

Exploring the level of customer engagement and brand loyalty: A survey of a cultural organisation in South Africa

MS Eksteen

 **orcid.org 0000-0003-1845-3975**

Mini-dissertation submitted in partial fulfilment of the requirements for the degree *Master of Business Administration* at the North-West University

Supervisor: Prof TE du Plessis

Graduation May 2018

Student number: 10777687

ACKNOWLEDGEMENTS

I would never have been able to finish my mini-dissertation without the guidance and support of the following important role players:

- My husband Heinrich Eksteen, for taking on the challenge with me and supporting me throughout the duration of the studies;
- My family and friends for their understanding and support;
- The Baetapele syndicate group for motivation, cooperation and encouragement;
- My advisor and supervisor, Prof. Tommy du Plessis for his guidance and motivation throughout the mini-dissertation;
- All the lecturers and administrative staff of the Potchefstroom Business School of the North-West University, thank you for all the support;
- Mrs Antoinette Bisschoff for the language, technical and typographical editing of the mini-dissertation;
- The respondents that completed the questionnaires, and
- My employer, the ATKV for allowing me this opportunity and for creating the learning experience for me.

ABSTRACT

This study explores the level of customer engagement and brand loyalty of a cultural organisation in South Africa. As recruiting and retaining members are very important, further understanding of these concepts is essential. The five dimensions of customer engagement (identification, attention, enthusiasm, absorption and interaction) and brand loyalty with its five dimensions (brand identity, brand identification, perceived value, customer satisfaction, and brand trust) were measured in the questionnaire. The research started by defining customer engagement and brand loyalty as concepts.

The population consists of ATKV members across South Africa. From this population, a randomly selected sample of 570 ATKV members was selected, and a total number of 183 respondents completed the questionnaire. After inspecting the data, seven questionnaires were eliminated owing to incomplete responses, leaving 176 (N=176) usable questionnaires and resulting in an effective response rate of 31%.

The value and uniqueness of this study are founded firstly in exploring customer engagement and brand loyalty within the environment of a cultural organisation and to identify the areas within these components where the ATKV needs to improve. The findings suggest that customer engagement has a positive correlation with brand loyalty. Based on the results the ATKV needs to embrace strategies to foster customer engagement which ultimately builds sustainable loyal customer relationships. The managerial recommendations can be helpful in engaging customers while managing the brand as to build a loyal membership base. The results confirmed that the ATKV needs to develop a marketing campaign to increase the recruitment and retention rate of members. Special emphasis needs to be placed on the offering of a value proposition to different customer segments and concludes that future research is needed.

Keywords: Customer engagement, brand loyalty, satisfaction, perceived value, membership, relationship marketing

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	I
ABSTRACT	II
LIST OF TABLES	IX
LIST OF FIGURES.....	X
CHAPTER 1: NATURE AND SCOPE OF THE STUDY	1
1.1 INTRODUCTION	1
1.2 DEFINING MAJOR CONCEPTS.....	4
1.2.1 Customer engagement	4
1.2.2 Brand loyalty.....	5
1.3 BACKGROUND TO THE STUDY	6
1.4 PROBLEM STATEMENT	7
1.5 RESEARCH OBJECTIVES.....	8
1.5.1 Primary objective	8
1.5.2 Secondary objectives.....	8
1.6 SCOPE OF THE STUDY	9
1.7 RESEARCH METHODOLOGY	9
1.7.1 Literature study.....	9
1.7.2 Empirical study	9
1.8 LIMITATIONS OF THE STUDY.....	9
1.9 LAYOUT OF THE STUDY.....	10
1.10 SUMMARY	10
CHAPTER 2: LITERATURE STUDY	11

2.1	INTRODUCTION	11
2.2	THEORETICAL OVERVIEW	12
2.3	DEFINING CUSTOMER ENGAGEMENT	13
2.4	IMPORTANCE OF CUSTOMER ENGAGEMENT	14
2.5	MODEL OF CUSTOMER ENGAGEMENT	15
2.6	COMPONENTS OF CUSTOMER ENGAGEMENT	15
2.6.1	Enthusiasm (vigour).....	16
2.6.2	Attention	16
2.6.3	Absorption	16
2.6.4	Interaction.....	17
2.6.5	Identification	17
2.7	BRAND LOYALTY INTRODUCTION	18
2.8	DEFINING BRAND LOYALTY	19
2.9	IMPORTANCE OF BRAND LOYALTY	19
2.10	BRAND LOYALTY MODEL	21
2.11	COMPONENTS OF BRAND LOYALTY	22
2.11.1	Brand identity	22
2.11.2	Brand identification	23
2.11.3	Perceived Value	24
2.11.4	Customer satisfaction	24
2.11.5	Brand trust.....	25
2.12	SUMMARY	26
CHAPTER 3: RESEARCH METHODOLOGY		27

3.1	INTRODUCTION	27
3.2	RESEARCH METHODOLOGY	27
3.2.1	Sampling procedure.....	27
3.2.2	Data collection	28
3.2.3	Questionnaire development.....	28
3.3	RESULTS.....	29
3.3.1	Demographic profile.....	30
3.3.1.1	Age distribution.....	30
3.3.1.2	Gender distribution	30
3.3.1.3	Race distribution.....	31
3.3.1.4	Level of employment profile.....	31
3.3.1.5	Educational level	32
3.3.1.6	Geographical distribution	33
3.3.2	Quantitative analysis.....	33
3.3.2.1	Descriptive statistics summary.....	33
3.3.2.2	Customer engagement	33
3.3.3	Factor analysis	38
3.3.3.1	Factor 1: Identification	39
3.3.3.2	Factor 2: Enthusiasm.....	39
3.3.3.3	Factor 3: Attention	39
3.3.3.4	Factor 4: Absorption	39
3.3.3.5	Factor 5: Interaction.....	40
3.4	BRAND LOYALTY	40

3.4.1	Factor 1: Customer satisfaction	44
3.4.2	Factor 2: Brand trust	44
3.4.3	Factor 3: Perceived value	44
3.4.4	Factor 4: Brand identity	44
3.4.5	Factor 5: Brand identification	44
3.4.6	Factor 6: Brand loyalty	44
3.5	RELIABILITY	44
3.6	CORRELATION ANALYSIS	46
3.7	OPEN-ENDED QUESTIONS.....	49
3.8	SUMMARY	51
CHAPTER 4:	CONCLUSION AND RECOMMENDATIONS.....	52
4.1	INTRODUCTION	52
4.2	GAP-ANALYSIS	52
4.2.1	Current state.....	52
4.2.2	Desired state	53
4.3	CONCLUSIONS ON THE LITERATURE STUDY	53
4.4	CONCLUSIONS ON THE EMPIRICAL STUDY	54
4.4.1	Data validity and reliability	54
4.4.2	Conclusion 1 (a)	54
4.4.3	Conclusion 1 (b)	54
4.4.4	Conclusion 1 (c).....	54
4.4.5	Recommendation 1	54
4.5	COMPONENTS OF CUSTOMER ENGAGEMENT	55

4.5.1	Conclusion 2.....	55
4.5.2	Recommendation 2	55
4.5.3	Identification conclusions.....	55
4.5.4	Identification recommendations	55
4.5.5	Enthusiasm conclusions	56
4.5.6	Enthusiasm recommendations.....	56
4.5.7	Attention conclusions.....	56
4.5.8	Attention recommendations	57
4.5.9	Absorption conclusions.....	57
4.5.10	Absorption recommendations	57
4.5.11	Interaction conclusions	58
4.5.12	Interaction recommendations.....	58
4.5.13	Customer engagement conclusions.....	58
4.5.14	Customer engagement recommendations	59
4.6	COMPONENTS OF BRAND LOYALTY	60
4.6.1	Conclusion 3.....	60
4.6.2	Recommendation 3	60
4.6.3	Customer satisfaction conclusion.....	60
4.6.4	Customer satisfaction recommendations	60
4.6.5	Brand trust conclusion	61
4.6.6	Brand trust recommendations.....	61
4.6.7	Perceived value conclusion	61
4.6.8	Perceived value recommendations	62

4.6.9	Brand identity conclusion	62
4.6.10	Brand identity recommendations	63
4.6.11	Brand identification conclusion	63
4.6.12	Brand identification recommendations	63
4.6.13	Brand loyalty conclusion	64
4.6.14	Brand loyalty recommendations.....	64
4.7	FUTURE RESEARCH	64
4.8	SUMMARY	64
	BIBLIOGRAPHY	66
	ANNEXURES.....	72
	APPENDIX 1: QUESTIONNAIRE	72
	APPENDIX 2: LETTER OF LANGUAGE EDITING.....	77

LIST OF TABLES

Table 3-1:	Results for customer engagement.....	35
Table 3-2:	Pattern Matrix for customer engagement	37
Table 3-3:	Results for brand loyalty.....	41
Table 3-4:	Pattern Matrix for brand loyalty.....	43
Table 3-5:	Rules of thumb about Cronbach' Alpha Coefficient Size	45
Table 3-6:	Reliability Indicators	45
Table 3-7:	Correlation coefficients between factors.....	47

LIST OF FIGURES

Figure 1-1:	ATKV membership 2014-2017	3
Figure 1-2:	Age: ATKV members	3
Figure 2-1:	Conceptual model of customer engagement	15
Figure 2-2 :	Conceptual model of brand loyalty	22
Figure 3-1:	Gender distribution of respondents	30
Figure 3-2:	Race distribution of respondents	31
Figure 3-3:	Level of employment profile	32
Figure 3-4:	Educational level of respondents.....	32
Figure 3-5:	Geographic distribution	33

CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

“Engaging customers and making them loyal is important for achieving success in a highly competitive environment”

Sharma and Rather (2016)

The Afrikaanse Taal- en Kultuurvereniging (ATKV) was founded in 1930 when the staff of the then South African Railways and Harbours in Cape Town felt that English was dominating in their workplace. The ATKV is a non-profit, membership-based organisation with focus areas defined as arts, language, education and community programmes. While the beginning was rooted in the preservation of Afrikaans, through an organisation mainly devoted to the white Afrikaans-speaking community, the ATKV has grown into a diverse and inclusive organisation (ATKV, 2016:1).

By the year 1949, the ATKV had a membership base of 50 000 members. In 2017 the ATKV boasts 70 000 paying members, or more than 200 000 family members (ATKV, 2016:5). Members are among the most vital assets of any membership organisation and Verhoef, Reinartz and Krafft (2010:247) agrees that the management of customer relationships has become a top priority for many companies. For the ATKV to gain a competitive advantage, one of the objectives should be to grow the membership base and to implement strategies to develop and maintain long-term relationships with members to reach brand loyalty.

As membership organisation the ATKV needs to strive to engage with its customers while ensuring growth in the membership base. Customers, in general, engage with organisations in four different ways (a) by buying the firm's products, (b) by referring the organisation to other prospects (c) by influencing other potential customers or members and (d) by providing feedback to the organisation (Kumar, 2013:6). In addition, Sharma and Rather (2016:33) added that organisations need to create and maintain long-term connections with customers and to regard customer loyalty as the ultimate goal in developing effective business strategies.

The mission and vision of the ATKV (2016:1) state that the organisation believes that the Afrikaans language, culture, knowledge and creativity are essential to nation-building, reconciliation and the success of South Africa. Consequently, the ATKV continue to develop the Afrikaans language, offer an Afrikaans cultural home and be relevant and credible. The ATKV also aims to be development-oriented, establish and develop networks, be economically robust

and sustainable. Finally, the ATKV wants to represent the demographics of the Afrikaans speaking community, be contemporary and dynamic and nurture the ATKV brand value.

All of this indicates that the ATKV stands for something unique regarding arts, language and community and therefore the ATKV needs to captivate customers by first giving them a reason to empathise and bond with the brand. Grewal *et al.* (2016:7) mention in this regard that the highest level of engagement occurs when customers not only recognise, acknowledge and sense some emotional connection with the core purpose and values of the company but also share those values when defining their self-concept. In addition to this, Barbier (2017:1) added that emotion and not price drives engagement. Customers increasingly favour organisations whose values align with their own, a vital opportunity for the ATKV to initiate customer engagements and to keep customers loyal.

The ATKV are interacting annually with almost 600 000 participants through various workshops, competitions and courses. Through these various contact points, the ATKV brand is placed within the hearts and minds of prospect members and participants. Despite this interaction, there is a big fluctuation in the number of members of the ATKV and not a constant growth in the membership base, as per Figure 1-1 (ATKV, 2016:5). Figure 1-2 also illustrates that there is a lack of engagement within the age group 16-30 years (ATKV, 2016:5). Due to this fluctuation, as explained by Leckie, Nyadzayo and Johnson (2016:572) the ATKV should aim to strengthen connections between consumers and the brand regarding meeting the consumers' interest and personal values. In doing that, the ATKV will boast brand loyal customers that express greater confidence in their provider and are more emotionally attached to the organisation (So, Danaher & Gupta, 2015:201).

Another very vital challenge for the ATKV is the development of a value proposition, as it has an important role to play since it represents an offering of value aimed at engaging and building long-term customer relationships (Payne & Frow, 2014:217). For an organisation to ensure long-term success, it becomes more and more important to identify something that is unique, and that can differentiate the organisation from its competitors.

The ATKV needs to find ways to create value for customers that its competitors have not been able to do. Matthews (2013:163) indicated that a successful unique value proposition has three ingredients. They are that value can be easily determined in the mind of the customer, that value is relevant in the life of the customer, and that some aspect uniquely differentiates the offering from all offerings from other organisations. In addition, Sashi (2012:260) suggests that customer engagement focuses on satisfying customers by providing superior value than competitors to build trust and commitment in long-term relationships.

If we accept that the fundamental mission of a business is value creation, it is vital for the ATKV to understand and anticipates the needs of their customers to strengthen their loyalty to grow the membership base. The ATKV needs to focus on a customer-centric approach that gives prevalence to customers to determine the value-adding required to meet their needs (Sashi, 2012:258). According to Hollebeek, Glynn and Brodie (2014:254), customer engagement is characterised by continual interactions between a customer and an organisation that reinforce the emotional, psychological or physical investment a customer has in the brand and the organisation. To put it differently: Customer engagement can be defined as the level of a customer's various presences in their relationship with a service organisation (Nammir, Marane & Ali, 2012:30).

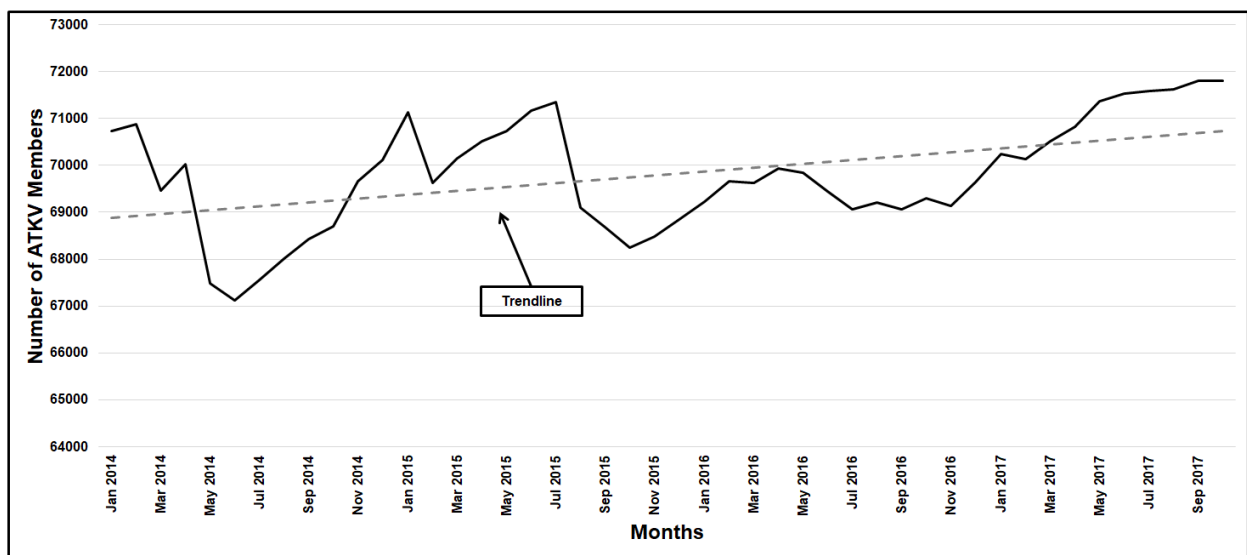


Figure 1-1: ATKV membership 2014-2017

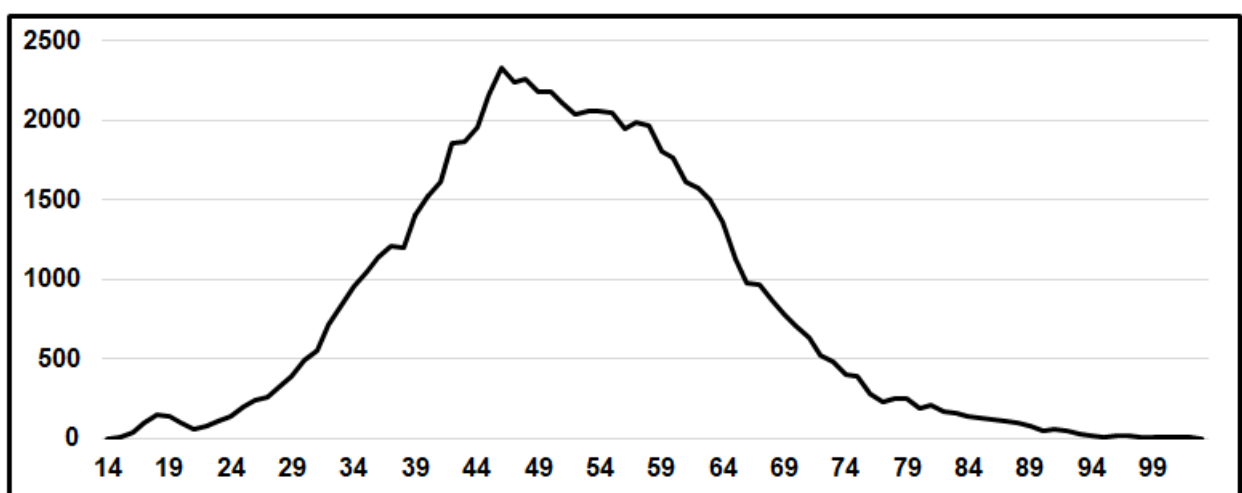


Figure 1-2: Age: ATKV members

Customer engagement is very relevant in today's dynamic business environment, where the changing face of customers is a challenge to reckon with. Organisations are increasingly faced with the difficult task of keeping track of their customers, maintaining consistency within the organisation and satisfying customers' needs to enjoy continued support. It is vital to build and maintain successful individual-level customer relationships to maximise profitability and ensure customer loyalty for future profitability. This is not an easy task to accomplish. Relationships with customers are not always secure. It is difficult to predict how long a customer is going to stay with a firm in a non-contractual setting, like the ATKV as a membership organisation. Organisations have to adopt innovative customer relationship management strategies to manage customers and ensure higher profitability. Customer management strategies are aimed at addressing the needs of every customer and by developing a one to one relationship with them (Kumar, 2008:3).

