours Degree	65	17.3%
	Postgraduate Diploma (PGD)	9	2.4%
	Master's Degree	18	4.8%
	Doctoral Degree	8	2.1%
	Total	375	100.0%
College	College of Law and Management Studies (CLMS)	239	63.7%
	College of Humanities	0	0%
	College of Health Sciences (CHS)	57	15.2%
	College of Agriculture, Engineering and Science (CAES)	79	21.1%
	Total	375	100.0%

As evident in Table 4.1, the biographical variables included gender, age, race, educational level and college.

Figure 4.1 provides an illustration of the gender proportions of the 375 respondents of this study.

Figure 4.1

Composition of sample: Gender
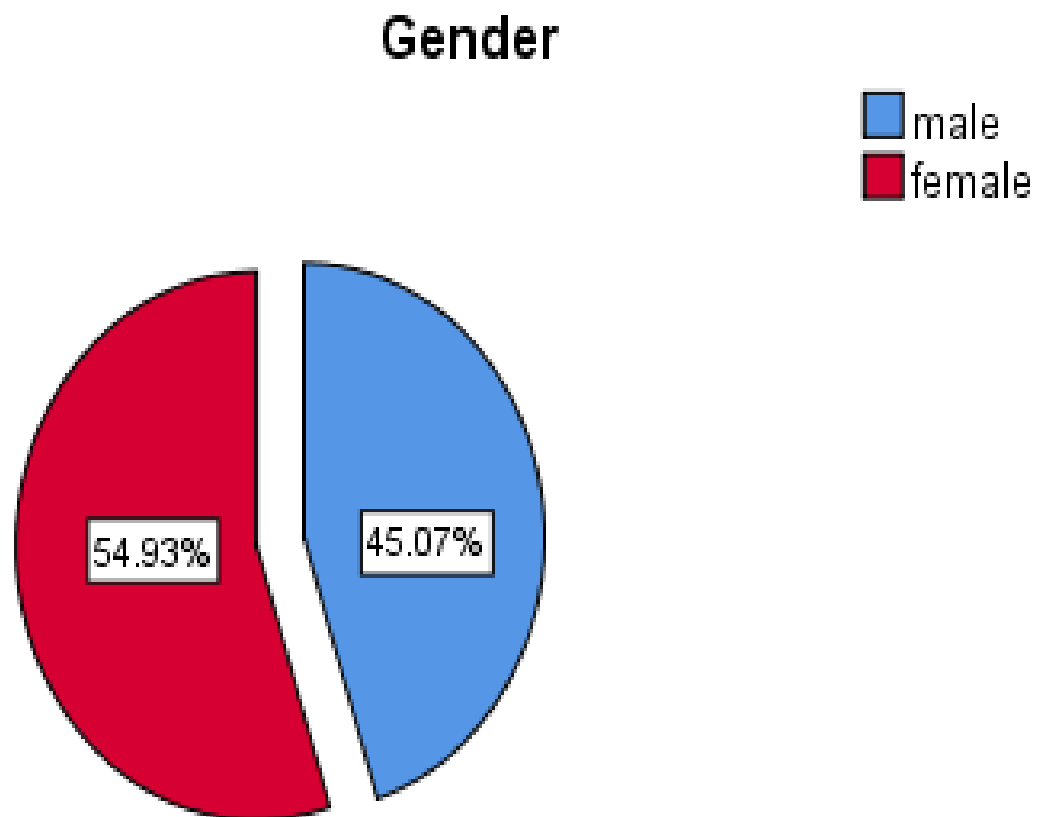
Gender

Figure 4.1 describes the overall gender distribution. There were more female (54.9%) than male (45.1%) participants in this study. There was a total of 206 females who responded as compared to 169 male respondents.

Figure 4.2 provides a graphical representation of the respondent's age group of the sample.

Figure 4.2

Composition of sample: Age
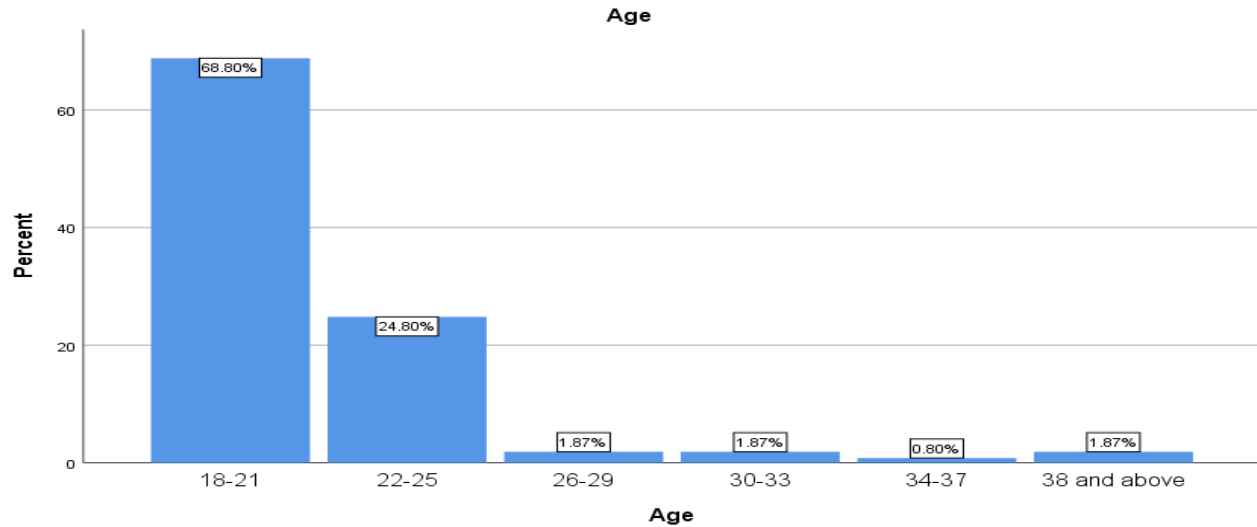
The majority (68.8%) of the respondents are between the ages 18-21, followed by the 22-25 age grouping (24.8%). The third highest proportion (1.87%) of respondents were from the age groups of 26-29, 30-33 and 38 and above. However, the least (0.8%) proportion of respondents was from the age bracket of 34 to 37 years.

Figure 4.3 is a graphical representation of the racial composition of the sample.

Figure 4.3

Composition of sample: Race
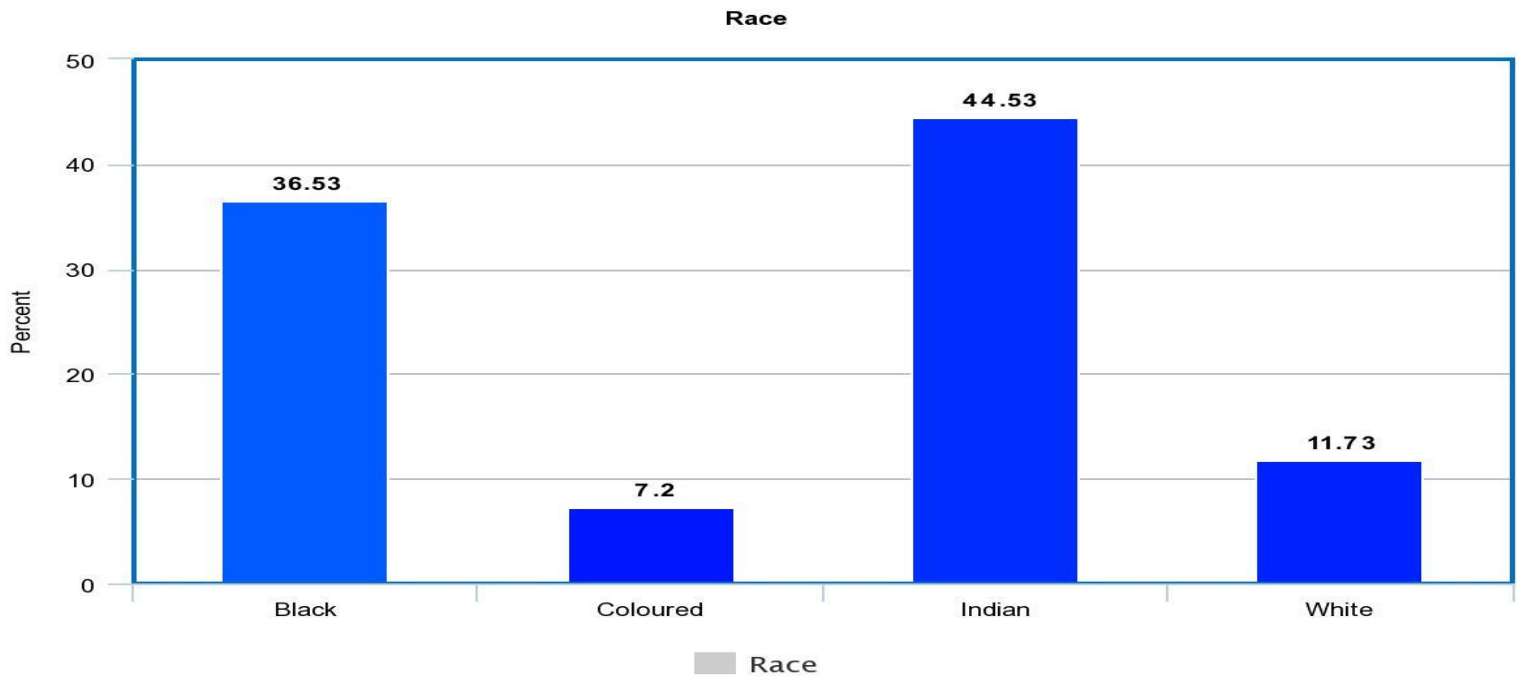
Race

From Figure 4.3, it is evident that Indian respondents constituted the majority (44.5%), followed by Black (36.5%), White (11.7%) and Coloured (7.2%) race groups.

Figure 4.4 represents the educational level of the respondents.

Figure 4.4

Composition of sample: Educational level

Educational level
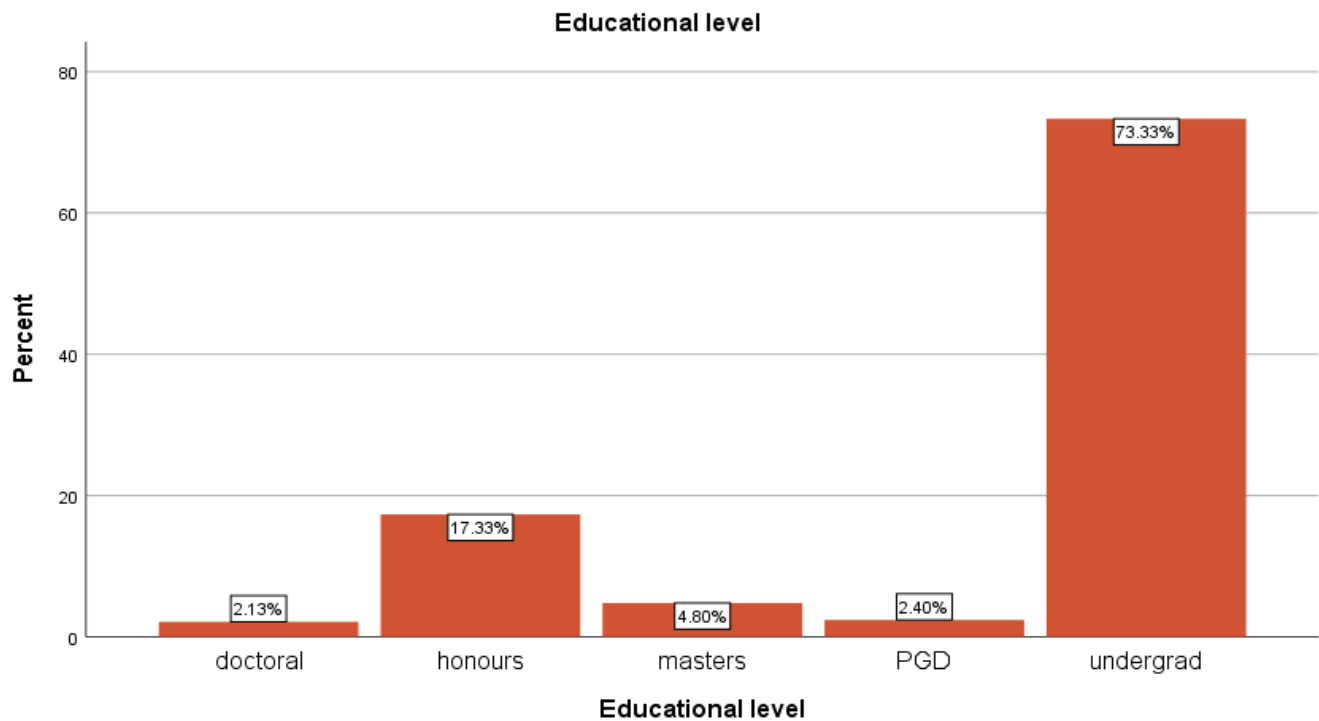
Figure 4.4 reflects that the majority of the respondents are Undergraduates (73.3%), followed by Honours students (17.3%), Masters students (4.8%), whilst Postgraduate Diploma (PGD) students constituted 2.4% and Doctoral (PhD) constituted 2.1% of the respondents in this study.