It is almost impossible to discuss relationships and engagement without discussing the concept of brand loyalty. Shirazi, Lorestani and Mazidi (2013:168) define brand as a set of deductive values and that the perception of the individual of the brand has a signification role to play in the success of the brand. An engaged customer may develop more favourable attitudes toward a product, company or brand if he or she associates with the engagement and consequently may feel more loyalty to the entity.

The truly engaged customer must have a long-term physiological connection with the brand in addition to behavioural participation, and So, King and Sparks (2014:307) also mention that organisations can leverage customer engagement behaviours to attract and retain more customers and enhanced access to new markets. Being dedicated to customer engagement doesn't just matter in the race to acquire new business, but as stated by Barbier (2017:1) engaged customers are less sensitive to price and more likely to give valuable feedback and enthused to recruit more supporters to your organisation.

Taking into consideration that the long-term, sustainable competitive advantage is alleged in an organisation's ability to retain, sustain and nurture its membership base, this study aims to explore customer engagement and brand loyalty of members of the ATKV.

1.2 DEFINING MAJOR CONCEPTS

1.2.1 Customer engagement

Bowden (2009:65) defined customer engagement as a psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of service brands as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of service brand. In similar manner, Van Doorn *et al.* (2010:254) define customer engagement

as a customer's behavioural manifestations that have a brand or a firm focus, beyond purchase, resulting from motivational drivers and propose five dimensions for customer engagement behaviours: valence, form or modality, scope, nature or its impact and customer goals.

Brodie *et al.* (2011:260) provide a general definition of customer engagement as “... a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object in focal service relationships. It occurs under a specific set of context-dependent conditions generating different customer engagement levels and exists as a dynamic, iterative process with service relationships that co-create value.”

Here So *et al.* (2014:307) see customer engagement as a customer's personal connection to a brand as manifested in cognitive, affective, and behavioural responses outside of the purchase and conceptualize customer engagement as a higher-order construct comprising five first-order factors, including *enthusiasm* (or *vigour*), *attention*, *absorption*, *interaction*, and *identification*. Dwivedi (2015:100) agrees, stating that consumer brand engagement is the consumers' positive, fulfilling, brand-use-related state of mind that is characterized by vigour, dedication and absorption.

It seems that, in line with Nammir *et al.* (2012:27), customer engagement explains how social relationships initiate, endure and develop. Taken together, all of the definitions seem to suggest that customer engagement comprise two critical elements, affinity (feelings of liking or attraction) and activation (engaging behaviour).

For this study, the author presents a definition of customer engagement being the experience, behaviour and attitude of customers. By offering customers a product to which they can relate and by creating a sense of value, customers need to experience the willingness to talk about and influence others to interact with the organisation. In addition to this, the author would like to add that by managing customer engagement it can grow the bottom line of the organisation.

With this in mind, the question lingers of how likely will customers recommend the ATKV as a brand to others as well as measures of emotional attachment and willingness to become a member of the ATKV.

1.2.2 Brand loyalty

As relationship marketing outlines brand loyalty as a central indicator of customer relationship strength, it is important to note that consumers associate with brands they feel reflect who they are. Good branding therefore, leads to an emotional bond between the consumer and the product and is it becoming important for organisations such as the ATKV to focus on that emotional aspect that makes consumers feel like the brand really understands who they are and

what they need. Brand loyalty means relevant differences are no longer connected only to the product itself. The brand becomes intertwined with the consumer's identity and values as explained by Manternach (2015).

In the context of brand management, Kumar (2013:55) reiterates that customer perceptions are the key to any brand. A brand has an identity based only on the customer perceptions, and hence it is important to know that the true value lies in how customers perceive the brand, not in the brand itself. A customer's positive brand knowledge, which consists of brand awareness and brand image, positively impacts the brand value. Moreover, a brand plays a role in creating added value and both customer and organisation utilising the benefits of the brand placing emphasis that brand loyalty plays a critical role in creating long-term benefits for the organisation (Shirazi *et al.*, 2013:154).

Together with this Bennett and Scriven (2010:573) explained that the long-term success of a firm rests on the ability of its brands to attract and retain customers and in addition to this, Manternach (2015) added that it is important for a brand to determine how to get into the hearts and minds of customers. With this in mind, Maity and Gupta (2016:462) make a useful distinction that brand loyalty is categorised into behavioural loyalty and attitudinal loyalty. They continue by explaining that the behavioural approach puts a greater emphasis on the outcome than on the motivations or reasons of brand purchase. Attitudinal loyalty, on the other hand, focuses on the psychological explanation of the cause of brand loyalty.

The author wants to conclude by defining brand loyalty as the degree that the customer has an emotional bond with a brand, and is formed over a period. It grows when consumers perceive that the brand offers value.

1.3 BACKGROUND TO THE STUDY

Engaged customers are valuable assets as they stimulate a business of sustained and profitable growth (Tripathi, 2014:128) and in the case of the ATKV, this is of paramount importance. For the ATKV, as a non-profit organisation, the revenue of membership fees is vital. To reach annual revenue, Kumar and Pansari (2016:498) maintain that customers are the key resource to an organisation's profit growth, which is one of the primary objectives of organisations. Given this background, it is therefore important for the ATKV to develop or maintain a strong and enduring bond between the brand and consumers through interactions, shared values, valuable contents and rewards and by offering a value proposition to customers.

Subsequently, organisations not only aim to make the brand more desirable, more attractive and more preferable to the customers but also do whatever it takes for the customer to remain connected, interested and involved with the brand (Tripathi, 2014:125). The challenge is to

persuade the customer that the brand is worth their time, effort and money and commitment to be involved. It is a process of building, nurturing and preserving relationships. Engaged customers are emotionally invested in the brand because they feel that the organisation is emotionally invested in them (Tripathi, 2014:126). On the positive side organisations can then leverage customer engagement behaviours to attract and retain more customers, in like manner, the delighted or loyal customers can share their brand enthusiasm with others, and in the long run, they show the potential to become brand advocates (So *et al.*, 2014:305).

The ATKV's current situation of not showing a constant growth in the membership base necessitates this study. Despite customer engagement's relevance to organisations, research in the area of cultural organisations and membership organisations related to this concept are scarce.

1.4 PROBLEM STATEMENT

The concept of customer engagement is a relevant topic in the current landscape with a constant pressure to make the bottom line grow. Customer engagement has become imperative and crucial for sustaining profitable organisations. As explained by Kumar (2013:10) it is important not only to identify, understand and manage the purchase behaviour of customers but also their attitudes. It is against this background that it is vital for the ATKV to get customers to value the brand in such a way that they engage with the ATKV through transactions and their ability to refer other customers to the organisation.

It is important to realise customers are part of a content-driven world where the attention of customers is battled over every day as organisations of many different natures target them through different channels. Fitzhugh (2017) suggests that there is only so much content a customer can consume, that organisations must effectively engage with customers. The ATKV needs to find methods and ways to engage with customers to ensure brand loyalty and as Fitzhugh (2017) indicated there is a strong argument for customer engagement and brand loyalty drives to be two of the most important elements to the marketing function of businesses.

Customer engagement is a necessary metric for any business and as per Fichter and Wisniewski (2014, 74) engagement is the degree to which a customer responds positively to, feels trust toward, and connected to your brand, people, products and services. In like manner, the end goal of customer engagement is to encourage customers to involve themselves in the evolution of the brand, up to the point of becoming advocates (Barbier, 2017:1).

Tripathi (2014:124) agrees and explained that engaged customers help build your business and that by building relationships with your customers, they become advocates for the brand. Advocacy refers to a customer whose loyal, emotional attachment to the brand of your company

compels them to endorse it actively. Positive word-of-mouth is highly trustworthy, effective and in most cases free. This can be a huge benefit to the ATKV in the sense that engaged customers can be enthusiastic about the brand and show a sense of belonging as a member of the organisation.

Banyte and Dovalience (2014:485) showed that both the company and the customer benefit from customer engagement, as the company gains competitive advantage and the customer has a greater satisfaction which leads towards being loyal to the company. Vivek, Beatty and Morgan (2012:133) also explained that customer engagement involves the connection that individuals form with organisations, based on their experiences with the offerings and activities of the organisation. Potential or current customers build experience-based relationships through intense participation with the brand by way of the unique experiences they have with the offerings and activities of the organisation.

This study aims to explore customer engagement and brand loyalty within the ATKV, a cultural organisation in South Africa, as the ATKV needs to create robust relationships and an enduring connection between customers to create commitment and loyalty to grow the membership base.

1.5 RESEARCH OBJECTIVES

The purpose of this study is defined under a primary objective and some secondary objectives.

1.5.1 Primary objective

The primary objective of this study is to explore the level of customer engagement and the level of brand loyalty of ATKV members within the ATKV as a cultural organisation.

1.5.2 Secondary objectives

The secondary objectives of this study are to:

- Analyse, using a literature study, the concepts of customer engagements and brand loyalty.
- Examine the current state of customer engagements and brand loyalty within the ATKV as a cultural organisation.
- To measure the current level of customer engagement of ATKV members using the five dimensions of customer engagement (identification, attention, enthusiasm, absorption and interaction).
- To measure the current level of brand loyalty of ATKV members and the five dimensions of brand loyalty (brand identity, brand identification, perceived value, customer satisfaction, and brand trust).

- Draw conclusions and make recommendations to improve customer engagement at the ATKV.
- Draw conclusions and make recommendations to improve brand loyalty at the ATKV.

1.6 SCOPE OF THE STUDY

The scope of the study is ATKV members across all provinces of South Africa.

1.7 RESEARCH METHODOLOGY

This study consists of two phases, namely a literature study and an empirical study.

1.7.1 Literature study

In phase one of the study, a review will be given regarding customer engagement and brand loyalty. Sources that will be consulted for the literature study include, but are not limited to, the following:

- Textbooks by subject matter experts.
- Published journals.
- Credible internet sources.
- Previous dissertations or thesis on the subject.

The literature study is discussed in chapter 2.

1.7.2 Empirical study

The empirical study consists of the research design, the questionnaire used in this study, the study population, gathering the data and statistical analysis. The researcher administered a questionnaire to ATKV members across South Africa. The questionnaire design sustains findings of the literature study. A random sample of ATKV members was selected. The statistical analysis of the data was carried out by the Statistical Consultation Services of the North-West University, Potchefstroom Campus.

1.8 LIMITATIONS OF THE STUDY

The limitations of the study are the following:

- The questionnaire only addressed selected determinants as compiled by the author.
- Segmentation was not applied when developing the questionnaire, limited the researcher to identify groups of customers with similar needs and to analyse the characteristics of these groups.

- The author is not exploring the different stages of customer engagement amongst the ATKV members.
- The author is not exploring any of the levels of customer engagement or brand loyalty among non-members of the ATKV.

1.9 LAYOUT OF THE STUDY

Chapter one comprises the introduction to the research problem statement, objectives of the study, the design and methodology.

Chapter two will focus on the literature overview, definition and overview of key concepts.

Chapter three outlines the research methodology. Data collection and processing will be explained. It will cover the selection of the sample, the design of the questionnaire, data collecting techniques, the processing, analysis and evaluation of data as well as the validity of methods utilise. This chapter will also focus on data analysis and interpretation. Discussion and interpretation of results will be included.

Chapter four is the final chapter of the study. It concludes, summarises and discusses recommendations.

1.10 SUMMARY

As membership organisation, the retaining and recruiting of members is a vital strategic objective for the ATKV. In developing on-going relationships with their customers, customer engagement and brand loyalty can enable to ATKV to create sustainable growth.

This chapter serves as an introduction to the study which aimed to explore customer engagement with the ATKV and brand loyalty. The detailed problem statement, the research objectives and research methodology makes up the rest of the chapter. The next chapter contains the literature study on the topics that this study aims to disseminate further.

CHAPTER 2: LITERATURE STUDY

2.1 INTRODUCTION

The ATKV as a membership organisation operates within a world which is always in change and in which the pace of innovation and change is increasingly fast and disruptive while challenges to recruit and retain members are always present.

Members are the core audience for the ATKV, and as such the membership fees paid by the members is a very valuable revenue stream. Here the statement by Tripathi (2014:125) that no marketer can afford to let go of its consumers is an indication of the importance of the role that customer engagement and brand loyalty can play in recruiting and retaining members. It is a strategic objective of the ATKV to be sustainable and therefore the argument is that brand loyalty plays a significant role in creating an attachment with the consumer to create commitment. In addition to this De Chernatony and McDonald (2003:439) added that brand loyalty is a function of several factors such as the perceived quality of the brand, the image, the trust placed in the brand and the commitment the consumer feels towards it. They added the committed consumers guaranteed future income streams as well, a vital component for the ATKV to grow sustainability and the membership base.

In reality, it costs five times more to win a new customer than to keep an old one, as indicated by Koronidi (2012). This is happening all the time because marketers neglect to keep the customer engaged. In support of this argument, Tschohl (2013) concludes that businesses commonly lose 15-20% of their customers each year, but when you cut this in half, the average growth rate more than doubles. With a 5% change in the rate of retention, by keeping more loyal customers, an organisation can increase the profit of between 25-100%.

As organisations are striving to satisfy consumers' needs, it becomes more important to get closer to them and to establish a deeper relational bond that may make sense for them and be perceived as valuable. Koronidi (2012) agrees and stated that customers stay faithful to brands that earn both their rational trust and their deeply felt affection. This statement is an indication that there are some core concepts that companies can use to retain their customers. Such a concept is customer engagement.

So *et al.* (2016a:67) explained that customer engagement with brand influences consumer outcomes such as brand perception and brand attitudes and therefore influences brand loyalty. They add that the individuals who are more engaged are likely to be in more trusting, high-quality relationships with an organisation, making it of the utmost importance to manage the customer's experience with the brand.

In the business world, customers and businesses are interdependent. Customer actions, regarding behaviour, attitude and network metrics had an impact on the actions of organisations and based on this it is important for the ATKV to build a strong brand to develop loyalty amongst customers. Brand perceptions are built over a period, through various marketing activities that organisations carry out to engage with their customers. The higher the brand loyalty toward a brand for a customer, the higher his/her brand value (Kumar, 2013:60).

One of the important questions marketers are facing is how to make consumers more loyal to a brand. In light of this brand loyalty can provide both customers and companies with essential benefits (Kim, Morris & Swait, 2008:99). For consumers, a brand toward which they feel loyal can act as a signal of achieved expectation. Because of the familiar and favourable signal that a brand sends, consumers buy the brand with more comfort, believing the brand will meet their expectations. This comfort would mostly come from the credibility of the brand established from past experiences the consumers have had with it, either directly or indirectly. It is observed that customers with greater brand value are more likely to engage in activities that increase in customer value when compared to customers with low brand value.

This chapter is a literature study on customer engagement and brand loyalty with a specific focus on the different dimensions by applying a proposed integrative model of brand loyalty formation. Retaining old customers and attracting new customers are becoming increasingly difficult and therefore the emphasis on customer engagement and brand loyalty.