Figure 4.5 represents the college to which the respondents belong.

Figure 4.5

Composition of sample: College

College

Legend:
- CAES
- CLMS
- CHS

Values shown: 15.20%, 21.07%, 63.73%
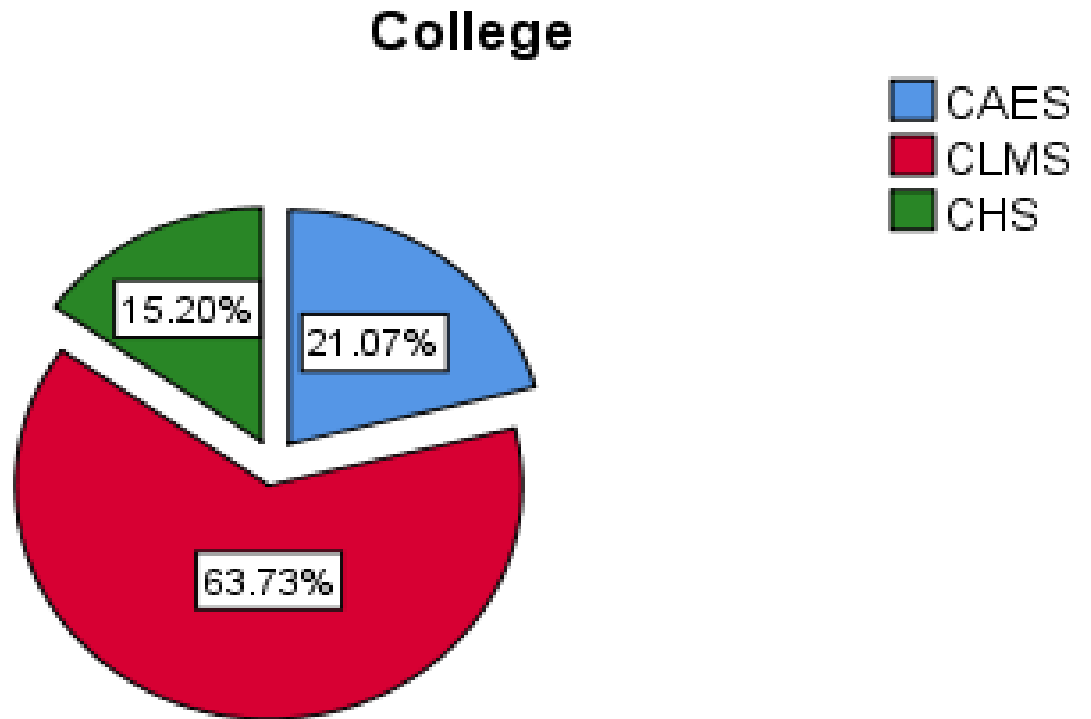
As evident in Figure 4.5, the Westville campus of UKZN is made up of three colleges. The majority of the respondents were from the College of Law and Management (CLMS) (63.7%), followed by College of Agriculture, Engineeering and Science (CAES) (21.1%), and then College of Health Sciences (CHS) (15.2%).

4.2.1.2 Importance that UKZN Students Attach to the Key Dimensions of the Study

The results obtained relating to the key dimensions of the study will be presented using descriptive statistics. UKZN students were asked to rate their perceptions of the various key dimensions of the study using a 1–5 point Likert scale. The higher the mean score, the more positively the dimension is viewed (Table 4.2).

Table 4.2

Descriptive Statistics: Key Dimensions of the Study

| Key Dimensions of the Study | Mean | 95% Confidence Interval for Mean | | Std Dev. | Min. | Max. |
		Lower Bound	Upper Bound			
Consumer decision-making	3.616	3.582	3.649	0.330	1	5
Increasing customer loyalty	3.682	3.642	3.721	0.390	1	5
Perceived value and brand loyalty	3.669	3.635	3.703	0.337	1	5
Types of loyalty programmes	3.935	3.904	3.966	0.304	1	5

Table 4.2 indicates that UKZN students attach varying degrees of importance to the key dimensions of the study which, in descending level of mean score values, are:

❖ Types of loyalty programmes (Mean = 3.935)
❖ Increasing customer loyalty (Mean = 3.682)
❖ Perceived value and brand loyalty (Mean = 3.669)
❖ Consumer decision-making (Mean = 3.616)

It is evident from Table 4.2 that respondents place the greatest importance on types of loyalty programmes and least level of importance on consumer decision-making.

In order to analyse how respondents view each of these dimensions (Table 4.2), frequency analyses were conducted. This involved the examination of the frequency distribution of the results for each of the scale items in order to determine whether or not the data was normally distributed (Appendix 5).

In terms of *types of loyalty programmes,* the sub-dimension of types of loyalty programmes will be discussed. From the results (Appendix 5), the majority of respondents (90.7%) affirm that they appreciate receiving information from retailers on how they can earn more points. Based on the results, 86.4% of respondents believe that point systems are an effective means of retaining loyal customers. Furthermore, the majority of respondents (83%) feel that tiered programmes encourage them to earn more points to improve their ranks. According to the results, 89.4% of respondents believe that tiered programmes gives them a sense of being valued by the company. However, 71.7% neither agree nor disagree that tiered programmes promotes customer loyalty. This reveals that the respondents of this study are uncertain about whether or not tiered programmes promote customer loyalty. Moreover, the results indicate that the majority (92.8%) of respondents feel that coalition loyalty programmes are effective in ensuring that customers get a wider range of rewards. However, approximately half (49.3%) of respondents are indifferent regarding whether or not customers gain more value-for-money through coalition loyalty programmes. From the results, the majority (79.2%) of respondents believe that coalition loyalty programmes enhance customer loyalty towards the partnered brands.

In terms of *increasing customer loyalty*, the majority of respondents (59.4%) believe that overall loyalty programmes increase customer loyalty. Furthermore, approximately a third (37.3%) of the respondents feel satisfied with the amount of points that they earn from their purchases. In addition, 77.4% of respondents do not switch to other brands because they are satisfied with the loyalty programmes that they are involved with. Moreover, the majority (55%) of respondents inform their families and friends of the loyalty programmes that they are registered with. From the results, 86.9% of respondents believe that loyalty programmes make them feel appreciated as a customer. Based on the results, the majority (85.3%) of respondents purchase more from retailers whose loyalty programmes they are satisfied with. In addition, 83.7% of respondents affirm that their preferred retail stores keeps them well-informed of new rewards or benefits on offer. However, the majority (74.4%) of respondents neither agree nor disagree that customer loyalty programmes

promote better communications between customers and retail stores. Based on the results, the majority of respondents (89.6%) are satisfied with their purchases of products/services from certain retailers that offer them rewards through loyalty programmes. In addition, 88.2% of respondents feel that customer loyalty programmes are an effective means for retailers to attract customers.

The results of this study reveal that respondents are fairly cognisant of *perceived value and brand loyalty* when they make their purchase decisions. In terms of perceived value, a fair proportion (39.2%) of respondents feel that brands that are linked to loyalty programmes are of good quality. In addition, half (50.1%) of the respondents believe that they get value-for-money when they purchase incentivised products or brands. Furthermore, the majority (85.6%) of respondents are of the opinion that retailers can enhance perceptions of brand quality by linking brands to loyalty programmes. The majority (90.4%) of respondents affirm that loyalty programmes assist them in saving money. The results of this study reveal that the majority (84.8%) of respondents develop positive attitudes towards products or brands that are linked to loyalty programmes. Based on the results of this study, the majority of respondents (77.9%) feel that customers will not switch between brands if they are satisfied with the rewards on offer.

In terms of *consumer decision-making,* the majority (64.3%) of respondents prefer to purchase products or brands that are linked to loyalty programmes. Furthermore, approximately a third (30.9%) of respondents were often enticed by the reward itself to purchase products that were linked to loyalty programmes and 71.5% of respondents believe that they have benefited from loyalty programmes. In addition, a fair proportion (58.9%) of respondents purchase products or brands that are linked to loyalty programmes just so that they can earn points. The majority (78.7%) of respondents believe that most customer loyalty programmes are convenient to use, but 59.5% of respondents accede that they do not register for loyalty programmes that are too complicated to access and use. The majority (52.6%) of respondents feel compelled by the rewards to register for customer loyalty programmes. Moreover, 63.4% of respondents have no objections regarding their personal details being taken when registering for a loyalty programme. Furthermore, 26.1% of respondents believe that their personal details will be kept private by the company offering loyalty

programmes, whereas, 67.5% of the respondents were neutral in this regard. Based on the results, 48.2% of respondents do not mind being sent communications pertaining to latest rewards on offer.

4.2.2 Inferential Statistics

Inferential statistics were conducted for section B of the questionnaire.

4.2.2.1 UKZN Student Perceptions of the Key Dimensions of the Study

Hypothesis 1:

There are significant intercorrelations among the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study relating to UKZN students respectively (Table 4.3).

Table 4.3

Correlation: Key Dimension of the Study

Dimensions of the study	r / p	Consumer decision-making	Increasing customer loyalty	Perceived value and brand loyalty	Types of loyalty programmes
Consumer decision-making	r	1.000			
	p				
Increasing customer loyalty	r	0.571	1.000		
	p	0.000**			
Perceived value and brand loyalty	r	0.462	0.717	1.000	
	p	0.000**	0.000**		
Types of loyalty programmes	r	0.638	0.389	0.432	1.000
	p	0.000**	0.000**	0.000**	

** p <0.01

* p < 0.05

Table 4.3 indicates that, at the 1% level of significance, there is a significant positive relationship between consumer decision-making and increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes. The implication is that an improvement in any one of these key dimensions has the potential to have a snowballing effect and thereby, enhance consumer

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decision-making effectiveness. This implies that respondents, who are greatly influenced by loyalty programmes when making purchase decisions, perceive loyalty programmes as a means of increasing customer loyalty.

There is a significant positive relationship at the 1% level of significance between increasing customer loyalty and perceived value and brand loyalty and types of loyalty programmes. The implication is that those respondents who perceive loyalty programmes as a means to increasing customer loyalty, are of the opinion that loyalty programmes provide value-for-money which will result in satisfied consumers becoming loyal to brands that are linked to loyalty programmes.

There is also a significant positive relationship between perceived value/brand loyalty and types of loyalty programmes at the 1% level of significance. The implication is that those consumers who are more satisfied with the types of loyalty programmes on offer, are more likely to perceive brands that are linked to loyalty programmes as a good quality brand and subsequently remain loyal to their brands. Table 4.3 also shows that there is no significant correlations between types of loyalty programmes and other dimensions. Therefore, hypothesis 1 can be partially accepted.

4.2.2.2 Key Dimensions of the Study and Biographical Variables

Hypothesis 2:

There is a significant difference in the perceptions of UKZN students, varying in biographical profiles (gender, age, race, educational level and college) regarding each dimension of the study (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) respectively (Tables 4.4 to 4.10).

Table 4.4

Mann-Whitney U-Test: Key Dimensions of the Study and Gender

Key Dimensions	Mann-Whitney U	Z	P
Consumer decision-making	16585.5	-0.790	0.429
Increase customer loyalty	17268.5	-0.133	0.894
Perceived value and brand loyalty	16566	-0.815	0.415
Types of loyalty programmes	17221.5	-0.180	0.857

** p < 0.01   * p < 0.05

Table 4.4 indicates that no significant differences in gender exist for the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study.

Table 4.5

Kruskal-Wallis test: Key Dimensions of the Study and Age

Key Dimensions	Chi-Square	p
Consumer decision-making	21.955	0.001**
Increasing customer loyalty	3.706	0.592
Perceived value and brand loyalty	6.899	0.228
Types of loyalty programmes	11.116	0.049*

** p < 0.01   * p < 0.05

Table 4.5 indicates that there is a significant difference in the perceptions of UKZN students varying in age, regarding consumer decision making (at the 1% level of significance) and types of loyalty programmes (at the 5% level of significance). No other significant differences exist for other key dimensions of the study.

In order to assess where the significant differences lie, mean analyses were undertaken (Table 4.6).

Table 4.6

Mean Analyses: Key dimensions of the Study and Age

Key Dimension of the Study	Age	N	Mean	Std. dev
Consumer decision-making	18-21	258	3.580	0.294
	22-25	93	3.699	0.337
	26-29	7	3.533	0.672
	30-33	7	3.495	0.541
	34-37	3	3.956	0.204
	38 and above	7	3.924	0.510
	Total	**375**	**3.616**	**0.331**
Types of loyalty programmes	18-21	258	3.925	0.271
	22-25	93	3.982	0.284
	26-29	7	3.769	0.752
	30-33	7	3.703	0.524
	34-37	3	4.026	0.437
	38 and above	7	4.066	0.557
	Total	**375**	**3.935**	**0.304**

Table 4.6 indicates that:

- Whilst respondents from all age groups are fairly influenced by loyalty programmes during purchase decision-making, respondents in the age group 34-37 are greatly influenced by loyalty programmes, followed by the 38 and above age group. Respondents who are aged between 30 and 33 are least influenced by loyalty programmes during decision-making. This implies that respondents from the 30 and 33 age grouping are less conscious of the different programme offerings and therefore, less inclined to engage in other loyalty programmes that are available to them.
- Respondents from all age groups are enticed by the different types of loyalty programmes. However, respondents from the age group 38 and above are highly influenced by the types of loyalty programmes. The implication of this is that respondents in the 38 and above age category are more likely to be influenced by the various types of loyalty programmes when making their purchase decisions than any of the other age categories in this study.

Table 4.7

Kruskal-Wallis Test: Key Dimensions of the Study and Race

Key Dimensions	Chi-Square	p
Consumer decision-making	9.984	0.019*
Increasing customer loyalty	7.870	0.049*
Perceived value and brand loyalty	4.896	0.180
Types of loyalty programmes	3.745	0.290

** p < 0.01   * p < 0.05

Table 4.7 indicates that there is a significant difference (at the 5% level of significance) in the perceptions of UKZN students varying in race, regarding consumer decision-making and increasing customer loyalty. No other significant differences exist for other key dimensions of the study.

In order to assess where the significant differences lie, mean analyses were undertaken (Table 4.8).

Table 4.8

Mean Analyses: Key Dimensions of the Study and Race

Key Dimension of the Study	Race	N	Mean	Std. dev
Consumer decision-making	Black	137	3.571	0.290
	Coloured	27	3.743	0.436
	Indian	167	3.624	0.321
	White	44	3.652	0.393
	Total	**375**	**3.616**	**0.331**
Increasing customer loyalty	Black	137	3.654	0.353
	Coloured	27	3.921	0.433
	Indian	167	3.666	0.405
	White	44	3.685	0.381
	Total	**375**	**3.682**	**0.390**

Table 4.8 reflects that all races are moderately influenced by loyalty programmes when engaging in consumer decision-making, however, Coloured respondents place higher emphasis on loyalty

programmes during consumer decision-making. The Black race group had the second highest number of respondents but are less likely to be influenced by loyalty programmes when engaging in consumer decision-making than any other race groups.

Table 4.9

Kruskal-Wallis Test: Key Dimensions of the Study and Education

Key Dimensions	Chi-Square	p
Consumer decision-making	8.863	0.065
Increasing customer loyalty	8.059	0.089
Perceived value and brand loyalty	5.329	0.255
Types of loyalty programmes	3.036	0.552

** p < 0.01   * p < 0.05

Table 4.9 indicates that no significant differences in educational level exist for the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study.

Table 4.10

Kruskal-Wallis Test: Key Dimensions of the Study and College

Key Dimensions	Chi-Square	p
Consumer decision-making	3.525	0.172
Increasing customer loyalty	2.171	0.338
Perceived value and brand loyalty	3.275	0.194
Types of loyalty programmes	1.633	0.442

** p < 0.01   * p < 0.05

Table 4.10 indicates that no significant differences in college exist for the key dimensions (consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes) of the study.

From the results reflected in Tables 4.4 to 4.10, it is evident that Hypothesis 2 may be partially accepted.

4.3 STATISTICAL ANALYSIS OF THE QUESTIONNAIRE

The sample size for the study was calculated using the table by Sekaran and Bougie (2014) and generated a sample size of 375 students. In total 375 students completed the questionnaire which gave a 100% response rate. The psychometric characteristics of the questionnaire (validity and reliability) were assessed statistically.

4.3.1 Validity of the Questionnaire

The validity of the research instrument used to measure the respondent's perceptions relating to the key dimensions of celebrity endorsements was evaluated using factor analysis.

4.3.1.1 Factor analysis

Factor analysis is important as it is a statistical technique whose main goal is data reduction (Sekaran & Bougie, 2014). A typical use of factor analysis is in survey research, where a researcher wishes to represent a number of questions with a small number of hypothetical factors (Sekaran & Bougie, 2014). The researcher performed exploratory factor analysis for the purpose of dimension reduction so as to have a more parsimonious representation that will be used as a composite measure for the subsequent analyses. In performing exploratory factor analysis, the researcher used the principal components extraction method with Varimax with Kaiser normalization method of rotation. The requirement is that Kaiser-Meyer-Olkin Measure of Sampling Adequacy should be greater than 0.50 and Bartlett's Test of Sphericity less than 0.05. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity was computed which, respectively, reflected adequacy (0.870; Approx. Chi-Square = 10351.511) and significance (df = 1275; Sig. = 0.000). This is an orthogonal rotation method that minimizes the number of variables that have high loadings on each factor. It simplifies the interpretation of the factors. Furthermore, where items loaded into more than one component, the splits were colour coded. Items were retained when they produced factor loading values higher than 0.40.

Table 4.11

KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.870
Bartlett's Test of Sphericity	Approx. Chi-Square	10351.511
	df	1275
	Sig.	0.000

Table 4.11 presents the factor loadings for section B of the questionnaire. Only those loadings which were greater than 0.4 were considered to be significant. When an item loaded significantly on two factors only that with the higher loading was considered. All of the conditions are satisfied for factor analysis.

Table 4.12

Validity of the Questionnaire: Factor Analysis

	Component											
	1	2	3	4	5	6	7	8	9	10	11	12
B1											0.671	
B2		0.528	0.407									
B3								0.7				
B4	0.617	0.358						0.343				
B5	-0.408		0.368									
B6	0.846											
B7	0.853											
B8								0.385		0.492		
B9	0.311	0.332						-0.615				
B10	-0.401									0.628		
B11	0.517								0.39	0.439		
B12	-0.529	0.447			0.341							
B13		0.585										0.366
B14												0.631
B15	-0.575					0.328						
B16	0.504	0.521										
B17	0.628											0.353
B18	0.505	-0.474			-0.405							
B19	0.453							-0.385			0.381	
B20	0.521									0.404		
B21							0.768					
B22		0.41	0.52				0.381					
B23			0.581				0.363					
B24			0.535				0.446					
B25							0.692					

Component												
	1	2	3	4	5	6	7	8	9	10	11	12
B26			0.496			0.322						
B27					0.321				0.407			
B28	0.829											
B29	0.726											
B30	0.54		0.362									
B31	0.682		0.336									
B32	0.626											
B33		-0.761										
B34			0.46		0.395							
B35			0.801									
B36		-0.374	0.461									
B37		0.524			0.458							
B38									0.706			
B39		-0.386									0.366	0.385
B40			0.311						0.494			
B41						0.433			0.396			
B42		0.663	0.32									
B43						0.798						
B44						0.706						
B45				0.494				0.381				
B46				0.865								
B47				0.796								
B48		0.503		0.596								
B49					0.758							
B50		0.44			0.452							
B51					0.535						0.322	
Eigen value	7.412	4.614	3.689	2.65	2.526	2.274	2.218	2.118	1.865	1.759	1.579	1.393
% total variance	14.533	9.048	7.234	5.196	4.953	4.459	4.349	4.153	3.657	3.45	3.095	2.731

Table 4.12 indicates that 18 items load significantly on Factor 1 and account for 14.53% of the total variance. Eight items relate to consumer decision making, seven items relate to increasing customer loyalty and three items relate to perceived value and brand loyalty. Since the majority of items relate to consumer decision making, Factor 1 will be labelled likewise.

Table 4.12 indicates that 11 items load significantly on Factor 2 and accounts for 9.05% of the total variance. Three items each relate to consumer decision making, increasing customer loyalty, and types of loyalty programmes. Two items relate to perceived value and brand loyalty. Since there is a higher significance in the item relating to types of loyalty programmes, Factor 11 will be labelled likewise.

Table 4.12 indicates that 8 items load significantly on Factor 3 and account for 7.23% of the total variance. The majority of the items (4 items) relate to increasing customer loyalty; Factor 3 will be labelled likewise.

For Factor 4, all the significant loadings were on 4 items and account for 5.19% of the total variance. Since all 4 items relate to types of loyalty programmes, Factor 4 will be labelled as such.

Five items load significantly on Factor 5 and account for 4.95% of the total variance. The majority of the items (3 items) relate to types of loyalty programmes, Factor 3 will be labelled likewise.

For Factor 6, all the significant loadings were on 3 items and account for 4.46% of the total variance. Since all 4 items relate to types of loyalty programmes, Factor 6 will be labelled as such.

For Factor 7, all the significant loadings were on 3 items and account for 4.35% of the total variance. Since all 4 items relate to increasing customer loyalty, Factor 7 will be labelled as such.

For Factor 8, all the significant loadings were on 2 items and account for 4.15% of the total variance. Since all 2 items relate to consumer decision-making, Factor 8 will be labelled as such.

Three items load significantly on Factor 9 and account for 3.66% of the total variance. One item relate each to perceived value and brand loyalty, increasing customer loyalty, and consumer decision-making. Since there is a higher significance in the item relating to perceived value and brand loyalty, Factor 11 will be labelled likewise.

Four items load significantly on Factor 10 and account for 3.45% of the total variance. The majority of the items (3 items) relate to consumer decision making, Factor 10 will be labelled likewise.

For Factor 11, the significant loading was on only 1 item and account for 3.09% of the total variance. Since the item relates to consumer decision-making, Factor 11 will be labelled as such.

For Factor 12, the significant loading was on only 1 item and account for 2.73% of the total variance. Since the item relates to consumer decision-making, Factor 12 will be labelled as such.

As evident from Table 4.12, 5 factors (Factors 1, 8, 10, 11, 12) were labelled consumer decision-making; 4 factors (Factors 2, 4, 5, 6) were labelled types of loyalty programmes; 2 factors (Factors 3, 7) were labelled increasing customer loyalty, and only one factor (Factor 9) was labelled perceived value and brand loyalty.

4.3.2 Reliability of the Questionnaire

The two most important aspects of precision are reliability and validity. Reliability is computed by taking several measurements on the same subjects. According to Creswell (2014), a reliability coefficient of 0.50 or higher is considered as acceptable for a newly developed construct. Reliability was assessed with Cronbach's alpha (Table 4.13). The Cronbach's alpha was divided according to the key dimensions (Table 4.14).

Table 4.13

Overall Reliability of the Questionnaire: Cronbach's Coefficient Alpha

Cronbach's Alpha	N of Items
0.886	51

The overall reliability of the questionnaire, as measured by the Cronbach's Alpha, is 0.886, indicating an excellent level of inter-item consistency and reliability.

The reliability for individual dimensions were also computed (Table 4.14).

Table 4.14

Reliability of the Questionnaire per Dimension: Cronbach's Coefficient Alpha

Key Dimensions	Cronbach's Alpha	N
Consumer decision-making	0.666	15
Increasing customer loyalty	0.813	14
Perceived value and brand loyalty	0.611	9
Types of loyalty programmes	0.706	13

Table 4.14 indicates that the reliability for dimensions range from 0.611 to 0.813, thereby indicating that the reliability per dimension range from fair (consumer decision making, perceived value and brand loyalty) to good (types of loyalty programmes) and to excellent (increasing customer loyalty).

4.4 CHAPTER SUMMARY

This chapter focused on the presentation and interpretation of the research results using descriptive and inferential statistics. Furthermore, the psychometric properties of the research instrument were evaluated statistically. The validity of the questionnaire was assessed using Factor Analysis and the reliability of the questionnaire was assessed by using Cronbach's Coefficient Alpha.

The results generated were presented in tabular and graphical form and these findings will be enhanced when compared to, and contrasted with, the work of other research scholars in the field of this study which will be presented in Chapter 5.

CHAPTER 5

DISCUSSION OF RESULTS

5.1 INTRODUCTION

The previous chapter presented the results that were obtained from the empirical analysis and portrayed them in a tabular format. This chapter analyses the results from the study relating to the impact of customer loyalty programmes on consumer decision-making and brand loyalty. This chapter explores the findings of this study based on each of the objectives initially presented in Chapter 1. The objectives are explored further and supported by the pertinent literature where required. The results are also compared to, and contrasted with, the findings of studies conducted by other researchers with regard to the key dimensions that were investigated in this study.

5.2 UKZN STUDENTS' PERCEPTIONS OF THE KEY DIMENSIONS OF THE STUDY

This section discusses the findings that were uncovered by the study that relate to the key dimensions of consumer decision-making; increasing customer loyalty; perceived value; and brand loyalty and types of loyalty programmes. The study used the sub-dimensions: enticed to purchase; convenience and ease of accessing; rewards compel registration; and privacy concerns, to determine the perceptions of UKZN students on the impact of loyalty programmes on consumer decision-making. In terms of types of loyalty programmes, the study used the sub-dimensions of point systems, loyalty cards, tiered programmes and coalition programmes.

5.2.1 The Perceptions of UKZN students on Loyalty Programmes as a means of Influencing Consumer Decision-Making

The first objective of this study was to determine the perceptions of UKZN students on loyalty programmes as a means of influencing consumer decision-making. There were four sub-dimensions related to consumer decision-making that were discussed in this study, namely, enticed to purchase, convenience and ease of accessing, rewards compel registration and privacy concerns.

5.2.1.1 Enticed to purchase

According to the results of this study, the majority of respondents are enticed to purchase products or brands that are linked to loyalty programmes. This study's evidence is congruent with the findings of Jiang and Nevskaya (2016) where 64% of consumers preferred to purchase products that were linked to loyalty programmes due to the rewards. The main reason consumers signed up for loyalty programmes is to benefit from discounts, free products and enhanced services and experiences (Jiang & Nevskaya, 2016). Furthermore, the findings of this study are consistent with research done by Kopalle and Neslin (2013), where 82% of consumers preferred to shop at retailers that offered loyalty programmes in order to save on their purchases and build a long-term relationship with the company.