In conclusion, it is important for the ATKV to measure customer perceptions of the brand to strategise ways to engage current customers and to attract new customers.

2.2 THEORETICAL OVERVIEW

The ability to engage customers is a very important aspect of running a successful business and as per Barbier (2017:1) it is meaningful to consider customer engagement as a combination between the customer's usage of the product of the organisation, involvement with the service, feelings towards the brand and likelihood to give repeated business. Based on this it is important for the ATKV to focus on customer engagement by building stronger relationships with the customers to grow the membership base. As explained by Sashi (2012:12) it is important for the ATKV to get their loyal customers to share their delight about the organisation with other prospective members and to become advocates for the organisation. Customer engagement turns customers into fans who stay committed through ups and downs in enduring intimate relationships and even will continue to spread the word about the organisation.

There is constant pressure to make the bottom line grow, and as per Dwivedi (2015:103), consumer loyalty intentions are vital to the long-term financial health of a firm since future

consumer loyalty has a direct bearing on future sales revenue. For the ATKV this statement reflects the number of members and membership fees. Customer brand engagement is inevitably a relational construct, reflecting an intense customer bonding with a brand (Dwivedi, 2015:103) and represents a rewarding experience for a customer that is positive and fulfilling. This states the importance for the ATKV to build a relationship since the engaged customer can encourage other customers to increase their share of wallet with the ATKV and to spread positive stories about the ATKV.

Vivek *et al.* (2012:133) explained that customer engagement relates to building relationships with customers through programmes aimed at getting individuals involved with and connected with the brand. In competitive markets, both attracting and retaining customers are critical tasks, but retention attracts more attention because it seems more manageable.

In this regard, Kumar and Pansari (2016:497) indicated that it is important for organisations to focus on engaging customers through all possible channels; establish that the customer is heard, serviced and treated in the best possible manner. In addition Andrine and Solem (2016:332) added that to maintain long-term relationships with customers, it is important to understand the factors that build and sustain brand loyalty.

2.3 DEFINING CUSTOMER ENGAGEMENT

Numerous definitions for customer engagement exist in literature such as:

- Customer engagement may be manifested cognitively, affectively, behaviourally or socially. The cognitive and affective elements of customer engagement incorporate the experiences and feelings of customers whereas the behavioural and social elements capture the participation by current and potential customers, both within and outside of the exchange situation. Customer engagement shows up as actions or rather behaviour (Vivek *et al.*, 2012:128).
- Customer engagement is the level of expression of an individual customer's motivational, brand-related and context-dependent state of mind characterised by a degree of activation, identification and absorption in brand interactions (Hollebeek, 2011:789).
- Customer engagement is the creation of a deeper more meaningful connection between the company and the customer, and one that endures over time (Kumar *et al.*, 2010:297).
- Sharma and Rather (2016:34) defined customer engagement as the level of customer's physical, cognitive and emotional presence with an organisation as well as the intensity of an individual's participation and connection with the organisation's offering.

Customer value is driven by the nature and intensity of customer engagement regarding the company and its product or service offerings and can be seen as a way to create customer interaction and participation Kumar *et al.* (2010:298). Kumar *et al.* (2010:297) also argue that these active interactions of a customer with an organisation, with prospects and with other customers, whether they are transactional or non-transactional in nature can be defined as “Customer Engagement”.

2.4 IMPORTANCE OF CUSTOMER ENGAGEMENT

In highly competitive environments, managers are now recognising the forthcoming need to focus on building two-way personal relationships with customers that foster interactions (Kumar *et al.*, 2010:297). Bowden (2009:64) points out that engagement has been defined as the strength of a company’s customer relationships based on the extent to which customers have formed both emotional and rational bonds with a brand. Engagement is therefore argued to include feelings of confidence, integrity, pride and passion in a brand. Based on this, the argument follows, that it is important for the ATKV to engage with customers and to form a connection that will develop value for the customers to result in a return and growing the membership base.

Customer engagement is one of today’s key research issues and can be defined as first, a psychological process of the customer that leads to the formation of loyalty and, as indicated by Greve (2014:203), a customer’s behaviour develops towards a brand or a firm that goes beyond the purchase. This results from the motivational drivers and it is a psychological state which is characterised by a degree of vigour, dedication, absorption and interaction. Thakur (2016:151) indicated that customers are not merely passive receivers of company messages but are actively involved in interactive relationships. Consequences of customer engagement include co-created value, brand experience, satisfaction, trust, commitment, customer value, brand loyalty customer equity, firm reputation, brand recognition and financial outcomes as per Hollebeek (2011:794). Pataskar (cited by Craven, 2013:12) gives six reasons why customer engagement is important, namely:

- Engaging with customers help them feel important.
- Customers feel heard and understood.
- Customers feel like they can come back to you with problems or for their next purchase or service need. They know they will be treated as your only customer.
- It will inspire your customers to tell their friends and associates; building a bigger community of business prospects.
- It helps for overcoming objections for initial sales or service and resolving problems before they negatively impact your brand.

- Support for being proactive builds confidence within the community you serve. Confidence inspires trust and attracts more business.

According to Shirazi *et al.* (2013:153) highly engaged customers are three times more likely to repurchase and to recommend a brand – than those that are not highly engaged. It is progressively more unblemished that customer engagement matters because it leads to increased loyalty. Based on this the concept of customer engagement needs to be used by the ATKV to establish a more powerful brand loyalty and to grow the membership base.

2.5 MODEL OF CUSTOMER ENGAGEMENT

Brodie *et al.* (2011:252) have pointed out that customer engagement is a long-term and intimate relationship process established through cognition-emotion-behaviour.

Figure 2-1 provides a conceptual model of customer engagement and its relationships to other constructs. So *et al.* (2014:312) explain that the five proposed dimensions are expected to co-vary with each other, meaning that changes in one are related with proportional changes in the other constructs.

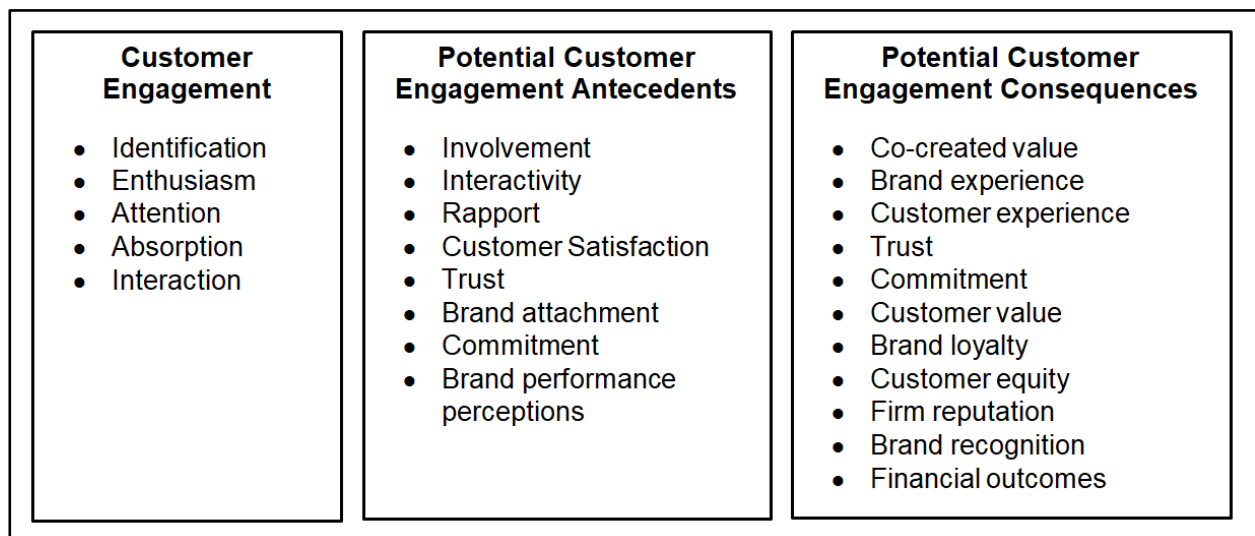


Figure 2-1: Conceptual model of customer engagement (Source: So *et al.*, 2014:312, partially adapted from Hollebeek, 2011:796 and Van Doorn *et al.*, 2010:256)

2.6 COMPONENTS OF CUSTOMER ENGAGEMENT

Customer engagement is a higher-order construct and comprises five components, namely, *enthusiasm* (or *vigour*), *attention*, *absorption*, *interaction* and *identification* (Sharma & Rather, 2016:34). Thus, these fundamental five dimensions of customer engagement jointly reveal the

psychological or emotional and behavioural perspectives on customer engagement and will be discussed and explained.

2.6.1 Enthusiasm (vigour)

In the context of consumer-brand relationships, enthusiasm (vigour) represents high levels of energy and mental resilience when interacting with a brand, and the consumer's willingness and the ability to invest effort in such interactions as explained by Dwivedi (2015:100). Sharma and Rather (2016:34) added that the feeling of enthusiasm as a positive affectivity is a central indicator of a customer's engagement with a brand.

Patterson, Yu and de Ruyter (2006:3) refers to the customer's level of energy and mental resilience while interacting with the service employees, the organisation, the brand or with other customers. It also refers to the willingness to invest time and effort in his/her role. So the customers are likely to persist and stay loyal and play his/her role even in the face of difficulties. Pophal (2014:274) conclude by adding that consumers can share their comments on products and services more broadly than in the past. Regarding enthusiasm, it is important for the ATKV to understand the significant value that their customers hold. Existing customers are worth more than prospective customers. As a non-profit organisation, the ATKV primarily relies on membership fees and by building relationships with committed, profitable customers and by utilising on the customers that already show a high level of enthusiasm to ATKV can increase engagement.

2.6.2 Attention

Researchers have consistently highlighted attention as a key dimension of engagement, and as per So *et al.* (2014:308), a customer who is engaged with a brand is attracted to information related to the brand. Attention represents a consumer's alertness and focuses on the brand. Sharma and Rather (2016:4) added that engagement implies focused attention that captures the customer's degree of attention regarding the provider. Attention is a vital component of customer engagement and requires the ATKV to provide relevant communication to the customer to build relationships. Once a consumer showed attention to the brand, effective communication is important to help the consumer to identify the fulfilling the brand can provide, being it belonging, status or self-fulfilment.

2.6.3 Absorption

Absorption as per Brodie *et al.* (2011:255) refers to the level of customer concentration on a focal engagement object, such as a brand or organisation, thus reflecting the cognitive dimension of engagement. Patterson, Yu and de Ruyter (2006:3) added that absorption

describes the customer as being fully concentrated, happy, and deeply engrossed while playing his role. They feel time passes quickly while interacting with the service employees, the firm, the brand or the other customers. Customers might also find it the difficulty of detaching themselves from the brand. The author wants to argue that to strengthen the absorption component of customer engagement the ATKV needs to find ways to increase awareness of the various products of the ATKV to ensure that the ATKV as the brand becomes top of mind.

2.6.4 Interaction

Another characteristic commonly identified in the customer engagement literature is interaction, which refers to a customer's online and off-line participation with the brand or another customer outside of purchase (So *et al.*, 2014:309). Interaction involves sharing and exchanging ideas, thoughts and feelings about involvements with the brand and institutes an important part of the conceptualisation of customer engagement as per Vivek *et al.* (2014:403).

For these reasons, interaction constitutes an important dimension of customer engagement, representing the behavioural manifestation of a customer relationship with the brand (Sharma & Rather, 2016:35). To grow this component of customer engagement, the ATKV needs to apply a customer-centric approach and to focus on the needs of customers. Kumar (2013:106) stated that a customer-centric approach that employs interaction with customers is imperative for an organisation to maintain future profitability. By better interaction with consumers and by understanding their needs, it can lead to increased customer satisfaction, generates positive word of mouth messages and leads to acquiring and retaining members. The ATKV needs to unlock interaction as a component of customer engagement by harnessing the influence and social connections of the customer on their peers as explained by Kumar (2013:107).

2.6.5 Identification

Identification, according to So *et al.* (2016a:66) is an individual's perceived oneness with or belongingness to the brand. Identification as a cognitive component that justifies consumers' engagement behaviours is central to the conceptualisation of customer engagement. Rather and Sharma (2016:35) concluded that it arises while customers perceive its self-image as overlapping with the brand's image at the level of brand or offerings. Brashear-Alejandro, Kang and Groza (2015:1191) explained that identification as a component of customer engagement is for the customer to find the identity of the organisation attractive. By developing identification, it can help to satisfy basic self-definitional needs, including a desire for self-enhancement. In addition to this, a customer identifies with a company if doing so increases feelings of self-worth through enhanced connections and social standings. Achieving identification also demands effective communication of the organisation's identity.

For the ATKV to utilise the benefits of identification as a component of customer engagement, it is imperative that the ATKV communicate its role and the impact the organisation has on the arts, language, education and community. As the ATKV sees itself as a responsible citizen who wants to contribute to make South Africa successful (ATKV, 2016:1), it is vital that the organisation communicates the values of the organisation for prospective members to be able to identify with the brand and what it offers.

2.7 BRAND LOYALTY INTRODUCTION

In today's highly competitive business environment building deeper, and more committed relationships with consumers is key (Huang & Cheng, 2016:449), and as explained by (Vera & Trujillo, 2017:601), the importance of brand loyalty as a consumer-behavioural possible conclusion is that it is a business performance measurement that can have an effect on business financial performance. Developing and sustaining brand loyalty is a major challenge in a highly competitive market (Raut, 2015:38).

Loyal customers are the outcome of a company providing certain advantages for customers so that they continuously purchase from the same company. Real loyalty is when a customer repeats purchase without any encouragement. The author wants to translate this concept by stating that real loyalty is when an ATKV member perceives relevant, unique added values which match their needs and to stay a member.

Branding has a very important role to play not only in the marketing of products but also in the case of services, and for the ATKV as membership organisation, it is important to build a strong brand that ensures brand loyalty. Raut (2015:30) indicated that brand loyalty can be defined as customers' loyalty towards the brand. This is very important because loyal customers who frequently purchase the same brand, remain longer with the brand, commit a higher share of their category spending to the organisation, and are more likely to recommend to others to become customers of the specific organisation.

De Chernatony and McDonald (2003:211) explained that a brand is a set of differentiated perceptions. The brand strength depends on the extent to which these perceptions are consistent, positive and shared by all consumers. For the ATKV to improve the brand strength, it is necessary to shape consumers' perceptions so that the target audience will think of the brand in positive terms.

Based on these conclusions and benefits, it is important for the ATKV to give the necessary attention to brand loyalty since Kumar (2013:61) explained that customers with greater brand value are more likely to engage in activities that increase in customer value when compared to customers with low brand value.

2.8 DEFINING BRAND LOYALTY

Maheshwari, Lodorfos and Jacobsen (2014:13) indicated that the marketing field first took an interest in brand loyalty on the academic level through Copeland's work in 1923, with the understanding that brand loyalty existed only at the behavioural level. However, another level of loyalty was revealed during the 1950's, as brand loyalty became an increasingly popular research area.

Müller (2012:25) stated that brand loyalty is one of the strongest measures of a specific brand's value since consumers may insist on a particular brand given that the brand is perceived as being good.

- Aaker (cited by So *et al.*, 2016b:173) defines brand loyalty as customer attachment to the brand.
- Oliver (cited by Dwivedi, 2015:103) defines brand loyalty as having a deep commitment to a desired brand product or service that leads to repurchase a brand or a series of brand products in the future, despite the situational factors and marketing efforts of competitors.

Shirazi *et al.* (2013:157) conclude by stating that in research on brand loyalty the main challenge is to define the brand loyalty concept and to measure it, because repurchasing is not only a voluntary reaction but is due to psychological, emotional and normative factors. In a survey about loyalty, some of the key concepts include satisfaction, trust and perceived value.

Brands contain the social identity, and a brand is successful when people see themselves as its owner and feels belonged to it, and in a competitive market, brand loyalty can create a benefit for the ATKV to recruit and retain members.

2.9 IMPORTANCE OF BRAND LOYALTY

Gillian, Yousaf and Khan (2013:1) explained that the marketing environment has turned out to be a very multifaceted and competitive one and day by day marketing environment is shifting and developing gradually. Thus, it has become essential for organisations to look for ways of gaining and maintaining brand loyalty by building customer beliefs and to give an individual identity to brand loyalty.

Organisations have realised with the intention of, when consumers are loyal to their brand, it provides the organisation to develop increasingly without any disturbance and create a form of revenue in return for increases in profits.

Severi and Choon Ling (2013:127) explained that brand loyalty has the power to impact on customer decision to purchase the same product or brand and decline to shift to competitors' brands. As a result, Severi and Choon Ling (2013:127) conclude that brand loyalty is at the core of a brand's value.

Brand loyalty is very important, because loyal customers remain longer with the brand, commit a higher share of their category spending to the organisation, and are more likely to recommend others to become customers of the organisation (Raut 2015:31).

So *et al.* (2016a:64) argued that from a customer's viewpoint, brand loyalty depends largely on the customer's valuation of the consumption experience with a specific brand. The significant role of the service consumption experience in establishing brand loyalty remains indisputable. The rise of new media channels and the growing attractiveness of the Internet have provided the ATKV with new possibilities to connect with their customers through interactions other than the service experience.

Leveraging customer engagement behaviours may allow organisations to attract and retain more customers (So *et al.*, 2016a, 65). Brand loyalty is likely to affect a customer's willingness to stay, repurchase probability and chance that they will recommend the brand (Greve, 2014:207). Maheshwari *et al.* (2014:20) stated that loyal consumers are emotional creatures which are highly driven by their desire to maintain a relationship with the brand they feel an emotional connection with. According to Lunn (cited by Wiese, 2014:9), brand loyalty can benefit a business in several ways:

- Increase the lifetime value of customers;
- Increase overall sales per customer;
- Discover powerful market research; and
- Brand loyal customers become marketing agents.

By realising the benefits of brand loyalty, it is important to focus on strategies to build and maintain brand loyalty, while managing the factors influencing it (Wiese 2014:9). Raut (2015:32) explained that regardless of differences in opinion with regard to the detail and definition of brand loyalty, the concept of brand loyalty is useful in that it still represents the best manifestation of a successful and enduring brand relationship. It is therefore important that the ATKV focuses on creating positive brand experiences for the customer as a driver of brand loyalty.

A strong brand is at the core of any customer-firm relationship. It is nearly impossible to build a long-standing, mutually beneficial relationship with brands that are seen as less than worthy as per Kumar (2013:281).

The main purpose of each organisation is to create a steady relationship and connection between the product or service and their customers and to get the customer to form a kind of commitment and brand loyalty as explained by Hosseini *et al.* (2014:3491).

Customers are loyal to a brand to differing degrees. Apéria and Back (2004:51) explained that the number of loyal customers is important to success and it is essential to provide current customers with resources and attention to increase their loyalty.

A loyal customer is one who makes repeated purchases of a preferred brand and shows both attitudinal and behavioural loyalty to the brand. She/he does not respond to the constant fluctuations in the market. The higher the brand loyalty toward a brand for a customer, the higher his/her brand value according to Kumar (2013:60).

In conclusion De Chernatony and McDonald (1994:439) argued that brand loyalty is a measure of a consumer's attachment to a specific brand, and that it is a function of several factors such as the perceived quality of the brand, its perceived value, its image, the trust placed in the brand, and also the commitment the consumer feels towards it. Committed consumers guarantee future income streams. Branding with the emphasis on loyalty can help the ATKV to stabilise themselves for the future strategically.

Since brand loyalty has now been defined as a construct, the following discussion focuses on a conceptual model of brand loyalty.

2.10 BRAND LOYALTY MODEL

There are a vast number of loyalty models in the literature. The conceptual model, as per Figure 2-2 focuses on constructs, such as perceived value, brand trust and customer satisfaction.

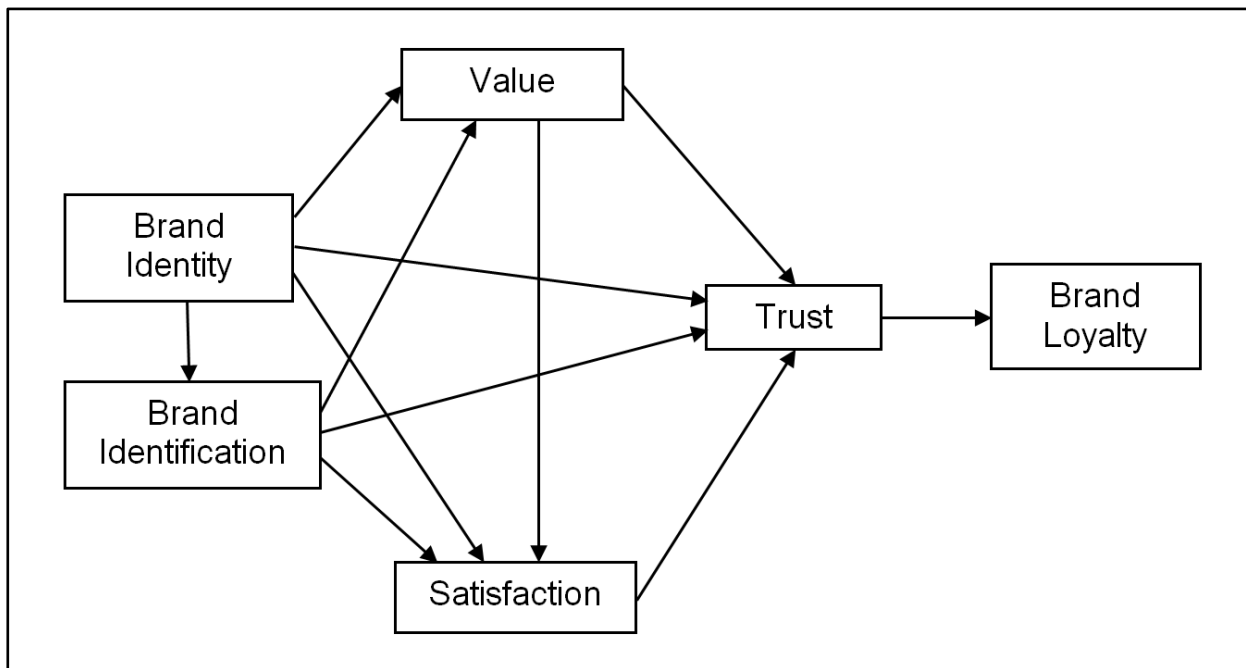


Figure 2-2 : Conceptual model of brand loyalty (Source: Hosseini *et al.*, 2014:3494 & Shirazi *et al.*, 2013:156;)

2.11 COMPONENTS OF BRAND LOYALTY

2.11.1 Brand identity

Hosseini *et al.* (2014:3493) stated that brand identity determines personality, goals, aspirations and values. In addition to this brand identity is a set of functional and intellectual links with the brand. Brand identity is a promise or offers that organisations make to consumers and can be placed as product, personality, set of values and position in the consumer's mind. To summarise, brand identity is what all organisations want to visualise public perception of their brand as they really are.

So, if an organisation wants to create a sustainable image in its customers' minds, it needs to build its brand identity first. Then, based on this formed identity, messages making the perceptual image of each brand should be delivered. A brand delivers an attractive and durable identity when its identity is more distinctive and prestigious in comparison with other brands. Firstly, brand identity expands the brand value. A brand with a strong identity is eager to satisfy symbolic desires of customers, more than applicable ones. For this reason, a brand with a stronger identity is willing to improve perceived value, as indicated by Shirazi *et al.* (2013:156).

Identity is a key element in branding and the core element of a successful brand is to perceive how the brand identity is created and developed. A distinctive brand identity allows the consumer to fulfil their self-definition needs for being individual. Various individuals have

different levels of motivation and needs to differentiate their identity. Therefore, a brand with a more distinct identity can be assumed as a benefit to attract customers. The development and support of self-esteem is one of the identity-related motivations for choosing a brand. Self-enhancement is made when consumers believe that the focal brand is reputable and has a good prestige. Brand identity improves the brand value. A brand with a strong identity is eager to satisfy symbolic need of customers as explained by Shirazi *et al.* (2013:160) and in addition to this when customers highly value the quality of a brand and competitors can easily reproduce and duplicate the firm products, the necessity of creating a strong brand identity to gain brand equity seems highly significant and desirable.

Creating brand identity increases brand awareness. The more places your brand is featured, the more contact it will make with consumers, and the more memorable it will be and in addition to this effective brand identity can help to build customer loyalty and trust in a brand since it allows customers to make a connection between a product and the company.

In addition to this He *et al.* (2012:649) explained that brand identity leads to stronger customer relationship and that the management of brand identity should be the starting point of integrated marketing communications to build brand loyalty.

As brand identity expresses the brand's tangible and intangible characteristics and everything that gives it its unique authority it is very important for the ATKV to specify the brand's meaning and aim.

2.11.2 Brand identification

Brand identification can be defined as the consumers' identification with the brand as per He *et al.* (2012: 649). The social identity perspective of customer–brand relationships recommends that consumers engage in a pro-brand behaviour because they identify with the focal brand or company, and such brand identification arises largely due to the identity of the brand. People establish their self-concepts and social identities by classifying themselves as members of certain social categories. Since brand identification includes affective attachment with the brand, customers with stronger brand identification are more likely to assess the value of exchange relationship with the focal brand more favourably.

Hosseini *et al.* (2014:3495) explained that a brand with a more distinguishable identity could be assumed as an advantage to attract customers. When the expectations of the brand performance are met, the customers who are more known with the brand feel more satisfaction. For this reason, the customers improve their psychological dependence to the brand that in turn increases their self-esteem. When expectations from brand functions are not met, customers who are more identified with the brand feel less dissatisfaction because they (a) have a more

affective attachment to the brand and (b) show greater flexibility about bad news and experiences about the brand. Thus, when customers are more identified, they are more likely to be satisfied with the focal brand. Du Plessis *et al.* (2003:110) explained that it is important to emphasise a benefit that will satisfy the target consumer group's need. Based on this remark it is vital that the ATKV communicates a meaningful benefit to the consumer to create brand identification.

2.11.3 Perceived Value

Perceived value can be explained as the prospective customer's evaluation of the benefits, but generally in marketing perceived value means how much brands are worth for customers and how much they are willing to pay for attaining them, as indicated by Hosseini *et al.* (2014:3494).

Brands succeed because customers perceive them as having value over and above that of the equivalent service or value more than the sum of the product's or service's constituent parts. Added value is integral to brands as indicated by De Chernatony and McDonald (2003:367) and in line with this Shirazi *et al.* (2013:159) added that a brand with a stronger identity is willing to improve perceived value.

De Chernatony and McDonald (2003:373) explained that to create perceived value, values could also be added to a brand to show what the soul of the brand is. These values make it clear what the brand believes in and represent deeply. Lindiç and da Silva (2011:1694) claim that business success is based on the creation of value and wealth and added that perceived value comprises two complementary concepts, namely, perceived benefit and perceived costs. Perceived benefit is frequently connected with the characteristics and functionalities of products and their quality. But customers do not buy a product's characteristics; rather, they buy the benefits a product provides.

Based on this, it is necessary for the ATKV to capitalise on the goodwill it builds with customers.

2.11.4 Customer satisfaction

One of the core principles of marketing is to ensure that the customer is satisfied. Lamb, Hair, McDaniel, Boshoff, Terblanche, Elliott and Klopper (2015:5) define customer satisfaction as the feeling that a product has met or exceeded the customer's expectations.

Customer satisfaction arises when products or services performance fulfils the customer's expectations, and as per Shirazi *et al.* (2013:157), previous studies showed that when customer's satisfaction increases, his/her loyalty to the brand will be improved.

People have different needs who are attempting to satisfy themselves by consuming products or services. Some needs according to Hosseini *et al.* (2014:3495) that brands can satisfy are brand prestige and brand differentiation; a brand provides an attractive and strong identity when its identity is more distinctive and prestigious in comparison with other brands from the prospective customers.

So *et al.* (2016b:175) emphasised the relevance of customer satisfaction in the conceptualisation of brand relationship and explained that satisfaction could be defined as the degree to which a consumer believes that possession or use of a service evokes positive feelings.

As membership organisation the ATKV continually strives to maintain long-term relationships with consumers and to understand the factors that build and sustain brand loyalty, such an example is satisfaction.

2.11.5 Brand trust

Brand trust refers to a customer's willingness to trust the brand to satisfy his/her needs and develops over time. A customer's positive brand knowledge can be attributed to their experience and information they receive from external sources about the brand. As the customer becomes more familiar with the brand, brand trust moves into the next level of brand intimacy. Brand intimacy is an important factor to cultivate attitudinal loyalty with customers. Therefore, the greater the brand's trust for a customer, the greater his/her brand value as explained by Kumar (2013:58).

According to So *et al.* (2016b:174) brand trust enhances an individual's commitment to a relationship and argues that brand trust includes an inference that the brand will act benevolently in the best interest of the customer based on shared goals and values. Brand trust can be regarded as an essential requirement for creating long-term relationships with customers as per Shirazi *et al.* (2013:157). In addition to this brand, trust can be defined as the trust of a customer that the brand has the capability and capacity to perform in desired functions.

Padua (2012:79) stated that it is very important for brands to engage customers on the trust side, as trust gives the customer a feeling of security, reducing risk and providing stability over time and added that trust is a key ingredient of social relationships and that loyalty grows on the ground of trust.

With the competition becoming more and more active, the ATKV has to search for ways to retain their customers, brand trust is a relevant object as part of brand loyalty to discuss and as

per Padua (2012:115) brand trust creates a loyal relationship with customers that translate into long-lasting relations able to generate engagement.

2.12 SUMMARY

As a membership organisation the ATKV operates in a very dynamic business environment where the changing face of members is a challenge to deal with. As it becomes more and more important for organisations to strive to satisfy consumer's needs, it becomes more important to get a closer relationship with them and therefore the importance of customer engagement and brand loyalty.

As explained customer engagement is important since better interaction with consumers and by understanding their needs, can lead to increased customer satisfaction.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter aims to present the results of the empirical study regarding the following:

1. Which factors influence customer engagement; and
2. Which factors influence brand loyalty.

More specifically the chapter focuses on:

- Research methodology;
- Statistical analysis; and
- Results and discussion.

The design of the questionnaire will be discussed in detail. Biographical characteristics of the participants are summarised, and the data analysis methods are explained.

3.2 RESEARCH METHODOLOGY

Research can be defined as a process that involves obtaining scientific knowledge using various objective methods and procedures (Welman *et al.*, 2012:2). The research methodology used for this study is a quantitative research approach.

3.2.1 Sampling procedure

Welman *et al.* (2012:52) explained that a population consists of all the units of analysis from which the researcher wants to make unambiguous interpretations. In addition to this Welman *et al.* (2012:55) added that a sample can be defined as a subgroup of the identified population and contains a selection of members from the particular population. The sample is very important as the results of the study are only as trustworthy and generalisable if the sample is representative of the population.

The population consists of ATKV members across South Africa. From this population, a randomly selected sample of 570 ATKV members have been selected, and a total number of 183 respondents completed the questionnaire. After inspecting the data, seven questionnaires were eliminated owing to incomplete responses, leaving 176 (N=570; n=176) usable questionnaires and resulting in an effective response rate of 31%.

3.2.2 Data collection

The data were collected by using a questionnaire. The questionnaire was distributed via e-mail to ATKV members across South Africa. Each respondent received an invitational e-mail with a click-through survey link. The questionnaire was accompanied by a cover letter that explained the purpose of the study and included instructions on how the questionnaire should be completed.

3.2.3 Questionnaire development

The questionnaire consisted of four individual sections:

The first section of the questionnaire dealt with demographic information. Section A dealt with customer engagement, and section B dealt with brand loyalty. The questionnaire ended with three open questions. The following open-ended questions were included to get a deeper understanding of the perception of the respondents:

- Do you think that the ATKV as an organisation is still relevant within the current conditions in South Africa?
- Which of the ATKV's products or activities are you familiar with?
- How must the ATKV position itself as an organisation to be relevant over the next 10 years?

A number of questionnaires were reviewed for background information which was of assistance in the constructing of the questions. Questionnaires reviewed:

- Customer engagement (Dwivedi, 2015:105);
- Customer engagement (So *et al.*, 2016b:182);
- Customer engagement (Craven, 2013:71);
- Customer engagement (Sharma & Rather, 2016:40);
- Brand loyalty (Raut, 2015:43);
- Brand loyalty (He, Li & Harris, 2012:655);
- Brand loyalty (Hosseini *et al.*, 2014:3500); and
- Brand loyalty (Wiese, 2014:95).

Codes were assigned to each question. The constructs of section A and section B of the study were measured using multi-item 5-point Likert scale anchored at agree totally (5) to disagree totally (1).

Section A of the questionnaire included statements on customer engagement, and the quantitative research questions covered five dimensions, identification, enthusiasm, attention, absorption and interaction.

Questions 1-4 = Identification;

Questions 5-9 = Enthusiasm;

Questions 10-13 = Attention;

Questions 14-19 = Absorption; and

Questions 20-23 = Interaction.

Section B of the questionnaire included statements on brand loyalty and the quantitative research questions covered five dimensions, satisfaction, trust, perceived value, brand identity, brand identification.

Questions 1-3 = Customer satisfaction;

Questions 4-6 = Brand trust;

Questions 7-9 = Perceived value;

Questions 10-12 = Brand identity;

Questions 13-15 = Brand identification; and

Questions 16-18 = Brand loyalty.

One of the key characteristics of the ATKV is to develop the Afrikaans language and therefore with the help of a professional translator the English version of the questionnaire was translated in Afrikaans to demonstrate and obey the values, mission and vision of the ATKV as a cultural organisation. The customised questionnaire is attached as Appendix 1.

3.3 RESULTS

The results of the study will be provided in two parts; the first section containing the demographic distributions of the participants where after a detailed quantitative analysis of the data gathered in this study will be presented. The statistical analysis used in this study has been expertly done by the Statistical Consultation Services of the North-West University using the statistical software IBM SPSS (version 23).