However, Upamannyu (2015) asserted that technological advancements also enticed consumers to purchase even if they were not on any loyalty programmes. Upamannyu (2015) claimed that customer loyalty programmes were not the only type of enticement to purchase products. Another factor that influences purchase decisions is trust. According to Upamannyu (2015), trust and reputation of the brand influenced how consumers saw the brand or company. A brand with a bad reputation would have less customer loyalty and, even though that specific brand might have a loyalty programme, it would not entice customers to purchase more frequently (Upamannyu, 2015).

According to the results of this study, a fair proportion of respondents supported the notion that loyalty programmes offer them attractive benefits. This finding supports Bednall, Oppewal and Nguyen's (2018) affirmation that more than one-third of Americans were drawn to loyalty programmes because of the exclusive deals and coupons. Caminal (2018) validated this assertion as customers were willing to buy promotional products to earn bonus points, purchased items more frequently and only shopped at the businesses that were affiliated to the rewards programme in order to maximise points. The outcome of this study refutes the evidence documented by Alreddy, Siriguppi and Menon (2019) that indicated that most companies' reward structures were based on points or tiers which meant that most companies' benefits would be the same, as competitors could easily copy the benefits/rewards. Moreover, Alreddy et al. (2019) further postulated that consumers who used loyalty programmes mainly for the benefits would become disloyal to the

programme as they searched for the best benefits and could became chronic switchers moving from programme to programme for the best rewards or benefits.

In terms of value-for-money, the outcomes of this study revealed that most respondents believed that they received value-for-money when they purchased products linked to loyalty programmes. These results coincide with that of Rasch (2018) who stated that loyalty programmes with instant rewards saved consumers money or encouraged them to purchase more frequently. Rasch (2018) claimed that buy-one-get-one-free promotional loyalty rewards were examples of how consumers received value-for-money. Furthermore, Caminal (2018) asserted that consumers received real value with cash-back programmes or reward structures where consumers could earn double the points. In another study by Bose and Rao (2011), consumers were found to be more loyal to programmes which helped them in saving money or to get real value. However, Bednall et al. (2018) claimed that 97% of loyalty programmes were based on spending money to earn money. Bednall et al. (2018) asserted that if consumers had to spend money to earn points or rewards then there was no value for the consumer especially if it was a paid membership.

5.2.1.2 Convenience and ease of access

As per the findings of this study, the results indicate that the respondents find loyalty programmes convenient to use. This is consistent with the findings of Bednall et al. (2018), who found that many retail stores offered customised and personalised programmes and worked to enhance communication with customers through mobile applications. Nowadays, loyalty programmes are going digital and companies are finding smart ways to lure customers to join and use. A study by Son, Oh, Han and Park (2020) found that customers who were less inclined to use a mobile application could instead opt to enter their phone number to earn points in-store, at the pump or when they call to order. This is supported by Rasch (2018) who stated that customer convenience was one of the most important aspects of loyalty programmes and companies had appointed marketers whose sole focus is to create and design convenient methods and programmes for consumers to use loyalty programmes.

However, Taylor and Hollenbeck (2020) stated that the right rewards often had high requirements; for example, big discounts or rewards often need customers to achieve a certain tier (i.e., to spend a certain amount) and certain grouping of customers will not achieve this level. Furthermore,

certain loyalty programmes required the loyalty card to be presented in order to claim the discounts; if the consumer forgot the card, they would not get the discount. Taylor and Hollenbeck (2020) further claimed that consumers living in rural areas did not have access to smart technologies such as smart phones in order to access certain loyalty programmes.

This study revealed that the majority of respondents found that loyalty programmes are easy to access. This finding supports the study by Son et al. (2020) that ease of access and ease of communication are interrelated. According to Son et al. (2020), ease of communication meant integrating the loyalty programme into its application, allowing customers to have various ways to see and use rewards points. A study by Bose and Rao (2011) found that 75% of consumers would engage more with loyalty programmes they could easily access from a smartphone. Taylor and Hollenbeck (2020) claimed that companies were adjusting their loyalty programmes to target the youth by having no limitations when registering. Alreddy et al. (2019) believed that the easier it was for customers to make a purchase, the more products they would buy. In order for companies to maintain their loyalty programme members, they need to make the experience easy. Son et al. (2020) asserted that the real future of customer loyalty is to make it easy and straightforward for customers to get rewards.

However, a study by Nastasoiu and Vandenbosch (2019) contradicted these findings and claimed that 59% of consumers were less likely to join a loyalty programme that required them to download an app. Further to this, Sharma (2019) postulated that privacy concerns such as data breaches and location tracing deterred unfamiliar consumers from downloading the app.

The findings of this study indicated that a fair proportion of respondents did not register for loyalty programmes that were too complicated to access and use. In support of this, Nastasoiu and Vandenbosch (2019) affirmed that 64% of consumers would not be interested in a loyalty programme if they did not know how to use it or how they would earn rewards. A study by Saleh (2016) found that companies with complicated loyalty programmes found it difficult to maintain and attract new customers. However, a study by Taylor and Hollenbeck (2020) found that companies were readjusting their loyalty programmes and reward offerings in order to make them easily accessible.

5.2.1.3 Rewards compel registration of loyalty programmes

The results of this study revealed that a fair proportion of respondents registered for and received rewards with loyalty programmes. This supports the findings of Keller (2013) that the main reason why people joined loyalty programmes was because of graduated rewards. Graduated rewards, according to Keller (2013), apply when customers accumulate points in order to receive a free item. A study by Son et al. (2020) found that 84% of loyalty programme members had made a redemption from the programme. In another study by Rasch (2018), 50% of consumers claimed that their primary reason for joining a loyalty programme was to earn rewards on daily purchases. However, the outcomes of this study contradicted the findings of Hwang and Choi (2019) who stated that 65% of consumers engaged with less than half of the loyalty programmes to which they belonged. The findings by Hwang and Choi (2019) indicated that many consumers registered for loyalty programmes but did not receive rewards.

As per the findings of this study, almost half of the respondents were motivated by the rewards to register for loyalty programmes. This outcome supports Saleh (2016) who found that 69% of consumers claimed that their choice of retailer was influenced by where they could earn customer loyalty/rewards programme points, whereas 57.4% of consumers joined loyalty programmes to save money and 37.5% to receive rewards. However, Caminal (2018) found that rewards were not the only reason consumers registered for loyalty programmes. According to Caminal (2018), status is also a growing trend, consumers and more especially the youth, tend to register for loyalty programmes. Fewer than 8% of customers claimed rewards were not at all important to their purchasing decisions (Caminal, 2018).

5.2.1.4 Privacy concerns

In terms of respondents' perceptions regarding privacy, it was evident that a good proportion of respondents were aware that their personal details were taken when registering for loyalty programmes. The findings are congruent with research done by Almohaimmeed (2019) where 72% of consumers were aware their personal details such as ID number, address and contact details were required when signing up for loyalty programmes. However, Turow (2017) asserted that not all consumers were aware that their personal details were taken. According to Turow (2017), 42% of consumers were not aware their ID or social security number were personal details.

As per the findings of this study, a less than moderate proportion of respondents trusted that their personal details would be kept private and confidential. This outcome validates the findings that 1 in 10 loyalty members (13%) expressed frustration or dissatisfaction with too much personal information being requested during programme enrolment (Almohaimmeed, 2019). This is supported by research conducted by a global security firm, Norton. Norton claimed that over 60% of companies used third-party companies to manage their databases and store information and when these companies experienced a data breach, the privacy of the consumer information was also breached (Sharma, 2019). Most of the time such information was used for identity theft (Sharma, 2019).

As per the findings of this study, a moderate proportion of respondents did not have privacy concerns when registering for loyalty programmes. This is supported by Clendeen (2019) who stated that 46% of consumers were willing to share their data in exchange for personalised experiences. In another study by Blanco-Justicia and Domingo-Ferrer (2016), 68% of consumers did not have privacy concerns when registering for loyalty programmes. This could be because no direct data breaches had affected them. However, while some consumers were more concerned about privacy than others, privacy risks deterred some consumers from participating in loyalty programmes (Sharma, 2019). Turow (2017) stated that customers who were privacy-concerned were more likely not to join a loyalty programme because they feared breaches of personal information. Turow (2017) further stated that customers with a more affluent lifestyle were not influenced greatly by loyalty programmes as they could afford the brand without any discounts.

In terms of communication and loyalty programmes, a fair proportion of respondents did not mind being sent communication pertaining to latest rewards on offer. These findings are congruent with a study by Blanco-Justicia and Domingo-Ferrer (2016) where 74% of consumers appreciated it when companies informed them about new rewards on offer. On the contrary, Almohaimmeed (2019) stated that 42% of consumers were worried about spam emails and frequent communication without their permission.

According to the results of the current study, there are significant relationships between the impact of customer loyalty programmes on consumer decision-making and other key dimensions of the study.

5.2.1.5 Intercorrelations between the impact of customer loyalty programmes on consumer decision-making and other key dimensions of the study

The results of this study indicated that there was a significant positive relationship between the impact of customer loyalty programmes on consumer decision-making and increasing customer loyalty, perceived value and brand loyalty and type of loyalty programmes.

The implications of the significant relationships are that an improvement in any one of these key dimensions has the potential to have a snowballing effect and would thus enhance consumer decision-making effectiveness. This implies that respondents who were greatly influenced by loyalty programmes when making purchase decisions, perceived loyalty programmes as a means of increasing customer loyalty. Furthermore, UKZN students who were satisfied with the types of loyalty programmes perceived loyalty programmes as valuable means of enhancing brand loyalty.

There were no other significant relationships between consumer decision-making and the other key dimensions of this study.

5.2.1.6 Influences of biographical variables on consumer decision-making

As per the evidence of this study, the impact of loyalty programmes on consumer decision-making was influenced by age and race. It is apparent from the findings of this study that respondents who were older appeared to be more likely to be influenced by loyalty programmes during purchase decision-making than those respondents who were younger. Evidently, coloured respondents place the most emphasis on loyalty programmes during consumer decision-making followed by white, Indian and black race groups respectively.

The second key dimension of this study relates to increasing customer loyalty.

5.2.2 Increasing Customer Loyalty

In terms of respondents' perceptions of loyalty programmes as an effective means of increasing customer loyalty, a fair proportion of respondents believed that loyalty programmes increased customer loyalty. This supports the findings by Hallberg (2019) that 76% of customers believed that loyalty programmes strengthened their relationship with brands. In another study by Sagunthala and Gowrishankkar (2017), 49% of consumers agreed they spent more on repeat

purchases of the same brand after having joined a loyalty programme. However, Czarniewski (2014) claimed that customer loyalty took time to build as consumers needed to develop a sense of trust before making frequent purchases.

The results of this study revealed that a moderate proportion of respondents were satisfied with the amount of points that they earn on purchases using loyalty programmes. This result is corroborated by Brownell, Harris and Bargh (2009) that 63% of consumers were satisfied with the points they earn when making purchases. A study by Hallberg (2019) found that consumers appreciated it when companies incentivised them with double points. On the contrary, Czarniewski (2014) postulated that 58% of consumers were dissatisfied with the number of points earned as the value of the points was very low and consumers required a lot of points in order to achieve a saving.

The findings of this study revealed that most respondents did not switch to other loyalty programmes which were better. This is contradictory to the findings of Khairawati (2019) that it was hard to measure and determine whether customers were loyal to the company or brand. Some customers were price-sensitive and could easily switch to another company if the product was cheaper or a better deal was on offer (Khairawati, 2019). Yi and Jeon (2017) claimed that only 45% of consumers who participated in loyalty programmes counted themselves as being loyal to that brand, while the remaining 55% said they would still be happy to purchase from a competitor. The outcomes of this study, however, support the findings of a study by Silalahi, Alfansi and Wiardi (2017) that if companies offered attractive rewards based on tiers, consumers were more likely to stay with the company in order to achieve those rewards rather than moving to another company with no long-term value.

The results of this study found that a good proportion of respondents informed their families and friends about the programmes they registered for. This supports the findings by Silalahi et al. (2017) that 60% of customers would tell their friends and families about a brand they were loyal to. In another study by Brownell et al. (2009), 59% of consumers were loyal to a brand and more than willing to refer that brand to their friends and family. However, Czarniewski (2014) found that 69% of consumers referred the programmes they registered with only if they received referral rewards or points in return from the programme. Furthermore, Khairawati (2019) stated that there was an assumption that loyal customers would pass on favourable word-of-mouth comments about

the brand or company. This seems a sensible assertion; however, there is little research to indicate what percentage of loyal customers help a company to market its products (Khairawati, 2019).

From the findings, most respondents felt appreciated as a customer when their purchases were linked to loyalty programmes. This supports the findings of Chhabra (2017) that customer appreciation helped improve customer retention by encouraging repeat purchases. Furthermore, since the respondents felt appreciated from loyalty programmes, they tended to purchase more from the retailers who offered loyalty programmes as they felt they received value from the brand (Chhabra, 2017). In addition, Silalahi et al. (2017) claimed that consumers who were on the top tier felt appreciated the most compared to those on lower tiers.