Descriptive statistics and effect sizes were used to determine the significance of the research findings. The research results were rationalised and correlated through mean and standard deviations (Levine *et al.*, 2014:137).

Exploratory Factor Analysis (EFA) was used to determine the validity of the questionnaires. Cronbach's Alpha Coefficient was used to assess the reliability of the constructor variables that are measured in this study.

3.3.1 Demographic profile

3.3.1.1 Age distribution

The mean is 49 years of age and is a very good reflection based on the average age of the ATKV's membership base. Currently, the ATKV has 4% members between the ages of 18-30. 15% of ATKV members are between the ages of 31-40. 29% of ATKV members are between the ages of 41-50. Between the ages of 51-60, there are 28%. 16% of ATKV members are between the ages of 61-70 and 7% of ATKV members are above 80 years. The ATKV needs to grow the membership base in the below 40 years bracket.

3.3.1.2 Gender distribution

The majority of the questionnaires were completed by females (56%) as opposed to the 44% of males that responded. Figure 3-1 presents the gender distribution of respondents.

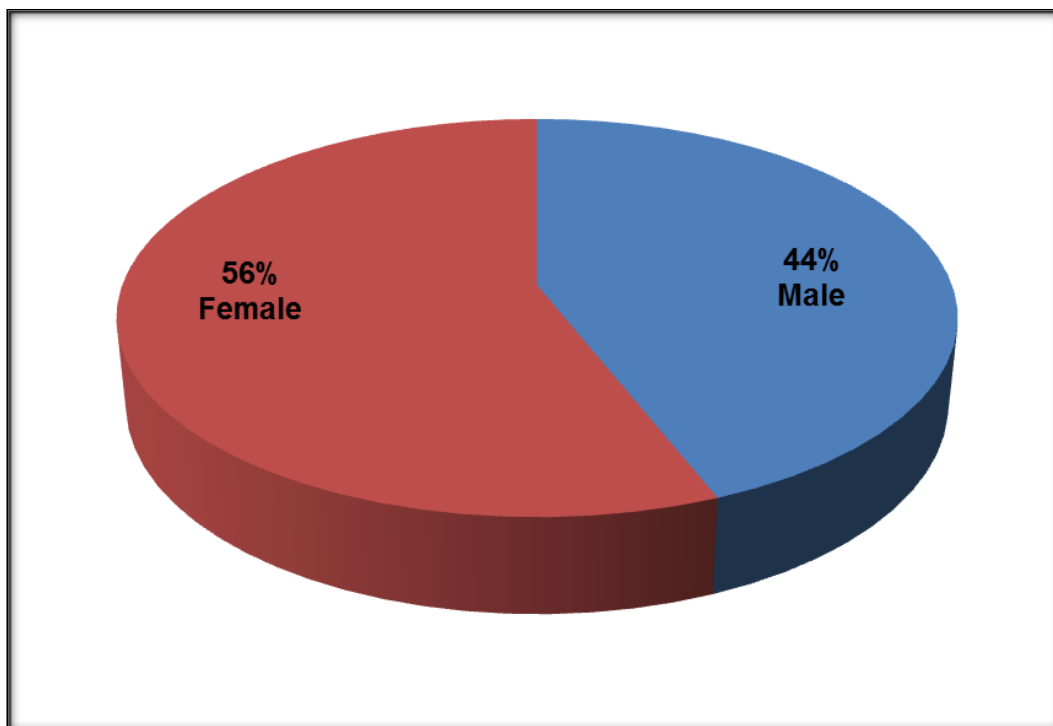


Figure 3-1: Gender distribution of respondents

3.3.1.3 Race distribution

The white population group was in the majority when it came to responding to this survey at 86% of total respondents. The other population groups came in at 7% Black, 6% Coloured and 1% Other. Although this profile might not be exactly indicative of the general population group distribution in the general South African public, it closely resembles the profile of the ATKV's membership base. Figure 3-2 presents the race distribution of respondents.

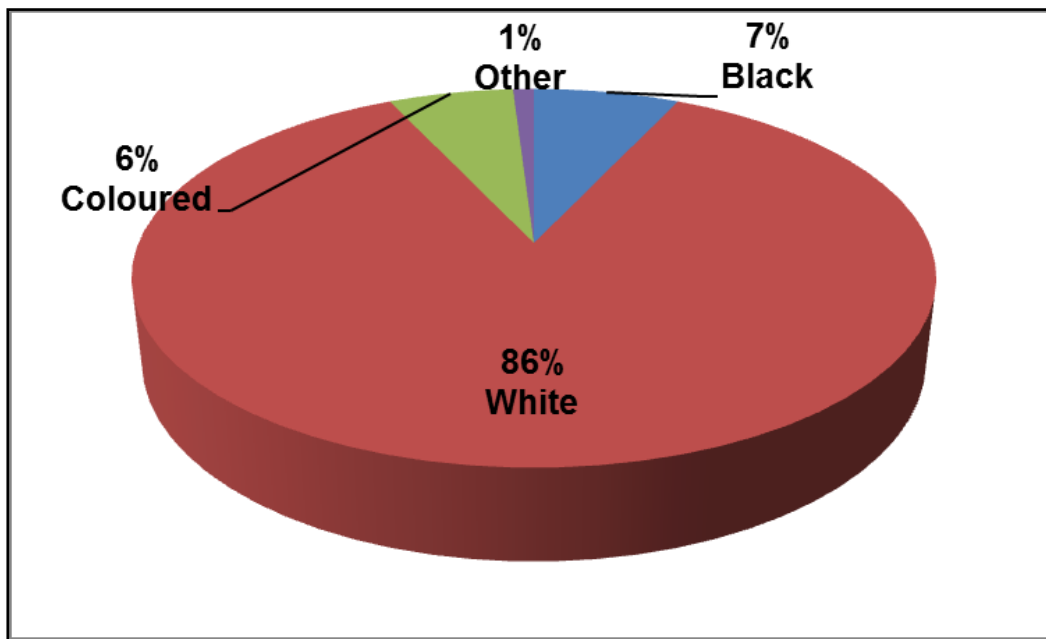


Figure 3-2: Race distribution of respondents

3.3.1.4 Level of employment profile

Figure 3-3 indicates that the respondents are well-qualified persons with the bulk of the respondents indicated their level of employment is a senior position, with 37% being in a middle level of employment. Except for assuming that the 7% that indicated unsure as the level of employment can be defined as pensioners, there is not a lot further that can be read into these statistics.

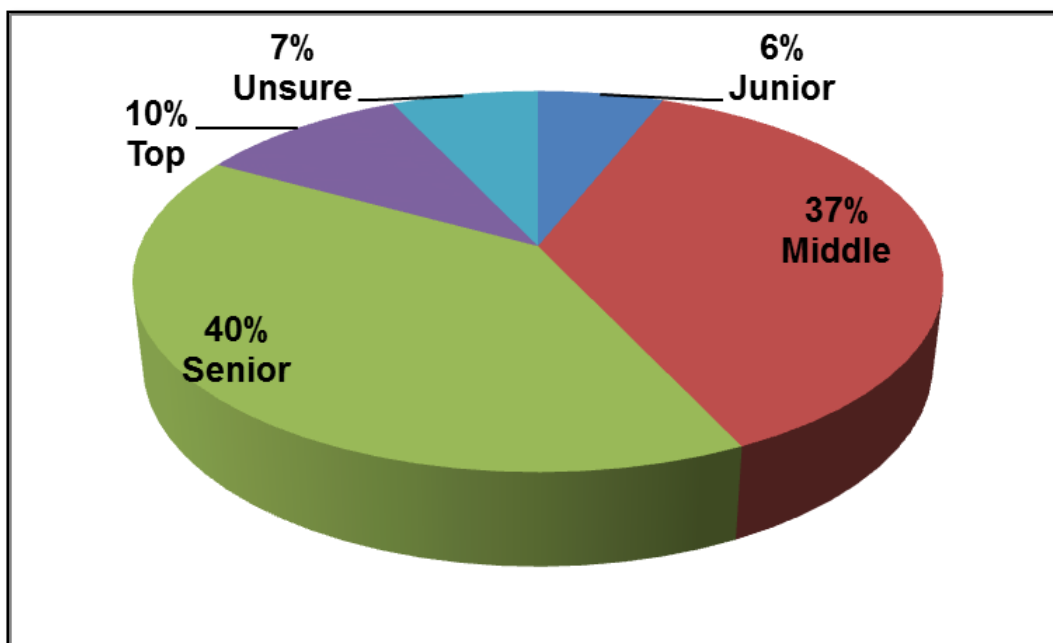


Figure 3-3: Level of employment profile

3.3.1.5 Educational level

It is evident from the educational levels of the respondents that only 5% of the respondents indicated that they do not have a Matric/Standard 10/Grade 12 qualification. Of the remainder, the larger proportion 28% of the respondents indicated that they possess a diploma, with degrees coming in at 17% and postgraduate 12%. Figure 3-4 presents the educational level of the respondents.

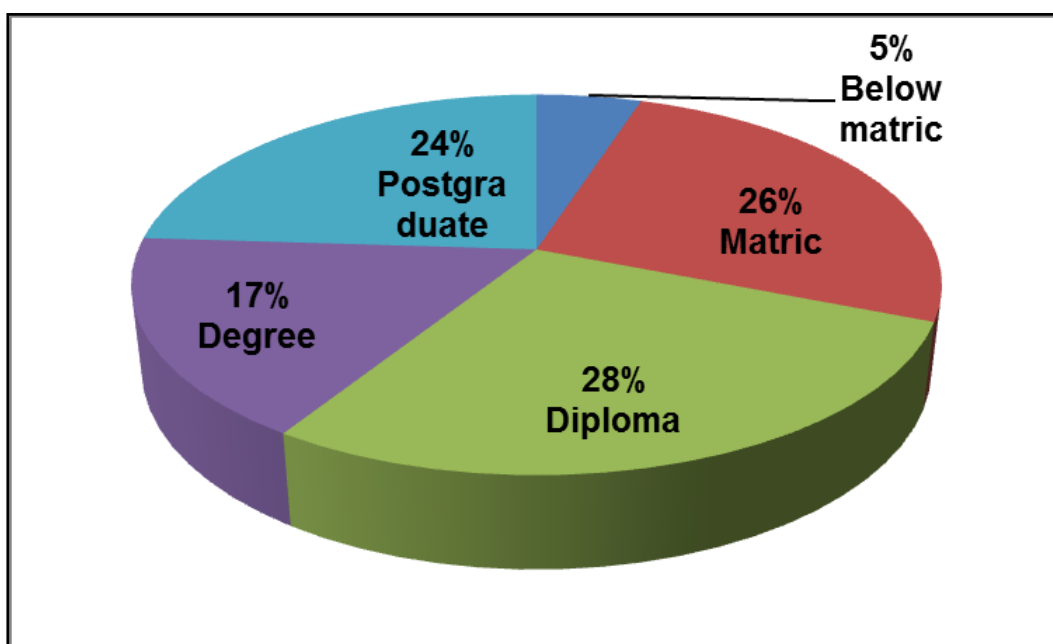


Figure 3-4: Educational level of respondents

3.3.1.6 Geographical distribution

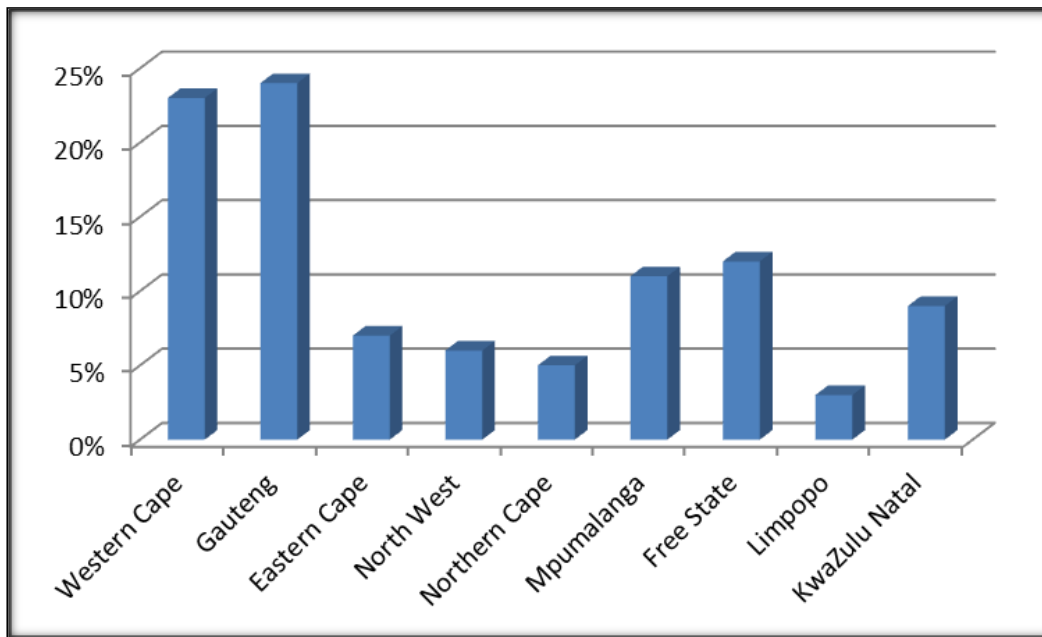


Figure 3-5: Geographic distribution

Figure 3-5 presents the geographic distribution. The questionnaire allowed a selection of the geographical area of the respondents based on the nine provinces of South Africa. Gauteng contributed 24%, Western Cape 23%, Mpumalanga 10% and Free State 11%.

This is a good representation of the ATKV's membership base if one takes into consideration that 43% of ATKV members are from Gauteng and 25% of members are from the Western Cape. These two provinces are representing the largest geographical area of ATKV members.

3.3.2 Quantitative analysis

3.3.2.1 Descriptive statistics summary

The validity of the questionnaire is determined by performing an Exploratory factor analysis about each specific construct of customer engagement and brand loyalty and the questions that measure that specific construct.

In this section, the means and standard deviations were determined by applying descriptive statistical techniques. The descriptive statistical data was used to describe the data.

3.3.2.2 Customer engagement

The results of the empirical survey on customer engagement are presented in Table 3-1 below.

Firstly, item ID1 to ID4 measure identification. Secondly, items EN5 to EN9 measure enthusiasm. AT10 to AT13 measure attention and AB14 to AB19 measure absorption. Lastly items IT20 to IT23 measure interaction.

Table 3-2 indicates the means for identification are all above 3 in the neither agree nor disagree range. The average mean is 3.87 which can be a tendency to lean more to the agreed range.

Enthusiasm has values of above 3 which also lies in the neither agrees nor disagree range. The average mean is calculated to be 3.94. Again, the tendency is towards the agreed range.

Attention has values above 3. The average mean was calculated to be 3.696 which is a clear tendency towards the agreed range.

Absorption has one value of below 3 and the other values are above 3. The average mean was calculated to be 3.08 which is a tendency towards the disagree range.

Interaction has values of above 3, and the average mean was calculated to be 3.52 which is a clear tendency towards the agreed range.

Table 3-1: Results for customer engagement

		Frequency						
		Disagree Totally (1)	Disagree Somewhat (2)	Neutral (3)	Agree (4)	Agree Totally (5)	Mean	Standard deviation
Item	Question	Percentage %						
ID1	When someone criticizes the ATKV, it feels like a personal insult	11.4	5.7	23.3	33.0	26.7	3.58	1.25
ID2	When I talk about the ATKV, I usually say we rather than they	5.1	8.5	13.6	30.1	42.6	3.97	1.17
ID3	The success of the ATKV is also my successes	3.4	5.1	13.6	40.3	37.5	4.03	1.01
ID4	When someone praises the ATKV, it feels like a personal compliment	4.5	6.3	18.8	33.5	36.9	3.92	1.10
EN5	I am heavily into the ATKV and their projects or activities	13.1	9.1	25.0	22.7	30.1	3.48	1.35
EN6	I am passionate about the ATKV's projects and activities	3.4	5.7	20.5	35.8	34.7	3.93	1.04
EN7	I am enthusiastic about the ATKV's projects and activities	1.7	6.8	21.0	35.8	34.7	3.95	0.99
EN8	I feel excited about the ATKV's projects and activities	2.3	5.7	16.5	42.0	33.5	3.99	0.96
EN9	I am proud to be a member of the ATKV	1.1	3.4	8.5	31.3	55.7	4.37	0.86
AT10	I like to learn more about the ATKV's projects and activities	3.4	7.4	22.2	36.9	30.1	3.83	1.05
AT11	I pay a lot of attention to anything about the ATKV	4.0	5.7	26.7	38.1	25.6	3.76	1.02
AT12	Anything related to the ATKV grabs my attention	3.4	11.4	26.7	35.2	23.3	3.64	1.06
AT13	I concentrate a lot on the ATKV and their activities or projects	3.4	8.5	36.4	31.8	19.9	3.56	1.01
AB14	When I am interacting with the ATKV, I forget about everything else around me	19.3	14.8	35.8	22.7	7.4	2.84	1.19
AB15	Time flies when I am interacting with the ATKV	10.8	14.8	34.7	27.3	12.5	3.16	1.15
AB16	When I am interacting with the ATKV, I get carried away	10.2	16.5	40.3	23.9	9.1	3.05	1.08
AB17	When interacting with the ATKV, it is	11.9	15.3	42.0	22.2	8.5	3.00	1.09

	difficult to detach myself							
AB18	In my interaction with the ATKV, I am immersed	9.7	15.9	39.8	25.6	9.1	3.09	1.07
AB19	When interacting with the ATKV intensely, I feel happy	8.5	6.3	38.1	33.0	14.2	3.38	1.07
IT20	In general, I like to get involved in community discussions about the ATKV	8.5	8.5	31.8	35.2	15.9	3.41	1.11
IT21	I am someone who enjoys interacting with like-minded others in the brand community of the ATKV	5.1	6.8	21.0	44.3	22.7	3.73	1.05
IT22	In general, I thoroughly enjoy exchanging ideas with other people in the brand community	5.1	8.0	26.1	39.2	21.6	3.64	1.06
IT23	I often participate in activities of the brand community	8.0	12.5	35.2	29.0	15.3	3.31	1.12

Table 3-2 below summarises the items in the customer engagement section of the research questionnaire into five factors as well as the mean and standard deviation of each factor. This is by the conceptual model of customer engagement as set out in the literature study. The five factors were labelled as:

Factor 1 Identification;

Factor 2 Enthusiasm;

Factor 3 Attention;

Factor 4 Absorption; and

Factor 5 Interaction.

Table 3-2: Pattern Matrix for customer engagement

Customer engagement						
Statement	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Communalities
	Identification	Enthusiasm	Attention	Absorption	Interaction	
1ID	0.56					0.34
2ID	0.40					0.58
3ID	0.63					0.72
4ID	0.69					0.68
5EN		-0.48				0.57
6EN		-0.82				0.84
7EN		-0.86				0.90
8EN		-0.78				0.82
9EN		-0.40				0.67
10AT			0.43			0.37
11AT			0.43			0.67
12AT			0.68			0.73
13AT			0.65			0.82
14AB				-0.76		0.64
15AB				-0.85		0.78
16AB				-0.81		0.80
17AB				-0.86		0.79
18AB				-0.89		0.76
19AB				-0.66		0.70
20IT					0.45	0.62
21IT					0.82	0.84
22IT					0.81	0.81
23IT					0.43	0.58
Cronbach's Alpha	0.82	0.90	0.84	0.94	0.88	
Factor Mean	3.87	3.94	3.69	3.08	3.52	
Factor Standard Deviation	0.92	0.89	0.85	0.98	0.93	

The research data were analysed through Exploratory Factor Analysis (EFA). EFA is a technique within factor analysis whose overarching goal is to identify the underlying

relationships between measured variables. For the section on customer engagement questions 1 to 23 were used as variables. However, to test if factor analysis is a suitable analytical tool to employ, the data were subjected to the Kaizer-Meyer-Olkin (KMO) test of sampling adequacy and Bartlett's test of sphericity.

The KMO measure of sampling adequacy measured 0.93 for customer engagement. According to Field (2009:674) values between 0.8 and 0.9 are considered to be great values, and therefore exploratory factor analysis is appropriate for the data sets. A p-value of Bartlett's test of sphericity was calculated to be smaller than 0.05 which is an indication of a sufficiently large correlation between the statements, and therefore an exploratory factor analysis is suitable to perform. The determinant correlation matrix measured < 0.0001 which indicates that no multicollinearity is present in the data. Five factors were identified during the factor analysis. These factors explain an acceptable cumulative variance of 76.66%.

3.3.3 Factor analysis

The direct oblimin rotation method was used. Factor loading shows that five factors were formed as per the questionnaire based on the elements of customer engagement.

Questions 1-4 = Identification;

Questions 5-9 = Enthusiasm;

Questions 10-13 = Attention;

Questions 14-19 = Absorption; and

Questions 20-23 = Interaction.

For brand loyalty:

Questions 1-3 = Customer satisfaction;

Questions 4-6 = Brand trust;

Questions 7-9 = Perceived value;

Questions 10-12 = Brand identity;

Questions 13-15 = Brand identification; and

Questions 16-18 = Brand loyalty.

Based on the data, by using factor analysis, five factors were identified to include in a model to measure customer engagement. The five factors are identified and labelled below.

3.3.3.1 Factor 1: Identification

Statements that loaded onto factor 1 were ID1, ID2, ID3 and ID4. Factor 1 is related to the identification dimension of customer engagement. Factor 1 has a mean of 3.87. This factor points to the concept that customers will identify more with certain brands over others, particularly with those that match their self-image. Individuals tend to develop a social identity by categorising themselves and others into various social categories, as in the case of organisational membership. Identification occurs when the consumer sees his or her self-image as overlapping the brand's image. Identification is active, selective, and volitional and motivates consumers to engage in company-related behaviours and extra-role behaviour, such as endorsing products to others.

3.3.3.2 Factor 2: Enthusiasm

Statements that loaded onto Enthusiasm were EN5, EN6, EN7, EN8 and EN9. This is the dimension with the highest mean of 3.94 and the items loading onto factor 2 point to aspects that denotes a high level of energy and mental resilience when interacting with the brand, and the consumer's willingness and the ability to invest effort in such interaction. The fact that enthusiasm has the highest mean might also be a motivation aspect why more than 60% of respondents indicated that word of mouth was how they have heard about the ATKV. The literature suggests that the feeling of enthusiasm as a positive affectivity is a fundamental indicator of a customer's engagement with a brand.

3.3.3.3 Factor 3: Attention

Attention has been identified as factor 3 with a mean of 3.69. Four items loaded onto factor 3, AT9, AT10, AT11, AT12, AT13 and deal with the customer's level of focus, consciously or sub-consciously on the brand. A customer who is engaged with a brand is paying attention to information related to the brand.

3.3.3.4 Factor 4: Absorption

Factor 4 has been identified as absorption with a mean of 3.08. Six items loaded onto factor 5, AB14, AB15, AB16, AB17, AB18 and AB19. This factor refers to a customer's high level of concentration and engrossment in a brand. Absorption represents unforced concentration, loss of self-consciousness, distortion of time, and intrinsic enjoyment.

3.3.3.5 Factor 5: Interaction

Factor 5 has been identified as interaction with a mean of 3.52. Four items loaded onto factor 5, IT20, IT21, IT22 and IT23. This factor deals with the sharing and exchanging of ideas, thoughts and feelings about the experiences with the brand and other customers of the brand.

These factors explain an acceptable cumulative variance of 76.66%.

3.4 BRAND LOYALTY

The results of the empirical survey on brand loyalty are presented in Table 3-3 below. Firstly, items CS1 to CS3 measure the dimension of customer satisfaction. Secondly, items BT4 to BT 6 measure brand trust. PV7 to PV9 measure perceived value. Items BI10 to BI12 measure brand identity. Items BIF13 to BIF15 measure brand identification and items BL16 to BL18 measure brand loyalty.

Table 3-3: Results for brand loyalty

		Frequency						
		Disagree Totally (1)	Disagree Somewhat (2)	Neutral (3)	Agree (4)	Agree Totally (5)	Mean	Standard deviation
Item	Question	Percentage %						
1CS	Generally I am satisfied with my decision to become a member of the ATKV	1.7	5.1	8.0	27.3	58.0	4.35	0.95
2CS	I tell other people how satisfied I am with the interactions that I have with the ATKV brand	4.0	5.7	15.9	37.5	36.9	3.98	1.05
3CS	I am content with the ATKV brand, offering the service that I need	2.8	9.7	11.9	38.1	37.5	3.98	1.06
4BT	The ATKV as a brand is a brand that never disappoints	4.5	10.2	23.3	39.8	22.2	3.65	1.07
5BT	I have confidence in the ATKV as brand that I am loyal to	2.3	5.1	10.8	43.8	38.1	4.10	0.94
6BT	The reputation of the ATKV as brand is a key factor in me maintaining brand loyalty	3.4	5.1	15.9	45.5	30.1	3.94	0.98
7PV	The value added by the ATKV brand generates a feeling of safety, security and belonging to my life	5.1	8.0	23.9	40.3	22.7	3.68	1.07
8PV	The value that I acquire from the ATKV brand is far greater than the financial contribution that I must make annually as membership fee	5.7	11.9	24.4	31.3	26.7	3.61	1.16
9PV	I believe that my membership of ATKV will be of specific value to me in the future	2.3	6.8	17.6	48.3	25.0	3.87	0.94
10BI	The ATKV as a brand has prestige and good quality	1.7	4.0	10.8	51.1	32.4	4.09	0.86
11BI	The ATKV as brand has a great reputation	1.1	2.3	11.9	51.7	33.0	4.13	0.79
12BI	The ATKV has a distinct identity	0.6	4.0	11.4	45.5	38.6	4.18	0.82
13BIF	When someone criticizes the ATKV, I consider it as a personal insult	8.0	12.5	21.6	33.0	25.0	3.55	1.21
14BIF	I am very interested to know what other people think about the ATKV	3.4	8.0	17.6	42.0	29.0	3.85	1.03
15BIF	I consider the success of the ATKV as successes of mine	5.7	8.5	24.4	34.7	26.7	3.68	1.12
16BL	Characteristics of the products and services of the ATKV are well by what I like	3.4	5.1	17.0	51.1	23.3	3.86	0.94
17BL	I have no negative attitude toward the ATKV	2.8	1.7	7.4	35.2	52.8	4.34	0.90
18BL	I like the features and performance of the ATKV	2.3	1.7	9.1	42.6	44.3	4.25	0.86

The factor analysis performed on these 18 statements of brand loyalty uncovered the construct equivalence and factorial structure. Table 3-4 below summarises the items in the brand loyalty section of the research questionnaire into six factors as well as the mean and standard deviation of each factor.

The six factors were labelled as:

- Factor 1: Customer satisfaction;
- Factor 2: Brand trust;
- Factor 3: Perceived value;
- Factor 4: Brand identity;
- Factor 5: Brand identification; and
- Factor 6: Brand loyalty.

Table 3-4: Pattern Matrix for brand loyalty

Brand Loyalty							
Statement	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Communalities
	Customer satisfaction	Brand Trust	Perceived Value	Brand Identity	Brand Identification	Brand Loyalty	
1CS	0.57						0.76
2CS	0.66						0.82
3CS	0.62						0.70
4BT		0.62					0.61
5BT		0.45					0.72
6BT		0.47					0.59
7PV			0.87				0.87
8PV			0.31				0.63
9PV			0.27				0.69
10BI				0.28			0.84
11BI				0.30			0.69
12BI				0.84			0.90
13BIF					0.61		0.60
14BIF					0.53		0.47
15BIF					0.86		0.84
16BL						-0.21	0.64
17BL						-0.69	0.69
18BL						-0.40	0.76
Cronbach's Alpha	0.88	0.81	0.81	0.83	0.82	0.85	
Factor Mean	4.10	3.89	3.71	4.13	3.69	4.14	
Factor Standard Deviation	0.92	0.85	0.90	0.71	0.96	0.79	

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy for brand loyalty measured 0.93. As this value is above 0.9, it is being considered to be a great value, and therefore exploratory factor analysis is appropriate for these data sets. A p-value of Bartlett's test of sphericity was calculated to be smaller than the required 0.05.

3.4.1 Factor 1: Customer satisfaction

Statements CS1 to CS3 loaded onto Factor 1. Factor 1 has identified as customer satisfaction with a mean of 4.10. The items loaded onto Factor 1 are dealing with the fulfilment of the customer's need. It can be seen as an overall emotional evaluation based on the total purchase and consumption experience over time.

3.4.2 Factor 2: Brand trust

Statements BT4 to BT6 loaded onto Factor 2. Factor 2 was identified as a brand trust with a mean of 3.89. The three items loaded onto Factor 2 deal with a psychological condition.

3.4.3 Factor 3: Perceived value

Statements PV7 to PV9 loaded onto Factor 3 and the factor was identified as a perceived value with a mean of 3.71. The three items loaded onto factor 5 deal with price and quality and the perception of value.

3.4.4 Factor 4: Brand identity

Statements BI10 to BI12 loaded onto Factor 4. This factor was identified as brand identity with a mean of 4.13. The three items loaded onto factor 4 deal with the personality, goals and aspirations of the ATKV as well as values.

3.4.5 Factor 5: Brand identification

Statements BIF13 to BIF15 are loaded onto Factor 5 and this factor was identified as brand identification with a mean of 3.69. The three items loaded onto factor 5 deal with affective attachment to the brand.

3.4.6 Factor 6: Brand loyalty

Statements BL16 to BL18 are loaded onto Factor 6. This factor was identified as brand loyalty with a mean of 4.14. The three items loaded onto factor 6 deal with attitudinal and behavioural loyalty towards the brand.

3.5 RELIABILITY

According to Hair *et al.* (2011:233), a measuring instrument is deemed reliable "of its repeated application results in consistent scores. Reliability is concerned with the consistency and internal stability of the research finding. The reliability measure that was used to determine the questionnaire's reliability is the Cronbach's Alpha measure. According to Santos (1999:1), Cronbach's Alpha determines the internal consistency, reliability or average correlation of items

in a survey instrument to measure its reliability. The generally accepted guideline is a Cronbach's Alpha value of above 0.7, but the rule of thumb for interpreting alpha values is summarised in Table 3-5.

Table 3-5: Rules of thumb about Cronbach' Alpha Coefficient Size (Source: Hair et al., 2011:235)

Alpha coefficient range	Strength of association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very good
≥ 0.9	Excellent
<i>Note: If Alpha > 0.95, items should be inspected to ensure they measure different aspects of the concept</i>	

Table 3-6: Reliability Indicators

Variable	Cronbach's Alpha
Identity	0.82
Enthusiasm	0.90
Attention	0.84
Absorption	0.94
Interaction	0.88
Customer satisfaction	0.88
Brand trust	0.81
Perceived value	0.81
Brand interaction	0.83
Brand identification	0.82
Brand loyalty	0.85

According to Table 3-6, all the Cronbach's Alpha values of all the different dimensions in the questionnaire are above 0.7. This is an indication that the questionnaire that was used in this study was reliable. This confirms the validity and that the design of the questionnaire and the items that were constructed to measure the statements were well formulated and clearly understood by the respondents.

3.6 CORRELATION ANALYSIS

This section focuses on the correlations between the study's factors that were covered by this research. The correlations between the factors are presented in Table 3-7.

Table 3-7: Correlation coefficients between factors

	1	2	3	4	5	6	7	8	9	10	11
1. Identification	1.000										
2. Enthusiasm	.682**	1.000									
3. Attention	.640**	.716**	1.000								
4. Absorption	.589**	.607**	.655**	1.000							
5. Interaction	.548**	.723**	.730**	.722**	1.000						
6. Customer Satisfaction	.653**	.670**	.564**	.560**	.528**	1.000					
7. Brand Trust	.550**	.543**	.506**	.531**	.522**	.738**	1.000				
8. Perceived Value	.570**	.558**	.553**	.641**	.571**	.759**	.804**	1.000			
9. Brand Identity	.471**	.533**	.475**	.529**	.537**	.651**	.703**	.741**	1.000		
10. Brand Identification	.785**	.627**	.690**	.687**	.607**	.654**	.615**	.640**	.635**	1.000	
11. Brand Loyalty	.633**	.660**	.543**	.572**	.586**	.755**	.746**	.730**	.708**	.717**	1.000

From Table 3-7 all the factors are positively correlated. Identification as part of customer engagement is practically significant positively correlated (large correlation) with brand identification (0.785), enthusiasm (0.682), customer satisfaction (0.653), absorption (0.589), attention (0.640), interaction (0.548), brand trust (0.550), perceived value (0.570) and brand loyalty (0.633). Identification as part of customer engagement is practically significant positively correlated (medium correlation) with brand identity (0.471).

Enthusiasm is practically positively correlated (large correlation) with interaction (0.723), identification (0.682), attention (0.716), customer satisfaction (0.670), brand loyalty (0.660), brand identification (0.627), absorption (0.607), perceived value (0.558), brand trust (0.543) and brand identity (0.533).

Attention is practically positively correlated (large correlation) with interaction (0.730), enthusiasm (0.716), identification (0.640), brand identification (0.690), absorption (0.655), customer satisfaction (0.564), brand loyalty (0.543), perceived value (0.553), brand trust (0.506). Attention as part of customer engagement is practically significant positively correlated (medium correlation) with brand identity (0.475).

Absorption is practically positively correlated (large correlation) with interaction (0.722), brand identification (0.687), attention (0.655), enthusiasm (0.607), identification (0.589), customer satisfaction (0.560), brand trust (0.531), perceived value (0.641), brand identity (0.529) and brand loyalty (0.572).

Interaction is practically positively correlated (large correlation) with brand identification (0.607), absorption (0.722), attention (0.730), enthusiasm (0.723), identification (0.548), customer satisfaction (0.528), brand trust (0.522), perceived value (0.571), brand identity (0.537) and brand loyalty (0.586).