The results of this study revealed that the majority of respondents purchased more from retailers whose loyalty programmes they were satisfied with. This finding is consistent with the findings of Khairawati (2019) that customers who were satisfied with the programme were more likely to purchase again from the same retailer if it assisted the customer to save money or earn rewards. However, a study by Sagunthala and Gowrishankkar (2017) found that customers on average were registered for five loyalty programmes; therefore, customers could be satisfied with more than one retailer and their purchases would be shared amongst different retailers.

The results of this study revealed that the majority of respondents believed that their preferred retail stores kept them well-informed of new rewards or benefits on offer. This finding supports the findings of Everett (2019) that 72% of companies frequently informed their loyalty programme members and non-programme members about new rewards or savings. However, Caminal (2018) refuted this finding and stated that 83% of loyalty programme members unsubscribed from retailers' newsletters and could, therefore, be uninformed about the stores' new rewards or benefits.

According to the findings of this study, the majority of respondents were uncertain if customer loyalty programmes promoted better communication between customers and retail stores. This result is inconsistent with the findings of Hallberg (2019) that 63% of customers believed that retailers personalised communication between the consumers and the store. Many retail stores sent emails on their birthdays, monthly point statements and survey notifications (Hallberg, 2019). Moreover, Brownell et al. (2009) asserted that loyalty programmes offered enhanced

communication between the customers and retail stores by sending out reminders that they had enough points to purchase a certain reward or were close to having enough points to purchase a certain reward. This also gave company the opportunity to upsell since loyalty programme members would then browse the store's gallery and might stumble upon something else that they wanted (Brownell et al., 2009).

According to the outcomes of this study, the majority of respondents believed that customer loyalty programmes were an effective way for retailers to attract customers. This finding is supported by Brownell et al. (2009) who found that through customer loyalty programmes, the companies were in a position to attract new customers. Companies used loyalty programmes with the hope of achieving greater customer loyalty and retention (Keller, 2013). To the contrary, Wansink and Seed (2017) postulated that not all loyalty programmes were able to attract new customers especially if there was a minimum requirement or with no immediate rewards or savings.

The outcome of this study was that there are significant relationships between increasing customer loyalty and the other key dimensions of the study.

5.2.2.1 Intercorrelations between increasing customer loyalty and other key dimensions of the study

The results of this study indicated that there was a significant positive relationship between increasing customer loyalty and perceived value and brand loyalty and type of loyalty programmes.

The implication is that an improvement in any one of the key dimensions has a ripple effect. The implication is that those respondents who perceived loyalty programmes as a means to increasing customer loyalty, were of the opinion that loyalty programmes provided value-for-money which would result in satisfied consumers becoming loyal to brands that were linked to loyalty programmes.

There were no other significant relationships between increasing customer loyalty and the other key dimensions of the study.

5.2.2.2 Influences of biographical variables on increasing customer loyalty

The results of this study revealed that there is a relationship between race and customer loyalty. From these results, all race groups could be considered as loyal customers; however, coloured respondents had a higher degree of customer loyalty. It is evident from the results that coloured respondents were most encouraged by loyalty programme rewards. All race groups were moderately influenced by loyalty programmes and were more likely to continue to support a brand or product. The black African race group was least influenced by loyalty programmes followed by the other race groups (Indian and white).

The third objective relates to the perceptions of UKZN (Westville campus) students on loyalty programmes in terms of perceived value and brand loyalty.

5.2.3 Perceived Value and Brand Loyalty

In terms of the outcomes of this study, which relates to perceived value and brand loyalty, half of the respondents believed that they received value-for-money when they purchased incentivised products or brands. This finding supports Yi and Jeon's (2017) affirmation that customers' value perceptions were a necessary condition for developing perceived value through the loyalty programme. That is, customers should perceive the loyalty programme as valuable. This outcome refutes the findings by Sakama (2020) that 53% of consumers did not get satisfactory value when using loyalty programmes. Sakama (2020) further stated that companies got more value when customers used loyalty programmes as they tracked how consumers shopped, monitored their spending patterns and sold the data to companies to develop strategies.

The results of this study indicated that half of the respondents believed that retailers could enhance perception of brand quality by linking brands to customer loyalty programmes. This is congruent with research done by Wansink and Seed (2017) that the brand had the power to reduce the risk in purchasing. The key benefit for customers of purchasing a branded versus an unbranded product was that of risk reduction. The stronger the brand in terms of quality offered, the smaller the risk customers bore in terms of purchasing a brand which might not perform to expectations (Wansink & Seed, 2017).

According to the findings of this study, the majority of respondents were not worried about the value as long they received some benefit from the loyalty programme. This is congruent with Chhabra (2017) where customers were influenced by behavioural loyalty. This result is inconsistent with the findings of Sakama (2020) that customers wanted long-term relationships with companies and wanted to feel valued by the company. Sakama (2020) further stated that the value came from the information tied to the sign-in process and the requisite actions which allowed companies to create personalised experiences; for example, Krispy Kreme rewards loyal members with a free doughnut on their birthday.

Well over two-thirds of the respondents of this study affirmed that loyalty programmes were of real value assist them in saving money. Mahajar and Yunus (2010) concurred that rewards in the form of cash-back or incentivised promotions assisted customers to save money and purchase more frequently. Moreover, Jiang and Nevskaya (2016) found that 57.4% of customers signed up for loyalty programmes to save money.

From the findings, most of the respondents had developed a positive attitude towards products or brands linked to loyalty programmes. This is congruent with the findings by Chhabra (2017) where 61% of loyalty programme users developed an emotional connection with the product or brands linked to loyalty programmes as it made them feel appreciated as a customer. On the contrary, Silalahi et al. (2017) found that consumers developed a positive attitude towards the company offering the loyalty programme and not the products associated with the company.

The results of this study indicated that a fair proportion of respondents would not switch between brands if they were satisfied by the benefits or rewards that they got from the loyalty programmes that were linked to certain brands. This refuted the findings by Sakama (2020) that majority of customers were price-sensitive. Sakama (2020) further stated that if a customer was loyal to a brand, they would be open to shop elsewhere for the same brand if the rewards or price were more attractive.

According to the results of this study, there are significant relationships between perceived value and brand loyalty and the other key dimensions of the study.

5.2.3.1 Intercorrelations between perceived value and brand loyalty and other key dimensions of the study

The results showed that there is a significant positive relationship between perceived value and brand loyalty and type of loyalty programmes. The implication is that an improvement in any one of these key dimensions has the potential to impact the other. The implication is that those consumers who were more satisfied with the types of loyalty programmes on offer, were more likely to perceive brands that were linked to loyalty programmes as good quality brands and consequently remained loyal to them. Similarly, studies by Jiang and Nevskaya (2016) stated that consumers were willing to have a long-term relationship with companies or brands when their first purchase exceeded their expectations.

There were no other significant relationships between perceived value and brand loyalty and the other key dimensions of the study.

5.2.3.2 Influences of biographical variables on perceived value and brand loyalty

According to the results, there was no significant difference in the perceptions of UKZN students varying in biographical profiles (gender, age, race, educational level and college) regarding perceived value and brand loyalty. This implies that the respondents' perceptions regarding perceived value and brand loyalty were not influenced by their biographical profiles.

The fourth objective of this study relates to types of loyalty programmes.

5.2.4 Types of Loyalty Programmes

There were four types of loyalty programmes that were explored in this study. These include point system, loyalty cards, tiered programmes and coalition programmes.

5.2.4.1 Point systems

In terms of respondents' perceptions on point systems, most of them appreciated receiving information from retailers on how they could earn more points on their purchases. This supports the finding by Stourm, Bradlow and Fader (2013) that loyalty programmes with consistent and direct compensating plans allowed individuals to determine how to spend, when to redeem points and what to redeem according to the accumulated points. Moreover, Blattberg, Kim and Neslin

(2018) stated that consumers felt motivated and valued when companies informed them about new rewards or extra points.

According to the findings, most respondents believed that points systems were an effective means of retaining loyal customers. This is congruent with Blattberg et al. (2018) who found that customers felt grateful when companies rewarded them and the point systems offered graduated rewards. To the contrary, Masterson (2020) stated that point systems was not effective as it made the relationship between points and tangible rewards complex and confusing. Masterson (2020) further stated that the points system was the most common form of loyalty programme and was not necessarily applicable to every type of business especially over the long term.

This study revealed that almost all of the respondents took advantage of offers where they could earn extra points on the products or brands that they purchased. This finding is consistent with Karim (2011) who affirmed that majority of consumers looked forward to special offers so they could earn extra points or rewards. However, Masterson (2020) refuted this finding, stating that when consumers were required to accumulate a specific number of points to get a reward, it created a halo effect which devalued the programme. The halo effect is the tendency for positive impressions of a person, company, brand or product in one area to positively influence one's opinion or feelings in other areas (Masterson, 2020).

5.2.4.2 Loyalty cards

With reference to loyalty cards, the majority of respondents felt that loyalty cards ensured that they could easily keep track of the loyalty points that they had. This is consistent with Ruzeviciute and Kamleitner (2017) who stated that customers could easily swipe the loyalty card at the retailers to track the points and to redeem rewards. However, Rowley (2019) stated that loyalty cards were outdated and had been replaced by smart technologies such as mobile apps for easier tracking of points at any time.

This study results indicated that the majority of respondents claimed that loyalty cards made it easier to provide suitable discounts or gifts to customers of a certain retailer. This finding supports the assertion of Karim (2011) that loyalty cards played a valuable role for organisations by expanding client retention, improving clients' repeat shopping habits and increasing the client base. Furthermore, Mahajar and Yunus (2010) stated that companies found it easier to incentivise

customers who signed up for the programme as certain rewards or promotions were only valid for registered members.

To the contrary, Jenkinson (2015) stated that loyalty cards were about the accumulation of client information. With each swipe of a loyalty card for an offer, the retailer recorded the whole exchange in detail, from the name of the customer, the time they shopped, the shop they went to and the whole contents of their trolley (Field, 2017). However, Masterson (2020) claimed that certain loyalty cards had high annual fees, such as, reward credit cards or rewards cards like InDine. Masterson (2020) further stated that since the cards had a high annual fee, it would be accompanied by higher interest rates than other credit cards, which in the long run would discourage new users from signing up and cause existing ones to deregister.

5.2.4.3 Tiered programmes

In terms of tiered programmes, the results of this study revealed that a good proportion of respondents felt encouraged to earn more points in order to improve their ranks and reap the benefits associated with a higher rank. This outcome validated the results of another study by Jiang and Nevskaya (2016) where 58% of tiered programme users were greatly influenced to progress to the next tier. However, Masterson (2020) claimed that tiered programme rewards mainly benefited the people with a higher income as consumers with a lower income did not feel encouraged to move up in rankings.

The results of this study showed that most respondents believed that tiered programmes gave them a sense of being valued by the company. This supports the findings by Ruzeviciute and Kamleitner (2017) that users of tiered programmes appreciated graduated rewards as a sense of being valued. In their study, it was found that customers can be segmented into two types, price-oriented and service-oriented (Ruzeviciute & Kamleitner, 2017). The price-oriented segments, who were more sensitive to price incentives, were attracted by the frequency rewards programmes. Service-oriented customers were less sensitive to price and more sensitive to service benefits, such as special privileges (Ruzeviciute & Kamleitner, 2017). Service-oriented customers were also more attracted than price-oriented customers by the benefits that came from customer tier programmes. Service-oriented customers were more likely to be enticed by the rewards (Ruzeviciute &

Kamleitner, 2017). To the contrary, Hallberg (2019) found that tiered programmes work best for long-term value as it took a while to achieve the desired rewards in order to feel valued.

According to this study, the results revealed that the majority of respondents affirmed that the right rewards were given to customers who truly deserved them. This finding is congruent with that of Jiang and Nevskaya (2016) that tier-programme customers were less price-sensitive; therefore, businesses influenced customers with frequent upgrade options. In another study by Atal and Bar (2014), 62% of tiered programme users were satisfied with the rewards given. However, Ruzeviciute and Kamleitner (2017) refuted this study's findings and claimed that customers of tiered programmes were not always satisfied with their rewards because of the limitations tiered programmes offered, such as expiring points. Ruzeviciute and Kamleitner (2017) stated that since there were so many types of loyalty programmes, tiered programmes were not so common as they did not promote customer loyalty amongst the majority of loyalty programme customers. According to Field (2017), tiered programmes were not the preferred choice by consumers, as rewards took time to acquire and were not instant.

5.2.4.4 Coalition programme

With reference to coalition loyalty programmes, a good proportion of respondents of this study believed that coalition loyalty programmes were an effective means of ensuring that customers received a wider range of rewards through the purchase of partnered products or brands. This is congruent with the findings of Hallberg (2019), where due to the possibility of collecting points at different companies, coalition schemes allowed for faster points accrual. Furthermore, Hallberg (2019) asserted that since coalitions were usually much bigger in size than stand-alone programmes, they could offer a greater choice of rewards to the consumer.

The results of this study revealed that the respondents believed that coalition loyalty programmes enhanced customer loyalty towards the partnered brands. However, Jiang and Nevskaya (2016) repudiated this finding and claimed that the downside of a coalition programme was that they shared the programme with other companies under the coalition programme branding. This implies that there was very limited relationship-building and branding that they could do within the brand (Jiang & Nevskaya, 2016). This is consistent with the findings of Hallberg (2019) that coalition programmes offered limited customisation compared to a company creating its own programme.