Customer satisfaction is practically significant positively correlated (large correlation) with brand loyalty (0.755), perceived value (0.759), brand trust (0.738), brand identity (0.651), brand identification (0.654), interaction (0.528), absorption (0.560), attention (0.564), enthusiasm (0.670) and identification (0.653).

Brand trust is practically significant positively correlated (large correlation) with perceived value (0.804), brand loyalty (0.746), brand identity (0.703), brand identification (0.615), customer satisfaction (0.738), interaction (0.522), absorption (0.531), attention (0.506), enthusiasm (0.543) and identification (0.550).

Perceived value is practically significant positively correlated (large correlation) with brand identity (0.741) brand loyalty (0.730), brand identification (0.640), brand trust (0.804), customer

satisfaction (0.759), interaction (0.571), absorption (0.641), attention (0.553), enthusiasm (0.558) and identification (0.570).

Brand identity is practically significant positively correlated (large correlation) with brand loyalty (0.708), brand identification (0.635), perceived value (0.741), brand trust (0.703), customer satisfaction (0.651), interaction (0.537), absorption (0.529), attention (0.475), enthusiasm (0.533) and identification (0.471).

Brand identification is practically significant positively correlated (large correlation) with brand loyalty (0.717), brand identity (0.635), perceived value (0.640), brand trust (0.615), customer satisfaction (0.654), interaction (0.607), absorption (0.687), attention (0.690), enthusiasm (0.627) and identification (0.785).

Brand loyalty is practically significant positively correlated (large correlation) with customer satisfaction (0.755), brand trust (0.746), perceived value (0.730), brand identification (0.717), brand identity (0.708), interaction (0.586), absorption (0.572), attention (0.543), enthusiasm (0.660) and identification (0.633).

3.7 OPEN-ENDED QUESTIONS

In this section of the questionnaire three open-ended questions were posed to the respondents:

Question 1: Do you think that the ATKV as an organisation is still relevant within the current conditions in South Africa?

From the 176 respondents that completed the questionnaire, a total of 153 commented on the question. The feedback of the respondents can be summarised under the following topics:

The ATKV needs to market Afrikaans among non-Afrikaans speaking communities to grow the language. The respondents indicated that the ATKV needs to focus more on youth programmes as they are the members and leaders of tomorrow. The ATKV needs to increase its involvement in schools and to offer school projects to communities who are unfamiliar with the ATKV. The respondents indicated that the ATKV needs to build on its uniqueness and values. The respondents indicated the importance of communication to the members of the ATKV. Feedback also included recommendations that the ATKV needs to develop its own APP and to make more use of technology. Respondents indicated that the ATKV needs to revise the membership benefits and that the ATKV needs to present a bigger offering to universities to recruit students as participants for projects and prosper members.

Question 2: Which of the ATKV's products or activities are you familiar with?

For this question, respondents had to tick the relevant block of products or activities that they are familiar with.

ATKV Buffelspoort	
ATKV Drakensville	
ATKV Eiland Spa	
ATKV Goudini Spa	
ATKV Hartenbos	
ATKV Klein-Kariba	
ATKV Natalia	
ATKV Applous	
ATKV Redenaars	
ATKV Spelathon	
ATKV Debat	
ATKV Tienertoneel	
ATKV Animato	
ATKV Mediaveertjies	
ATKV Woordveertjies	
ATKV Olimpiade	

From the 176 respondents that completed the questionnaire, a total of 176 commented on the question. Based on the feedback from the respondents it is clear that ATKV Hartenbos is the product of the ATKV with whom most of the respondents are familiar with. Second is ATKV Buffelspoort; third is ATKV Klein-Kariba, fourth is ATKV Drakensville, ATKV Redenaarskompetisie and ATKV Goudini Spa.

Question 3: How must the ATKV position itself as an organisation to be relevant over the next ten years?

From the 176 respondents that completed the questionnaire, a total of 168 commented on the question. General feedback with regards to this question involved topics such as technology, better and more membership benefits, more collaboration with strategic partners and a more defined value proposition for the youth. Some of the respondents also indicated that the ATKV needs to involve second and third additional language participants in projects.

Innovation is another concept that was identified by respondents as a component that needs to be part of the ATKV's offering, with specific reference to the ATKV creating its own mobile phone App (Application).

Some of the respondents also commented that the ATKV does not offer a value proposition for the younger generations. There was a remark that the ATKV needs to do more to promote and be a marketer for Afrikaans. Some of the respondents indicated that the ATKV needs to do more marketing about the role that this organisation is playing towards nation building and reconciliation.

Respondents also made remarks that the ATKV needs to adjust its projects to make changes in the macro environment into consideration. There was a comment that the ATKV needs to stay true to its character, be inclusive and demonstrate a non-political nature. A respondent commented that the ATKV needs to cross bridges to another language to demonstrate a friendly face of Afrikaans and to market Afrikaans by reaching out. A respondent indicated that the ATKV needs to involve its members in decision-making processes.

From the above, it is clear from the literature review that most of these comments are related to customer engagement and brand loyalty. Characteristics like collaboration with partners, the involvement of members in decision-making processes and marketing about the role of the ATKV is clear components of customer engagement. From the comments, it also became clear that most of the respondents feel that the ATKV has a clear and well-defined brand identity and that brand identification is present, also characteristics of brand loyalty.

3.8 SUMMARY

In this chapter, the discussion on the research findings started off by explaining the sample type, size and response rate. The development of the questionnaire was then discussed. A detailed discussion of the demographics of the respondents followed. The main part of the chapter was spent on the discussions on the quantitative analysis of the data, starting with some descriptive statistics, and reliability testing. Finally, after ensuring that the data is suitable for multivariate analysis using the KMO and Bartlett tests, an exploratory factor analysis identified five factors for customer engagement namely: *enthusiasm, identification, attention, absorption and interaction*. These factors play an important role in managing and maintaining customer engagement. Brand loyalty, customer satisfaction, brand trust, perceived value, brand identity and brand identification were measured.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 INTRODUCTION

This is the final chapter of the study. In this chapter, conclusions are summarised, and recommendations relating to the findings of the literature study are made. Furthermore, recommendations will follow and areas where possible future research could be conducted.

The primary objective of this study was to investigate the level of customer engagement with the ATKV and level of brand loyalty amongst the members of the ATKV. The primary objective was achieved by conducting a literature study on the dimensions of customer engagement and brand loyalty. From the literature, a questionnaire was designed and was distributed to ATKV members.

Secondary objectives are to examine the current state of customer engagements and brand loyalty within the ATKV as a cultural organisation as well as to measure the current level of customer engagement of ATKV members using the five dimensions of customer engagement (identification, attention, enthusiasm, absorption and interaction). Another secondary objective was to measure the current level of brand loyalty of ATKV members and the five dimensions of brand loyalty (brand identity, brand identification, perceived value, customer satisfaction and brand trust).

Conclusions and recommendations with regards to customer engagement and brand loyalty are made separately.

4.2 GAP-ANALYSIS

4.2.1 Current state

As the ATKV operates in a very competitive environment, it becomes more and more important to ensure customer engagements and brand loyalty. As the literature reviews revealed, customer engagement is developed by various dimensions. All five dimensions (identification, enthusiasm, attention, absorption and interaction) were found to be significant in representing customer engagement. For the ATKV to develop customer engagement, the focus needs to be on the enhancement of each of the five dimensions, with particular emphasis on absorption, interaction and attention, given their lower score for the factor mean.

By understanding the needs of the customers and their considered values, the ATKV needs to give a careful evaluation to the importance of the interaction between the organisation and their

clients by providing valuable goods and service for them which cause satisfaction and brand loyalty.

Developing and sustaining brand loyalty is a major challenge in a highly competitive environment. As per the literature review, brand loyalty is a multidimensional construct.

With perceived value and brand identification being the lowest factors of brand loyalty, the ATKV needs to revisit the brand's value proposition and the way in which it is actively communicated to the target audience. Payne and Frow (2014:125) explained that value propositions encompass the functional and emotional benefits of an organisation's brand. The value proposition is distinctive but closely related to the concept of a brand. A brand has two tasks: creating a relevant and compelling value proposition and making this proposition credible. The brand connects directly to the customer through a targeted value proposition. For the ATKV to ensure an increase in the level of brand loyalty, it becomes imperative to develop a value proposition.

4.2.2 Desired state

The ATKV needs engaged and loyal members that can actively contribute to the sustainability and profitability of the organisation. The ATKV needs a customer-centric approach to identifying a key customer segment, their needs and wants and to develop products and services to fulfil those needs then continuously. The ATKV needs to conduct market research about buyer's needs and wants and formulate a marketing strategy based on the value proposition per market segment.

The desired state is one in which the ATKV connects with current and potential members and to seek their active involvement in developing products that meet customer needs. The ATKV needs to involve customers in the value-adding process and marketing mix decisions to increase the likelihood of their satisfaction (Sashi, 2012:268). While formulating marketing strategies, the ATKV needs to consider segmentation of the members of the ATKV.

4.3 CONCLUSIONS ON THE LITERATURE STUDY

This study concludes that customer engagement is regarded as an effective retention and acquisition strategy for establishing and maintaining the competitive advantage (Brodie *et al.*, 2011:252) and identified five underlying dimensions (enthusiasm, identification, attention, absorption and interaction) that constitute customer engagement. The positive influence of customer engagement on brand loyalty provides support for the argument that engaged individuals are more likely to feel loyal to the organisation (So *et al.*, 2016b:184).

The results of this study demonstrate that customer engagement enriches the customer's relationship quality with the brand as well as their loyalty, thus underlining the relevance and value of incorporating customer engagement in the marketing strategy of the ATKV. Brand loyalty also has various benefits for organisations, and by creating perceived value, it can in return leads to customer satisfaction and trust of the brand.

This study showed that the heart of marketing is relationships and that to nurture long-term relationships should be the goal of the ATKV. The ATKV needs to change the organisational processes in a way that the organisation can recognise individual customers and extract information on who they are and what they want.

4.4 CONCLUSIONS ON THE EMPIRICAL STUDY

4.4.1 Data validity and reliability

Regarding the research methodology, statistical techniques, validity of the questionnaire and the reliability of the data it can be concluded that:

4.4.2 Conclusion 1 (a)

The Kaizer-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's test of sphericity are suitable measures to determine if exploratory factor analysis could be employed to analyse the data.

4.4.3 Conclusion 1 (b)

Factor analysis was an appropriate tool to use in this study because it yielded the factors for customer engagement and brand loyalty.

4.4.4 Conclusion 1 (c)

The data for this study is reliable as confirmed by the Cronbach Alpha coefficients.

4.4.5 Recommendation 1

About conclusion 1 (a), (b) and (c) it is recommended that the statistical process and techniques used in this study are suitable to be employed in future studies by other researchers in similar studies. The KMO successfully confirmed that the sample was adequate and that multivariate statistics could be performed. The data collected by the questionnaire are reliable.

4.5 COMPONENTS OF CUSTOMER ENGAGEMENT

Regarding the customer engagement components, the following conclusions and recommendations can be made:

4.5.1 Conclusion 2

Factor loading shows that five factors were formed for customer engagement, namely, enthusiasm, attention, absorption, interaction and identification and therefore the conclusion can be drawn that all the components contribute to customer engagement.

4.5.2 Recommendation 2

It is recommended that the questionnaires developed by Dwivedi (2015:105); Harrigan, Evers, Miles and Daly (2016:604); So *et al.* (2016b:182) and Craven (2013:71) are reviewed when developing a questionnaire when measuring customer engagement.

4.5.3 Identification conclusions

The reliability score of identification as a component of customer engagement is 0.82 which is acceptable and an average mean of 3.87. Since Identification showed, the second highest mean the conclusion can be made that ATKV members identify with the organisation and that this component plays a distinctive role in improving customer engagement with ATKV members.

4.5.4 Identification recommendations

Based on the literature review the researcher wants to argue that since identification is a component of customer engagement with the second highest average mean, the current ATKV members have a good understanding of the organisation's products and offerings. Therefore, the organisation needs to provide ideas/opportunities for the current members to give references in order to grow the membership base. Since identification represents a state in which the member perceives or feels a sense of belongingness with the organisation, it is important to incorporate this component in building deeper, more committed relationships with members to increase customer engagement. As the ATKV shows unique characteristics as an arts and language organisation, the vision and mission of the ATKV need to be emphasised in marketing campaigns to recruit new members that will identify with what the ATKV stands for. The ATKV needs to find ways to build strong customer identification, by creating a distinctive and strong identity that is desired by the target customer segments because it allows a sustainable differentiation of the offering and helps to enhance customers' identification with the organisation or brand as per Sharma and Rather (2016:37).

As explained by Osterwalder and Pigneur (2009:1) customer segments are the different groups of people organisations aim to reach and serve. To improve service and value to their customers' organisations commonly group them into segments distinguished by common needs, common behaviours or other relevant attributes. For the ATKV to increase identification, it is necessary to apply market segmentation and as per Lamb *et al.* (2015:203) segmentation will enable the ATKV to define customer needs and wants more precisely. Segmentation will also provide the ATKV with information to help to design marketing mixes that specifically match the characteristics and desires of one or more segments.

It is recommended that the ATKV applies market segmentation to get a clear picture of the customers they serve and to understand their needs and behaviours to increase customer engagement. Having a clear understanding of the needs of the customers will enable the ATKV to convey the value proposition to the customers in order to create perceived value.

4.5.5 Enthusiasm conclusions

The reliability score of enthusiasm as a component of customer engagement is 0.90, which is acceptable and with an average mean of 3.94. Enthusiasm showed the highest mean of the various components and would the author like to argue that ATKV members are enthusiastic about the organisation and that this component ought to be utilised in marketing campaigns.

4.5.6 Enthusiasm recommendations

Since the current ATKV members showed a high level of enthusiasm towards the organisation and as indicated as part of the secondary objectives of this study to make recommendations to improve customer engagement with the ATKV, one such recommendation can be to promote customer referrals. Incentivising existing ATKV members to bring in new members through customer referrals can work well.

As part of the ATKV's marketing strategy, the organisation also needs to focus on turning the enthusiastic and loyal customers into brand ambassadors and encourage them to do word of mouth marketing to recruit new members.

4.5.7 Attention conclusions

The reliability score of attention as a component of customer engagement is 0.84, which is acceptable and with an average mean of 3.69 and being the third highest.

4.5.8 Attention recommendations

As we are living in a content-driven world, where the attention of customers is battled over every day and for the ATKV to grab to consumer's attention, it is vital to add value to the consumer. Based on Christensen's Milkshake Marketing (Nobel, 2011:1) it is necessary for the ATKV to learn more about the needs and wants of current and prospective members of the ATKV and to start to look at products the way customers do: as a way to get a job done. Nobel (2011:1) added the importance of purpose branding, which is to build an entire brand around a particular job-to-be-done. Quite simply, purpose branding involves naming the product after the purpose it serves. Again, illustrating the importance of introducing a value proposition that the ATKV can communicate the members to raise their attention and in the long-run ensure customer engagement.

To increase attention, the ATKV needs to offer information their different customer segments may find appropriate and interesting, as personal, relevant knowledge or information can prompt attention, as explained by Sharma and Rather (2016:37).

4.5.9 Absorption conclusions

The reliability score of absorption as a component of customer engagement is 0.94 which is acceptable and with an average mean of 3.08 and showing the lowest mean of the different components. As per So *et al.* (2014:311) absorption is a cognitive component of customer engagement.

4.5.10 Absorption recommendations

With absorption being the component with the lowest mean the ATKV needs to identify ways in which to get members of the ATKV more absorbed. Social media is the ideal channel through which to encourage customers' absorption, identification and interaction with a brand. Brands must understand how to efficiently use various functions of social media, such as pictures, videos, reviews, comments, blogs, all of which can be both marketer and user-generated, to foster these three different dimensions of engagement with their brand over another. For example, the ATKV can provide entertaining or educational content through blogs to absorb customers. Through these activities and others, brands can develop a distinctive image on social media that can allow customers to identify with their brand over others. A final example would be that the ATKV provides truthful and transparent replies to customer reviews to ensure interaction with their customers.

To get the current and prospective members of the ATKV more absorbing, another recommendation can be that the ATKV introduces a mobile application (APP). Haselmayr

(2014) highlighted the benefits of a mobile application to organisations and referred to the fact that with an APP the organisation is visible to customers at all times. To be more visible will enable the ATKV to improve communication and to get closer to a direct interaction with the members.

4.5.11 Interaction conclusions

The reliability score of interaction as a component of customer engagement is 0.88 which is acceptable and with an average mean of 3.52. As per So *et al.* (2014:311) interaction is a behavioural element of customer engagement and refers to various participation (both online and offline) that a customer has with a brand or other customers outside of purchase.

4.5.12 Interaction recommendations

To increase the interaction component of customer engagement, the ATKV needs to build brand communities. According to Kapferer (2008:163), the getting together of consumers and the sharing of their experiences is a form of reward. The ATKV needs to get the different branches to operate as brand communities and to have more interaction with the ATKV brand. In today's turbulent world, people are hungry for a sense of connection and based on this need the ATKV needs to constantly and consistently communicate a clear set of values that emotionally connect consumers with the brand.