Furthermore, Atal and Bar (2014) stated that when a company had negative publicity such as unethical behaviour or defective products, it could affect the partnered product or brand, thereby reducing customer loyalty.

According to the results, there were no significant relationships between types of loyalty programmes and the other key dimensions of the study. However, there was a significant relationship with types of loyalty programmes and their biographical variables.

5.2.4.5 Influences of biographical variables on types of loyalty programme

The results of this study revealed that the respondents' perceptions on type of loyalty programmes were influenced only by age. Respondents from all age groups were enticed by the different loyalty programmes. However, respondents from the age group 34–37 were greatly influenced by loyalty programmes followed by the 38 and older age group. Respondents who were aged between 30 and 33 were least influenced by loyalty programmes during decision-making. This implies that respondents from the 30–33 age grouping were less conscious of the different programme offerings and, therefore, less inclined to engage in other loyalty programmes that are available to them.

5.3 SUMMARY ANALYSIS OF THE KEY FINDINGS OF THE STUDY

This section provides a summary analysis of the key findings of the study.

- *Enticed to purchase*

The results of this study in relation to consumers being enticed by loyalty programmes to purchase products or services, revealed that the majority of the sample:

o Were enticed to purchase products or brands that were linked to loyalty programmes.
o Were of the belief that loyalty programmes offered them attractive benefits.
o Believed that they got value-for-money when they purchased products linked to loyalty programmes.

- *Convenience and ease of accessing*

The results of this study, in relation to convenience and ease of using loyalty programmes, revealed that the majority of the sample:

o Found loyalty programmes convenient to use.
o Found loyalty programmes easy to access.
o Did not register for loyalty programmes that were too complicated to access and use.

- *Rewards compel registration of loyalty programmes*

The results of this study, in relation to rewards compelling registration of loyalty programmes, revealed that the majority of the sample:

o Had registered and received rewards with loyalty programmes.
o Were motivated by the rewards to register for loyalty programmes.

- *Privacy concerns*

The results of this study, in relation to privacy, revealed that the majority of the sample:

o Were aware that their personal details were obtained when registering for loyalty programmes.
o Were uncertain if their personal details would be kept private and confidential.
o Did not mind being sent communication pertaining to latest rewards on offer.

- *Increasing customer loyalty*

The results of this study, in relation to the perceptions of loyalty programmes in increasing customer loyalty, revealed that the majority of the sample:

o Were satisfied with the number of points that they earned when purchasing products that are linked to loyalty programmes.
o Felt appreciated as customers through the loyalty programmes.
o Did not change to other brands as they were satisfied with the current loyalty programme they were involved with.
o Were well-informed of new rewards or products.
o Purchased more from retailers who offered loyalty programmes that they were members of.

o Informed their family and peers about the loyalty programmes that they registered for.

o Believed that their preferred retail stores kept them well-informed of new rewards or benefits on offer.

o Were uncertain if customer loyalty programmes promoted better communication between customers and retail stores.

o Were of the belief that customer loyalty programmes were an effective means for retailers to attract customers.

- *Perceived value and brand loyalty*

The results of this study, in relation to the perceptions of loyalty programmes in terms of perceived value and brand loyalty, revealed that the majority of the sample:

o Believed they received value-for-money when purchasing incentivised products.

o Believed that retailers could enhance perceptions of brand quality by linking brands to customer loyalty programmes.

o Were concerned about deriving benefits from the loyalty programme.

o Believed that loyalty programmes of real value assisted them in saving money.

o Developed a positive attitude towards products or brands that were linked to loyalty programmes.

o Would not switch between brands if they were satisfied by the benefits or rewards that they received from the loyalty programmes that were linked to certain brands.

- *Point systems*

The results of this study, in relation to point systems, revealed that the majority of the sample:

o Appreciated receiving information from retailers on how they could earn more points on their purchases.

o Believed that points systems were an effective means of retaining loyal customers.

o Took advantage of offers for which they could earn extra points on the products or brands that they purchased.

- *Loyalty cards*

The results of this study, in relation to loyalty cards, revealed that the majority of the sample:

o Felt that loyalty cards ensured that they could easily keep track of the loyalty points that they have.
o Believed that loyalty cards made it easier to provide suitable discounts or gifts to customers of a certain retailer.

- *Tiered programmes*

The results of this study, in relation to tiered programmes, revealed that the majority of the sample:

o Felt encouraged to earn more points in order to improve their ranks and reap the benefits associated with a higher rank.
o Believed that tiered programme gave them a sense of being valued by the company.
o Were of the belief that the right rewards were given to customers who truly deserved them.

- *Coalition programmes*

The results of this study, in relation to coalition programmes, revealed that the majority of the sample:

o Believed that coalition loyalty programmes were an effective means of ensuring that customers received a wider range of rewards through the purchase of partnered products or brands.
o Believed that coalition loyalty programmes enhanced customer loyalty towards the partnered brands.

5.4 CHAPTER SUMMARY

This chapter provided a comprehensive discussion of the findings and key dimensions of this study. It conveyed the key dimensions and sub-dimensions of the influence on customer loyalty programmes on consumer decision-making and brand loyalty. The results of the study were compared and contrasted to that of related research work undertaken in the field by other renowned researchers to determine similarities and differences in the findings. Based on the results presented

and discussed in this current chapter, it is evident that the findings are congruent with the literature available.

In terms of objectives of this study, the results indicated that:

- UKZN students were enticed to purchase products or brands that were linked to loyalty programmes.
- UKZN students found loyalty programmes convenient to use.
- UKZN students did not sign up for loyalty programmes that were too complicated to use or access.
- UKZN students registered for and received rewards with loyalty programmes.
- UKZN students had mixed perceptions regarding privacy.
- UKZN students based their purchase decisions on the rewards of loyalty programmes.
- UKZN students rarely changed to other brands if satisfied with the current loyalty programme.
- UKZN students would often inform their family and friends about the loyalty programme that they signed up for.
- UKZN students did not like unrealistic and unachievable rewards.
- The types of loyalty programmes influenced UKZN students purchase decisions.
- UKZN students believed that loyalty programmes influenced their consumer decision-making process.

There have been several key discoveries in this study which were used to develop a model to be implemented. This will assist marketers when using customer loyalty programmes in their marketing campaign. The final chapter provides conclusions based on the findings of the study and makes recommendations for future research.

CHAPTER 6

RECOMMENDATIONS AND CONCLUSION

6.1 INTRODUCTION

The final chapter of this study comprises pertinent recommendations that are articulated in relation to the key findings of this study. The recommendations that are presented in this chapter may assist brands and marketing professionals to better tailor their marketing and loyalty programmes towards the university-going consumers. In addressing the challenges and shortcomings of this study, recommendations for future studies are underlined, with attention being focused on the dimensions and spheres that were not investigated.

6.2 RECOMMENDATIONS BASED ON THE RESULTS OF THE STUDY

The recommendations in this section are based on the key dimensions of the study, namely, consumer decision-making, increasing customer loyalty, perceived value and brand loyalty and types of loyalty programmes.

6.2.1 Consumer Decision-Making

There were four sub-dimensions related to consumer decision-making that were discussed in this study, namely, enticement to purchase, convenience and ease of accessing loyalty programmes, rewards compel registration and privacy concerns.

6.2.1.1 Enticed to purchase

In terms of UKZN (Westville campus) students' perceptions of whether or not loyalty programmes entice consumers to purchase products, the following recommendations are suggested for brands and marketing professionals:

- *Promote trial usage of reward programmes:* It is imperative for businesses to promote trial usage of rewards programmes. This will entice customers to purchase again if they see the value of the programme. For example, reward programmes with monthly fees or subscriptions could entice customers to register if these programmes offer a free trial period.

- *Ensure loyalty programmes offer customers attractive benefits:* From this study, a fair proportion of respondents believe that loyalty programmes offer attractive benefits. In order for businesses to attract more customers, they need to ensure their loyalty programmes offer customers attractive benefits to promote repeat purchases such as concessions for registered students, discounts on certain items and periodic prize-giving like prizes for the top ten reward earners for a certain time period.

- *Ensure customers get value-for-money from loyalty programmes*: Businesses must ensure that customers get value-for-money when using loyalty programmes. For example, exclusive discounts for loyalty programme members or free delivery to valued customers. Businesses could also partner with other retailers so that customers have a wide range of reward options.

6.2.1.2 Convenience and ease of accessing

In terms of UKZN (Westville campus) students' perceptions of the convenience and ease of accessing loyalty programmes, the following recommendations are suggested for brands and marketing professionals:

- *Use smartphone applications:* From this study's findings, consumers are more likely to sign up for a loyalty programme that has a mobile application. In order for businesses to keep up with modern trends and to target the youth, businesses should develop a mobile app to increase loyalty programme usage and make it convenient for customers to use. For example, businesses could create digital loyalty cards which customers can use to redeem and accumulate rewards. Furthermore, mobile applications could be tailored to automatically send out rewards once a customer reaches their threshold in the reward journey.

- *Ensure low entry requirements:* Since the study focused on the youth, it was found that the youth are attracted to loyalty programmes that have low entry requirements. It was also found that the youth do not sign up for programmes with high entry requirements such as a certain minimum income or high joining fees. Therefore, in order for businesses to attract the youth, they need to have low entry requirements like no monthly membership fees.

- *Ensure loyalty programmes are easy to use and access:* The results of this study showed that respondents do not register for loyalty programmes which are complicated to access and use. Businesses must ensure their programmes are easy to sign up for which will allow for more

people to register and use. For instance, businesses could have a dedicated kiosk in-store to make it easier for new customers to sign up for the programme or redeem discount vouchers. This would avoid excessive waiting time at till points.

6.2.1.3 Rewards compel registration

In terms of UKZN (Westville campus) students' perceptions of whether or not rewards compel registration of loyalty programmes, the following recommendation is suggested for brands and marketing professionals:

- *Offer lucrative rewards:* From the findings of this study, the respondents are compelled by the rewards to sign up for loyalty programmes. Businesses must make sure that they offer attractive rewards to motivate new customers to sign up. It is, therefore, imperative for businesses to use tactics like early access to sales, early access to new or limited products and tailored rewards for customers' purchase needs. Furthermore, businesses could issue vouchers to customers when they sign up for reward programmes because customers prefer instant savings.

6.2.1.4 Privacy concerns

In terms of UKZN (Westville campus) students' perceptions of privacy of their personal information provided through reward programmes, the following recommendations are suggested for brands and marketing professionals:

- *Assure consumers of their privacy:* From the findings of this study, consumers are fairly concerned about the privacy of their personal information. Businesses must assure customers that their privacy will be maintained. According to this study, consumers do not like to reveal a lot of personal information; therefore, businesses must ensure that they do not infringe on consumers' rights and personal data. Businesses must have a non-disclosure clause in place to protect the customer as outlined in the Protection of Personal Information Act 4 of 2013. Although this study found that the majority of consumers will divulge their personal information for rewards, businesses must still assure customers that their personal information will not be divulged to third parties without their knowledge or consent.

- *Get permission from customers to use their personal information and contact details*. It is pivotal for businesses to get permission from their customers to use their personal information

and contact details. This will enhance the image and reputation of the company as a trusted company. When signing up for loyalty programmes, customers must have a choice as to whether or not companies can reveal their personal information.

- *Send out necessary information to customers:* The results of this study show that the respondents do not mind being sent communication regarding the latest rewards on offer. Businesses must ensure that only necessary information is being sent out without over-spamming customers with continuous emails. It is vital for businesses to send out only necessary information about the latest rewards, new products or any changes in the details or location of the business. SMS or email as a means of communication is the best method to inform customers.

6.2.2 Increasing Customer Loyalty

In terms of UKZN (Westville campus) students' perceptions of loyalty programmes as an effective means of increasing customer loyalty, the following recommendations are suggested for brands and marketing professionals:

- *Ensure businesses have a loyalty programme/scheme in place:* The respondents claimed that loyalty programmes are effective for retailers to attract customers. A loyalty programme will deter customers from switching to other brands or competitors.
- *Ensure that customers are well informed of new rewards or programmes:* Informing new and old customers about the benefits of new rewards or programmes could entice them to purchase more from the business and remain loyal.
- *Promote frequent return rewards and referral rewards:* Customers are more likely to share the programme with their family and friends if there is a referral reward system in place or incentives. Businesses should thus adopt a strategy to ensure that customers return frequently. For example, businesses could reward those who refer customers and also reward those who sign up with special discounts or reduction in membership fees for a prescribed period.
- *Ensure that customers feel appreciated through loyalty programmes:* The respondents felt appreciated through their loyalty programmes. To enhance this, businesses could send out complementary vouchers together with personalised messages to the customers on their birthdays.

- *Use loyalty programmes to better communicate with customers:* UKZN (Westville) students are uncertain if loyalty programmes promote better communication between the store and customers. It is vital for businesses to enhance communication with customers in order for them to be loyal to the programme and brand. Businesses could have a mobile app so that customers can place orders online and take advantage of exclusive app discounts. Nowadays, many businesses and retailers are introducing a dedicated Whatsapp business account to allow for better communication where customers can ask questions about prices, view catalogues with specials or check stock of products.

6.2.3 Perceived Value and Brand Loyalty

As far as perceived value and brand loyalty are concerned, to enhance UKZN (Westville campus) students' perceptions of loyalty programmes, the following recommendations are suggested for brands and marketing professionals:

- *Ensure that consumers get value-for-money:* A small majority claimed that consumers get value-for-money from loyalty programmes. Businesses should, therefore, strive to ensure that their loyalty programmes offer real value that is apparent to consumers. For example, businesses need to ensure that consumers save money by allowing them to redeem points for cash-back savings. A workable example will be when customers can choose their own rewards; for instance, how many of their points they would like to redeem at a time or be able to convert points into airtime. Businesses could also have loyalty programmes in place where customers can earn free airtime on items that they frequently purchase from that company.
- *Aim to ensure that the company's brand becomes synonymous with quality*: Businesses must ensure that their brand or products are of good quality and affordable prices to avoid brand switching.
- *Ensure that loyalty programmes save consumers money:* Businesses must ensure that their loyalty programmes assist consumers with saving money. From the findings of this study, the majority of consumers sign up for loyalty programmes in order to save money. For example, retailers could have special prices or buy-one-get-one-free deals for loyalty programme members.

- *Link established/prominent brands to loyalty programmes:* Consumers prefer to purchase a branded product due to risk aversion of unfamiliar products. Businesses should, therefore, link their established brands to loyalty programmes to enhance value.

- *Introduce new product ranges to existing loyalty programmes to prevent brand switching:* Businesses must aim to introduce new product/brand ranges to prevent consumers suffering from brand fatigue. By introducing new product ranges to meet the customers' needs, brand switching will be reduced. For example, a brand could introduce combo deals on a variety of complementary product items like coffee and coffee creamer.

6.2.4 Types of Loyalty Programmes

There were four sub-dimensions related to the types of loyalty programmes that were examined in this study, namely, point systems, loyalty cards, tiered programmes and coalition programmes.

6.2.4.1 Point systems

In terms of UKZN (Westville campus) students' perceptions of the effectiveness of point systems, the following recommendations are suggested for brands and marketing professionals:

- *Ensure that points have a long redemption date:* Businesses must make sure that the points that customers receive have a long lifespan. In good practice, businesses must inform customers if any points are about to expire with a month's notice. In the case of expiry points, businesses must send a reminder notification either via SMS or email on how many points will expire and the date.

- *Inform customers on how to earn more points:* Respondents appreciate it when retailers alert them on ways to earn more points from their purchases. This will encourage customers to choose to shop on specific days in order to receive discounts. For example, designated days can be dedicated to customers where they can earn double points and/or special discounts for students provided that they are able to confirm registration at a tertiary institution. Businesses could have in-store banners and send out emails to customers informing them about the specific days to earn extra points.

6.2.4.2 Loyalty cards

In terms of UKZN (Westville campus) students' perceptions of the effectiveness of loyalty cards, the following recommendation is suggested for brands and marketing professionals:

- *Ensure that rewards can easily be tracked:* Businesses must ensure that points or rewards that customers acquire can easily be tracked and redeemed. For example, businesses could link the customers' loyalty points to the mobile app for easy access and redemption. Businesses could also encourage customers to register on their website so customers can easily login and redeem their points or vouchers.

6.2.4.3 Tiered programmes

In terms of UKZN (Westville campus) students' perceptions of the effectiveness of tiered programmes, the following recommendations are suggested for brands and marketing professionals:

- *Ensure that rewards are achievable and realistic so that customers are able to improve their ranks:* Businesses must ensure that their rewards are achievable and that customers can actually benefit from them. Rewards which are quick to obtain will encourage repeat purchases. Businesses could also display pictures, with the permission of the customers, of them receiving their rewards so as to motivate other customers to move up the ranks.

- *Reward the right people with the right rewards:* Businesses must reward the right people with the right rewards to motivate them and make them feel valued. For example, casinos have a tiered reward structure for different card holders, whereby, customers with a higher-ranking can qualify for a bigger discount on hotel stays, cinemas or restaurants, among others. Similarly, businesses could have a similar approach where frequent shoppers belong to exclusive tiers and are able to take advantage of greater deals.

6.2.4.4 Coalition programme

In terms of UKZN (Westville campus) students' perceptions of the effectiveness coalition programmes, the following recommendation is made for brands and marketing professionals:

- *Offer coalition programmes*: The majority of the respondents claimed that coalition programmes ensure that customers get a wide range of rewards from their partnered companies. By doing this, the loyalty programme sign-up rate will be greater and more customers will purchase either from the parent store or partnered store. Furthermore, since points will be easier to collect, the redemption rate will improve. For instance, a fuel outlet and a retailer could partner with one another so that customers can earn points/rewards at both places.

The recommendations outlined in this section are depicted graphically in Figure 6.1.

Figure 6.1

Recommendations for the effective use of customer loyalty programmes when targeting university students
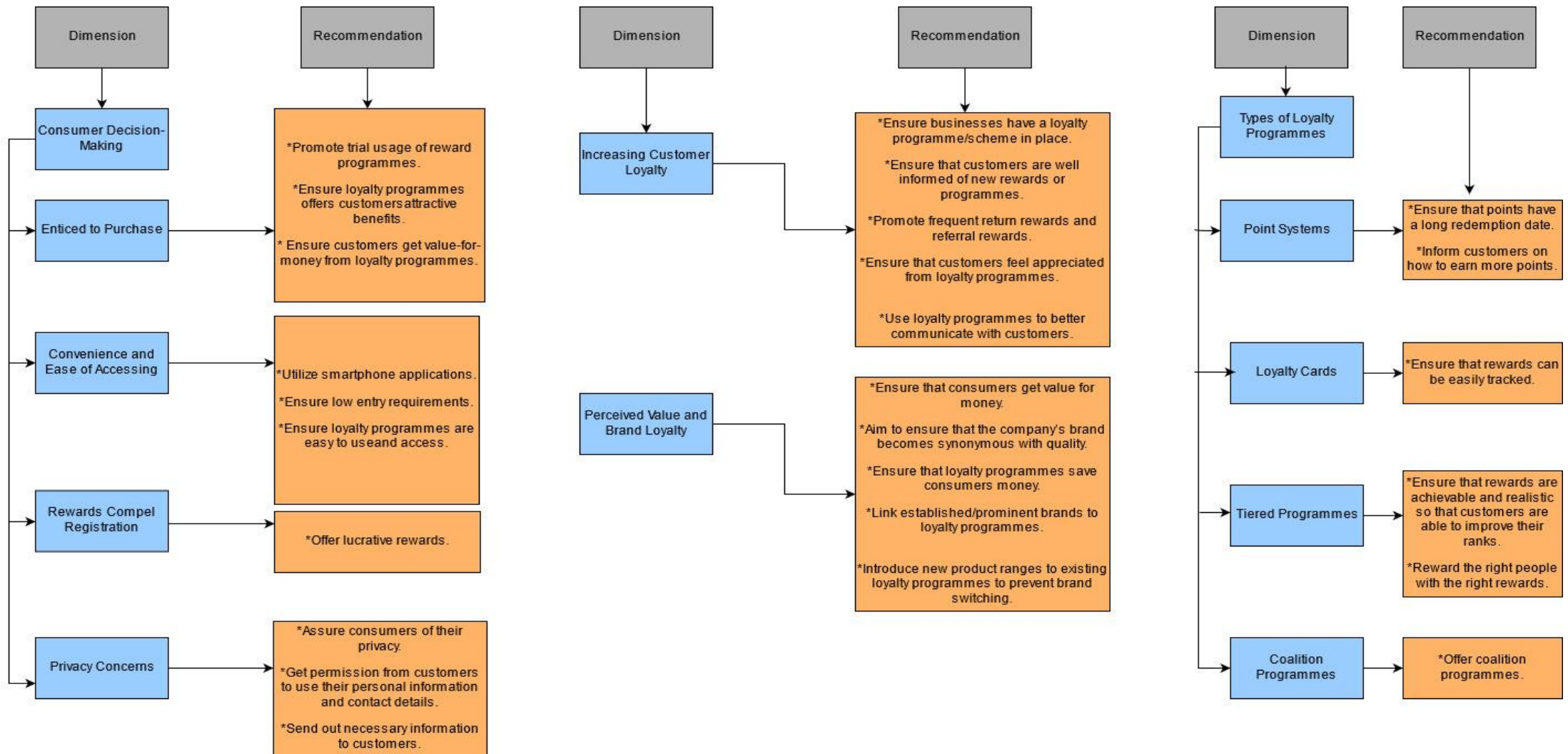
6.3 RECOMMENDATIONS FOR FUTURE RESEARCH

This study was limited to students who were registered at the University of KwaZulu-Natal's Westville campus. Additional research on this topic could be extended to other campuses and even various other tertiary institutions nationally, as well as globally, in order to determine the perceptions of different demographics. It would be interesting to compare the influence of customer loyalty programmes in other developing countries with that of South Africa.

Privacy concerns were a major issue in terms of loyalty programmes. A study should be done to examine what privacy concerns consumers have and provide solutions to businesses in this regard.

In this study, there was a significant difference in terms of age groups of the respondents. Research could be conducted in terms of older counterparts to examine the difference between older and younger consumers. This study was focused on university students where the majority of respondents were under the age of 24. Research into the older consumer segment is recommended in order to do a comparative analysis of the impact of customer loyalty programmes on consumer decision-making and brand loyalty.

6.4 CHAPTER SUMMARY

This chapter has presented a comprehensive set of recommendations that businesses can use in implementing reward programmes. Furthermore, recommendations for future research were discussed.

As highlighted previously, loyalty programmes influence UKZN students' perceptions of loyalty programmes and influence consumer decision-making and brand loyalty. Based on the findings of this study, it is strongly recommended that business organisations implement the strategies outlined in Figure 6.1. After reflecting upon the findings, the purpose and objective of this study have been fulfilled. Therefore, the findings show that there is value in implementing a loyalty programme that is targeted at the youth market.

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APPENDIX 1: PERMISSION TO CONDUCT RESEARCH

UNIVERSITY OF KWAZULU-NATAL ™
INYUVESI YAKWAZULU-NATALI

25 February 2020

Kavish Singh (SN 214516984)
School of Management, IT & Governance
College of Law and Management Studies
Westville Campus
UKZN
Email: oodithdp@ukzn.ac.za

Dear Kavish

RE: PERMISSION TO CONDUCT RESEARCH

Gatekeeper's permission is hereby granted for you to conduct research at the University of KwaZulu-Natal (UKZN), towards your postgraduate studies, provided Ethical clearance has been obtained. We note the title of your research project is:

"The impact of Customer Loyalty Programmes on Consumer Decision-making and Brand Loyalty: A UKZN Student Perspective".

It is noted that you will be constituting your sample as follows:
- with a request for responses on the website. The questionnaire must be placed on the notice system http://notices.ukzn.ac.za. A copy of this letter (Gatekeeper's approval) must be simultaneously sent to (govenderlog@ukzn.ac.za) or (ramkissoonb@ukzn.ac.za).

Please ensure that the following appears on your questionnaire/attached to your notice:
- Ethical clearance number;
- Research title and details of the research, the researcher and the supervisor;
- Consent form is attached to the notice/questionnaire and to be signed by user before he/she fills in questionnaire;
- gatekeepers approval by the Registrar.

You are not authorized to contact staff and students using 'Microsoft Outlook' address book. Identity numbers and email addresses of individuals are not a matter of public record and are protected according to Section 14 of the South African Constitution, as well as PAIA and POPI Act. For the release of such information over to yourself for research purposes, the University of KwaZulu-Natal will need express consent from the relevant data subjects. Data collected must be treated with due confidentiality and anonymity.
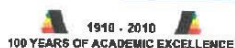
DR KE CLELAND (ACTING)
REGISTRAR

APPENDIX 2: ETHICAL CLEARANCE APPROVAL LETTER

UNIVERSITY OF
KWAZULU-NATAL ™
INYUVESI
YAKWAZULU-NATALI

13 October 2021

Mr Kavish Singh (214516984)
School of Management, IT & Governance
Westville Campus

Dear Mr Singh,

Protocol reference number: HSSREC/00001394/2020
Project title: The Impact of Customer Loyalty Programmes on Consumer Decision-making and Brand Loyalty: A UKZN Student Perspective.
Amended title: The impact of customer loyalty programmes on consumer decision-making and brand loyalty: A University of KwaZulu-Natal student perspective
Degree: Masters

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 13 July 2021 has now been approved as follows:

- **Change in title**

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

Best wishes for the successful completion of your research protocol.

Yours faithfully
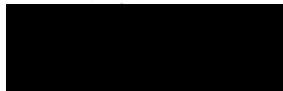
Professor Dipane Hlalele (Chair)

/ms

APPENDIX 3: LETTER OF INFORMED CONSENT

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL

For research with human participants

Information Sheet and Consent to Participate in Research

Date: 3 January 2020

Greetings,

My name is Kavish Singh (0727878208; Email: kavishsingh12@gmail.com) and I am an M Com (Marketing) student in the School of Management, Information Technology and Governance, at the University of KwaZulu-Natal. My supervisor is Dr P. D. Oodith (031-2607340; Email: oodithdp@ukzn.ac.za).

You are invited to consider participating in a research project entitled, *The Impact of Customer Loyalty Programmes on Consumer Decision-making and Brand Loyalty: A UKZN Student Perspective*. The aim of this study is to determine the impact that customer loyalty programmes have on consumer decision-making and brand loyalty. The study is expected to include 375 students who are above the age of 18 years. If you choose to participate and remain in the study, you will be asked to complete a questionnaire, which should take you about 15 minutes to complete.

Through your participation, I hope to understand the feelings and opinions that UKZN Westville Campus students have towards the effectiveness of customer loyalty programmes. The results of this survey are intended to contribute to filling the knowledge gap on the usefulness of customer loyalty programmes in influencing purchase decisions of university students, as well as its effectiveness in building brand loyalty. The study will also provide valuable insight into the strategies that marketers can adopt in order to market products and services to university students. The study will not involve any risks and/or discomforts.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number HSSREC/00001394/2020).

In the event of any problems or concerns/questions you may contact the researcher at (0727878208; Email: kavishsingh12@gmail.com) or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban 4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in the study. Your anonymity will be maintained by the researcher and the School of Management, I.T. & Governance and your responses will not be used for any purposes outside of this study.
All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me or my research supervisor at the numbers listed above.

Sincerely

Kavish Singh

CONSENT TO PARTICIPATE

I (_____) have been informed about the study entitled, *The Impact of Customer Loyalty Programmes on Consumer Decision-making and Brand Loyalty: A UKZN Student Perspective by Kavish Singh.* (0727878208; Email: kavishsingh12@gmail.com).

I understand the purpose and procedures of the study.

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at (0727878208; Email: kavishsingh12@gmail.com)

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

_____   _____

Signature of Participant   **Date**

_____   _____

Signature of Witness   **Date**

(Where applicable)

_____   _____

Signature of Translator   **Date**

(Where applicable)

APPENDIX 4: QUESTIONNAIRE

Section A: Biographical Information
Please indicate your selection with a cross (X).
1. Gender

1.	Male	
2.	Female	

2. Age

1.	18-21	
2.	22-25	
3.	26-29	
4.	30-33	
5	34-37	
6.	38 and over	

3. Race

1.	Black	
2.	Coloured	
3.	Indian	
4.	White	
5.	Other (Please specify_____)	

4. Educational Level

1.	Undergraduate	
2.	Honours Degree	
3.	Post-Graduate Diploma	
4.	Master's Degree	
5.	Doctoral Degree	

5. Which College do you belong to?

1.	College of Law and Management Studies	
2.	College of Humanities	
3.	College of Health Sciences	
4.	College of Agriculture, Engineering and Science	

SECTION B: THE IMPACT OF CUSTOMER LOYALTY PROGRAMMES ON CONSUMER DECISION-MAKING AND BRAND LOYALTY: A UKZN STUDENT PERSPECTIVE

Please indicate with a cross (X) the extent to which you agree or disagree with the following statements using the scale below:

1- **Strongly Disagree (SD)**
2- **Disagree (D)**
3- **Neither agree nor disagree (N)**
4- **Agree (A)**
5- **Strongly Agree (SA)**

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
1.	I prefer to purchase products that are linked to loyalty programmes than those that are not.					
2.	I am often enticed by the rewards to purchase products or brands that are linked to customer loyalty programmes.					
3.	I believe that I have benefitted substantially from customer loyalty programmes.					
4.	I believe that loyalty programmes offer me attractive benefits.					
5.	I feel like I get more value for money whenever I purchase products or brands that are linked to loyalty programmes.					
6.	I purchase products or brands that are linked to loyalty programmes because they earn me points or benefits.					
7.	I believe that customer loyalty programmes are very convenient to use.					
8.	I feel that customer loyalty programmes are very easy to access.					
9.	I do not register for loyalty programmes that are too complicated to access and use.					
10.	I have registered and received rewards for customer loyalty programmes.					
11.	I am compelled by the rewards to register for a customer loyalty programme.					
12.	I am aware that personal details are taken when registering for a customer loyalty programme.					
13.	I trust that my personal details will be kept private and confidential by the company offering the loyalty programme.					
14.	I do not have privacy concerns about registering for a customer loyalty programme.					
15.	I do not mind being sent communication pertaining to latest rewards on offer.					
16.	I believe that loyalty programmes increase customer loyalty.					

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
17.	As a customer, I am satisfied with the amount of points I earn when I purchase from certain retail stores.					
18.	I do not switch to other brands or products because I am satisfied with the loyalty programmes that I am involved with.					
19.	When I find retailers that offer better loyalty programmes, I switch to them.					
20.	I inform my family and friends about the loyalty programmes that I am registered for.					
21.	Loyalty programmes make me feel appreciated as a customer.					
22.	I prefer to purchase products or brands from retailers that offer loyalty programmes.					
23.	I am a loyal customer of my preferred retail store because of the rewards that I receive from its customer loyalty programme.					
24.	I purchase more from a retailer whose loyalty programme I am a member of.					
25.	My preferred retail stores ensure that I am always well informed about new rewards or benefits on offer.					
26.	I feel that customer loyalty programmes promote better communication between customers and the retail stores.					
27.	I feel that customer loyalty programmes are an effective means for retailers to attract customers.					
28.	I feel that retailers that offer loyalty programmes are better able to meet their customers' specific needs.					
29.	I am satisfied with my purchases from a particular retailer that offers me rewards through its loyalty programmes.					
30.	I feel that products or brands that are linked to loyalty programmes are of a good quality.					
31.	I believe that I get value for my money when I purchase incentivised products or brands.					
32.	I feel that retailers can enhance perception of brand quality by linking brands to customer loyalty programmes.					
33.	I am not worried about the value, as long as I am getting some benefit from my loyalty programme.					
34.	Loyalty programmes of real value assist me in saving money.					
35.	I am loyal to certain products or brands because they are linked to customer loyalty programmes.					
36.	I develop a positive attitude towards products or brands that are linked to loyalty programmes.					
37.	I believe that customer loyalty programmes will promote brand loyalty amongst certain products.					
38.	I feel that customers will not switch between brands if they are satisfied by the benefits or rewards that they get from the loyalty programmes that are linked to certain brands.					

No.	Statement	1 SD	2 D	3 N	4 A	5 SA
39.	I appreciate receiving information from retailers on how I can earn more points on my purchases.					
40.	I believe that points systems are an effective means of retaining loyal customers.					
41.	I often take advantage of offers in which I can earn extra points on the products or brands that I purchase.					
42.	I feel that redeeming my loyalty points saves me a lot of money.					
43.	I feel that loyalty cards ensure that the customer can easily keep track of the loyalty points that they have.					
44.	I believe that loyalty cards make it easier to provide suitable discounts or gifts to customers of a certain retailer.					
45.	I feel that the tiered programme (benefits based on rankings such as bronze status, gold status and platinum status) encourages customers to earn more points in order to improve their ranks and reap the benefits associated with a higher rank.					
46.	I believe that tiered programme gives the customer a sense of being valued by the company.					
47.	I feel that the tiered programme ensures that the best rewards are given to those customers who truly deserve them.					
48.	I believe that the tiered programme promotes customer loyalty.					
49.	I believe that coalition loyalty programmes (example: BP and Pick n Pay Smart Shopper) are an effective means of ensuring that customers get a wider range of rewards through the purchase of partnered products or brands.					
50.	I feel that customers gain more value for their money through coalition loyalty programmes.					
51.	I believe that coalition loyalty programmes enhance customer loyalty towards the partnered brands.					

Thank you for your time and cooperation.

APPENDIX 5: FREQUENCY AND PERCENTAGE DATA - SECTION B OF THE QUESTIONNAIRE

	SD	D	N	A	SA
Q1	2 (0.5)	6 (1.6)	126 (33.6)	204 (54.4)	37 (9.9)
Q2	1 (0.3)	8 (2.1)	216 (57.6)	116 (30.9)	34 (9.1)
Q3	4 (1.1)	13 (3.5)	90 (24)	243 (64.8)	25 (6.7)
Q4	1 (0.3)	7 (1.9)	177 (47.2)	165 (44)	25 (6.7)
Q5	0 (0)	5 (1.3)	142 (37.9)	196 (52.3)	32 (8.5)
Q6	3 (0.8)	8 (2.1)	143 (38.1)	84 (22.4)	137 (36.5)
Q7	1 (0.3)	3 (0.8)	172 (45.9)	60 (16)	139 (37.1)
Q8	0 (0)	12 (3.2)	68 (18.1)	265 (70.7)	30 (8)
Q9	3 (0.8)	6 (1.6)	143 (38.1)	151 (40.3)	72 (19.2)
Q10	4 (1.1)	9 (2.4)	139 (37.1)	164 (43.7)	59 (15.7)
Q11	8 (2.1)	17 (4.5)	153 (40.8)	172 (45.9)	25 (6.7)
Q12	0 (0)	3 (0.8)	134 (35.7)	176 (46.9)	62 (16.5)
Q13	3 (0.8)	21 (5.6)	253 (67.5)	56 (14.9)	42 (11.2)
Q14	14 (3.7)	68 (18.1)	157 (41.9)	113 (30.1)	23 (6.1)
Q15	7 (1.9)	108 (28.8)	79 (21.1)	149 (39.7)	32 (8.5)
Q16	1 (0.3)	1 (0.3)	150 (40)	179 (47.7)	44 (11.7)
Q17	6 (1.6)	26 (6.9)	195 (52)	140 (37.3)	8 (2.1)
Q18	10 (2.7)	24 (6.4)	51 (13.6)	169 (45.1)	121 (32.3)
Q19	3 (0.8)	22 (5.9)	161 (42.9)	149 (39.7)	40 (10.7)
Q20	8 (2.1)	11 (2.9)	150 (40)	163 (43.5)	43 (11.5)
Q21	2 (0.5)	5 (1.3)	42 (11.2)	297 (79.2)	29 (7.7)
Q22	2 (0.5)	17 (4.5)	275 (73.3)	56 (14.9)	25 (6.7)
Q23	6 (1.6)	15 (4)	266 (70.9)	66 (17.6)	22 (5.9)
Q24	3 (0.8)	14 (3.7)	38 (10.1)	288 (76.8)	32 (8.5)
Q25	5 (1.3)	4 (1.1)	52 (13.9)	285 (76)	29 (7.7)
Q26	3 (0.8)	9 (2.4)	279 (74.4)	58 (15.5)	26 (6.9)
Q27	0 (0)	1 (0.3)	43 (11.5)	284 (75.7)	47 (12.5)
Q28	4 (1.1)	10 (2.7)	176 (46.9)	47 (12.5)	138 (36.8)
Q29	1 (0.3)	6 (1.6)	32 (8.5)	206 (54.9)	130 (34.7)
Q30	4 (1.1)	16 (4.3)	175 (46.7)	147 (39.2)	33 (8.8)
Q31	1 (0.3)	10 (2.7)	156 (41.6)	188 (50.1)	20 (5.3)
Q32	0 (0)	8 (2.1)	46 (12.3)	188 (50.1)	133 (35.5)
Q33	22 (5.9)	34 (9.1)	35 (9.3)	274 (73.1)	10 (2.7)
Q34	2 (0.5)	3 (0.8)	31 (8.3)	307 (81.9)	32 (8.5)
Q35	8 (2.1)	18 (4.8)	256 (68.3)	74 (19.7)	19 (5.1)
Q36	3 (0.8)	12 (3.2)	42 (11.2)	297 (79.2)	21 (5.6)
Q37	1 (0.3)	6 (1.6)	277 (73.9)	65 (17.3)	26 (6.9)
Q38	1 (0.3)	7 (1.9)	75 (20)	255 (68)	37 (9.9)

Q39	1 (0.3)	6 (1.6)	28 (7.5)	99 (26.4)	241 (64.3)
Q40	1 (0.3)	6 (1.6)	44 (11.7)	281 (74.9)	43 (11.5)
Q41	2 (0.5)	7 (1.9)	20 (5.3)	304 (81.1)	42 (11.2)
Q42	0 (0)	6 (1.6)	263 (70.1)	66 (17.6)	40 (10.7)
Q43	0 (0)	7 (1.9)	56 (14.9)	273 (72.8)	39 (10.4)
Q44	0 (0)	3 (0.8)	19 (5.1)	312 (83.2)	41 (10.9)
Q45	4 (1.1)	11 (2.9)	49 (13.1)	93 (24.8)	218 (58.1)
Q46	4 (1.1)	5 (1.3)	31 (8.3)	277 (73.9)	58 (15.5)
Q47	4 (1.1)	11 (2.9)	31 (8.3)	285 (76)	44 (11.7)
Q48	3 (0.8)	4 (1.1)	269 (71.7)	55 (14.7)	44 (11.7)
Q49	0 (0)	2 (0.5)	25 (6.7)	291 (77.6)	57 (15.2)
Q50	0 (0)	1 (0.3)	185 (49.3)	128 (34.1)	61 (16.3)
Q51	1 (0.3)	3 (0.8)	74 (19.7)	242 (64.5)	55 (14.7)

APPENDIX 6: DECLARATION OF PROFESSIONAL EDITING

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3 June 2021

Declaration of professional edit

The Impact of Customer Loyalty Programmes on Consumer Decision-making and Brand Loyalty: A UKZN Student Perspective

By

Kavish Singh

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I am qualified to have done such editing, being in possession of a Bachelor's degree with a major in English, having taught English to matriculation, and having a Certificate in Copy Editing from the University of Cape Town. I have edited more than 200 Masters and Doctoral theses, as well as articles, books and reports.

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