Another recommendation is that the ATKV starts a corporate blog to establish an online branded community. Through a corporate blog, the ATKV can build relationships with their prospective and current members through the post and encourage them to participate by commenting on the blog, thereby stimulating customer engagement.

Another recommendation for the ATKV to increase interaction with members is to introduce a Customer Relationship Management (CRM) interaction. Ahuja and Medury (2010:94) explained that customer relationship management recognises that customers represent a valuable long-term business asset that must be nurtured and cared for to be profitable in the long run. It is important that the ATKV engage with members, treat them as assets, learn about them and provide opportunities for feedback.

It becomes vital for the ATKV to learn as much about the members as possible to establish a dialogue with them.

4.5.13 Customer engagement conclusions

As defined in the literature study customer engagement is all about developing or maintaining a strong and enduring bond between the brand and consumers through interactions, shared

values, experiential contents and rewards (Kumar 2013:2; Leckie *et al.*, 2016:559). All the five items (identification, enthusiasm, attention, absorption and interaction) were found to be significant in representing customer engagement.

As the purpose of this study is to explore the level of customer engagement, the findings suggest that ATKV members feel enthusiastic, show identification and attention towards the organisation, but the ATKV lacks interaction and absorption from the members. Absorption component of customer engagement was found to have the lowest mean implying that ATKV members do not feel involved with the brand and its offerings. As interaction shows a correlation with absorption, the authors want to argue that the ATKV members also indicated that they do not get involve and do not participate in offerings. To strengthen the relationship between ATKV members and the organisation special emphasis and actions need to be put in place to increase the absorption levels and the interaction levels with ATKV members.

Based on the ATKV's strategic objective to increase the membership base customer engagement is viewed as a necessity to connect with customers and to build relationships. If customer's level of engagement with the brand increases, they are more likely to perceive that the relationship with the brand fulfils the expectations, predictions and goals which in turn inform customer commitment to support the brand in future.

In the current business environment where attracting and retaining members for the ATKV is seen as a marketing challenge, customer engagement strategies can help to maintain stronger customer-brand connections. As per So *et al.* (2016b:176) customer engagement with a brand influences important aspects of consumer brand knowledge, brand perceptions and brand attitudes and hence brand loyalty and may customer engagement consequently make consumers feel more loyal to the organisation. Hence, the study identifies that overall customer engagement of ATKV members is positive.

The five components of customer engagement correlate with each other, meaning that changes in one are associated with proportional changes in the other components as per So *et al.* (2014:312). An example is that ATKV members show a strong enthusiasm for the ATKV as a brand it is likely to increase the level of the attention focused on the ATKV as a brand as well as member participation in an online discussion centred on the brand.

4.5.14 Customer engagement recommendations

The ATKV needs to make provision for the marketing campaigns to encourage word of mouth, customer recommendations and referrals, blogging and web posting and other behaviours influencing the organisation and the brand (Van Doorn *et al.*, 2010:253).

As customer engagement enhances the customer's relationship quality with the brand as well as their loyalty components of brand loyalty will further be discussed.

4.6 COMPONENTS OF BRAND LOYALTY

Regarding the brand loyalty components, the following conclusions and recommendations can be made:

4.6.1 Conclusion 3

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy for brand loyalty measured 0.930. As this value is above 0.9, it is being considered to be a great value, and therefore exploratory factor analysis is appropriate for these data sets.

4.6.2 Recommendation 3

It is recommended that the questionnaire that was developed are reviewed when developing a questionnaire when measuring brand loyalty.

4.6.3 Customer satisfaction conclusion

The reliability score of customer satisfaction as a component of brand loyalty is 0.88, which is acceptable and with an average mean of 4.10. Customer satisfaction is practically significant positively correlated (large correlation) with brand loyalty (0.75), perceived value (0.75) and brand trust (0.73).

Customer satisfaction seems to be a key dimension in marketing relationships with customers who are satisfied with the organisation and offerings will demonstrate loyalty and recommend the organisation to other people, and therefore customer satisfaction can be regarded as an important component of brand loyalty as per Tripathi (2012:124).

4.6.4 Customer satisfaction recommendations

As per Lamb *et al.* (2015:26), customer satisfaction is a critical requirement for successful marketing, and successful organisations make sure that they know what their customers want by doing research, and they then make sure that they satisfy those needs well. It is important to cultivate long-term relationships by ensuring sustained customer satisfaction.

It is recommended that the ATKV introduces a programme to measure customer satisfaction using formal research surveys.

Another recommendation is that the ATKV introduces a retention programme to retain the current members since satisfied members lead to customer loyalty, which as per Lamb *et al.* (2015:7) ensure the survival and prosperity of the organisations who get it right. The ATKV can also make use of technology, to improve quality by paying membership fees or subscribing as a new member. This can strengthen customer satisfaction.

4.6.5 Brand trust conclusion

The reliability score of brand trust as a component of brand loyalty is 0.81, which is acceptable and with an average mean of 3.89. Brand trust is practically significant positively correlated (large correlation) with perceived value (0.80), brand loyalty (0.74) and brand identity (0.70). Trust is regarded as an essential prerequisite for creating long-term relationships with customers (Padua, 2012:79).

4.6.6 Brand trust recommendations

A brand is a name, term, symbol, design or combination thereof that identifies a seller's product and differentiates them from competitors' products as per Lamb *et al.* (2015:281).

One of the secondary objectives of this study is to make recommendations on how to improve brand loyalty at the ATKV. Brand loyalty can be achieved through consumer's trust in a brand, and therefore it is important that the ATKV develops a marketing message based on quality content to build a trustworthy brand. The content needs to show customers how the ATKV as a brand is solving a problem or making a difference.

Another recommendation is that ATKV makes use of technology to create and strengthen brand trust by creating content that customers are excited to share with their social networks and to highlight positive customer testimonials on social media sites.

Building brand trust means building a reputation. As reputation is tied to a brand's identity, a trust strategy has to leverage contents transmitted through all customer touch points to build a significant and single-minded identity profile, and as per Padua (2012:115), loyalty grows on the ground of trust. The transition loyalty to customer engagement can't happen if trust is not created.

4.6.7 Perceived value conclusion

The reliability score of perceived value as a component of brand loyalty is 0.81 with an average mean of 3.71. Perceived value is practically significant positively correlated (large correlation) with brand identity (0.71.) and brand loyalty (0.73).

According to the principle of perceived value (Lamb *et al.*, 2015:25), a brand with a stronger identity tends to enhance value perception and therefore the conclusion that brand identity has a positive relationship with the perceived value of the brand.

4.6.8 Perceived value recommendations

A recommendation to increase perceived value for the members of the ATKV is to implement a rewards programme that incentivises customers to make repeat purchases. A rewards programme can enhance the perceived value of a brand by giving discounts, prizes or recognition to the members.

To better the perception of perceived value among the ATKV members, another recommendation will be to conduct market research to identify what the members' value and based on the outcomes of the research to segment the members and to build up a profile of who they are and what they need and value. It is also very important to use the information to enhance and improve communication to maintain the interest of members. The ATKV needs to group the members in different segments, to develop a value proposition for each customer segment.

Another recommendation is that the ATKV needs to revisit the membership structure and to introduce a membership structure with differentiation in offering and membership fee and to introduce a loyalty programme. Zakaria *et al.* (2014:24) emphasise that loyalty programmes are designed to improve customer's satisfaction and commitment. The ATKV needs to develop a loyalty programme to create perceived value to the members as a token of appreciation for their loyalty to the organisation. In addition to this, Zakaria *et al.* (2014:24) also added that customers who are involved in a loyalty programme and start receiving benefits will lead to an increase in their loyalty. As perceived value is a component that the ATKV needs to develop, it can only benefit the organisation to develop a loyalty programme that offers different benefits to different market segments but in the long-term add to the overall customer satisfaction of members by offering benefits that will exceed the customer's expectations. The ATKV can once again through market research establish the kind of rewards that will create the feeling of reward among members. Since Afrikaans is part of the uniqueness of the organisation, a good starting point can be to offer special discounts and tickets to ATKV members for Afrikaans plays at Arts Festivals and discount on Afrikaans books or movies.

4.6.9 Brand identity conclusion

The reliability score of brand identity as a component of brand loyalty is 0.83, which is acceptable and with an average mean of 4.13. Brand identity is practically significant positively correlated (large correlation) with brand loyalty (0.70). As per Kapferer (2008:171) brand identity

is what drives brands to create advocates, a real cult and brand loyalty and in addition to this brand identity specifies the brand's meaning, aim and self-image.

4.6.10 Brand identity recommendations

As per Brashear-Alejandro *et al.* (2016:1191) the social identity theory focuses on how individuals perceive themselves about their standing in social groups and that social groups help individuals to define who they are and through membership confirm their identity to themselves and others.

For the ATKV it is important to constantly build brand image in the consumer's mind to reinforce brand identity and based on the social identity theory it is important to create a distinctive brand that can enable consumers to fulfil their self-definition needs for being unique (Shirazi *et al.*, 2013:159).

To produce a social bond, the customer must find the brand identity attractive and that the association will increase feelings of self-worth (Brashear-Alejandro *et al.*, 2016:1191).

For the ATKV to grow brand identity it is vital to express the brand's tangible and intangible characteristics, everything that makes the brand what it is and as per Kapferer (2008:182) brand identity needs to help consumers in their life to also discover their own identity.

As different individuals have different levels of motivation and need for distinctiveness in their identities, the ATKV needs to develop a distinctive identity to obtain consumers' support (He *et al.*, 2012:649).

4.6.11 Brand identification conclusion

The reliability score of brand identification as a component of brand loyalty is 0.82, which is acceptable with an average mean of 3.69. Brand identification is practically significant positively correlated (large correlation) with brand loyalty (0.71). Brand identification is a distinctive construct that mediates the effects of brand identity on value, brand trust, customer satisfaction and brand loyalty as explained by He *et al.* (2012:655).

4.6.12 Brand identification recommendations

Instead of communicating the ATKV brand for brand awareness it is vital to focus on a strong "identity" meaning to customers so that it facilitates consumer to search for consumer-brand bond as explained by He *et al.* (2012:656). As illustrated that ATKV stands for something unique in terms of arts and culture. Barbier (2017:1) explained that the core values of an

organisation can be used to differentiate from competition. The marketing efforts of the ATKV need to demonstrate a real commitment to the values of the organisation.

4.6.13 Brand loyalty conclusion

The reliability score of brand loyalty as a component of brand loyalty is 0.85 with an average mean of 4.14. Brand loyalty is practically significant positively correlated (large correlation) with customer satisfaction (0.75), brand trust (0.74), perceived value (0.73) and brand identification (0.71). As per Hosseini *et al.* (2014:3492), it is important for organisations to understand the needs and considered values of customers and to consider these elements when offering services or goods, to be able to create satisfaction and loyalty.

4.6.14 Brand loyalty recommendations

As a brand can be calculated as an organisation's valuable asset economically and strategically, it is important for the ATKV to create a steady relationship and connection between the organisation, the service, products and the customers. A recommendation is that the ATKV start using modern technology, to improve quality by payments and service, to strengthen customers in building trust and customer satisfaction. Another recommendation is that the ATKV improve the interaction of the organisation with members through surveys of products and to show respect to the opinions of the members.

4.7 FUTURE RESEARCH

In this study, the level of customer engagement and brand loyalty were explored focusing on ATKV members. Future research should explore the brand identity and what motivates people to become a member of the ATKV. This study attempted to make recommendations to improve customer engagement and brand loyalty; future research can examine the impact and role of social media and other digital media on how to engage members in the co-creation of value. Secondly, the study can be repeated among non-members of the ATKV. To provide a better understanding of the benefits of customer engagement a worthwhile future research area would be to examine whether and how customers' engagement can lead to the recruitment and retention of new members for the ATKV and lead to positive financial results. As a future research topic, it would be interesting to find out whether the difference in brand loyalty among different member demographics exists.

4.8 SUMMARY

The purpose of chapter 4 was to conclude and to formulate recommendations, starting with a gap-analysis between the current and desired state of customer engagement and brand loyalty

within the ATKV. Opportunities and challenges were identified through the gap-analysis, emphasis the need for introducing and implementing customer engagement to have a customer-centric approach and to in to long-term ensure relationships with the customers and members of the ATKV.

The importance of brand loyalty and the offering of a value proposition to members of the ATKV were discussed. This finding was supported by statistical evidence showing the positive correlation between brand loyalty with customer satisfaction, brand trust, perceived value.

The study was then evaluated critically to determine whether the research objectives were achieved and finally suggestions for future research were made.

BIBLIOGRAPHY

- Ahuja, V. & Medury, Y. 2010. Corporate blogs as e-CRM tools – building consumer engagement through content management. *Journal of Database Marketing & Consumer Strategy Management*, 17(2010):91-105.
- Andrine, B. & Solem, A. 2016. Influences of customer participation and customer brand engagement on brand loyalty. *Journal of Consumer Marketing*, 33(5):332-342.
- Apéria, T. & Back, R. 2004. Brand relations management. Bridging the gap between brand promise and brand delivery. Stockholm: Daleke Grafiska.
- Afrikaanse Taal en Kultuurvereniging (ATKV). 2016. Algemene Jaarverslag. Pretoria: ATKV.
- Banyte, J. & Dovalience, A. 2014. Relations between customer engagement into value creation and customer loyalty. *Social and Behavioral Sciences*, 156(2014):484-489.
- Barbier, L. 2017. Customer engagement: going from emotion to involvement. <https://aircall.io/blog/customer-engagement/> Date of access: 28 Aug. 2017.
- Bennett, D. & Scriven, J. 2010. Don't try to manage brand loyalty. *Journal of Strategic Marketing*, 18(7):573-585.
- Bowden, J.L.H. 2009. The process of customer engagement: a conceptual framework. *Journal of Marketing Theory and Practice*, 17(1):63-74.
- Brashear-Alejandro, T., Kang, J. & Groza, M.D. 2015. Leveraging loyalty programs to build customer-company identification. *Journal of Business Research*, 69:1190-1198.
- Brodie, R.J., Hollebeek, L.D., Juric, B. & Ilic, A. 2011. Customer engagement: conceptual domain, fundamental propositions and implications for research. *Journal of Service Research*, 14(3):252-271.
- Craven, J. 2013. Assessing antecedents of customer engagement for a South African fertilizer company. (Dissertation – MBA). Potchefstroom: NWU.
- De Chernatony, L. & McDonald, M. 2003. Creating powerful brands. 3rd ed. Burlington: Biddles.
- Du Plessis, P.J., Rousseau, G.G., Boshoff, C., Ehlers, L., Engelbrecht, M., Joubert, R. & Sanders, S. 2003. Buyer behaviour. Understanding consumer psychology and marketing. 4th ed. Cape Town: Clyson Printers.

- Dwivedi, A. 2015. A higher-order model of consumer brand engagement and its impact on loyalty intentions. *Journal of Retailing and Consumer Services*, 24:100-109.
- Field, A. 2009. *Discovering statistics using SPSS*. 3rd ed. London: Sage.
- Fichter, D. & Wisniewski, J. 2014. Content marketing and strategy for libraries. *Online Searcher*, 38(6):74-76.
- Fitzhugh, R. 2017. The importance of customer engagement for loyalty.
<http://www.fastmoving.co.za/news/marketing-74/the-importance-of-customer-engagement-for-loyalty-9796> Date of access: 28 Aug. 2017.
- Gillian, S.F., Yousaf, S. & Khan, S. 2013. The effect of brand characteristics on brand loyalty: A study of cosmetics products in Peshawar Pakistan. *International Review of Basic and Applied Sciences*, 1(1):1-11.
- Greve, G. 2014. The moderating effect of customer engagement on the brand image – brand loyalty relationship. *Social and Behavioural Science*, 148:203-210.
- Grewal, D., Roggenveen, A.L., Sisodia, R. & Nordfält, J. 2016. Enhancing Customer Engagement through Consciousness, *Journal of Retailing*, 5(5):1-10.
- Hair (Jr), J.F., Wolfinbarger Celsi, M., Money, A.H., Samouel, P. & Page, M.J.. 2011. *Essentials of business research methods*. 2nd ed. New York, NY: Taylor & Francis.
- Harrigan, P., Evers, U., Miles, M. & Daly, T. 2016. Customer engagement with tourism social media brands. *Tourism Management*, 59:597-609.
- Haselmayr, M. 2014. Here's why your business needs its own mobile App.
<https://www.forbes.com/sites/allbusiness/2014/11/17/heres-why-your-business-needs-its-own-mobile-app/#30b2e7a7327f> Date of access: 20 May 2017.
- He, H., Li, Y. & Harris, L. 2012. Social identity perspective on brand loyalty. *Journal of Business Research*, 65:648-657.
- Hollebeek, L.D. 2011. Demystifying customer brand engagement: Exploring the loyalty nexus. *Journal of Marketing Management*, 27(7-8):785-807.
- Hollebeek, L.D., Glynn, M.S. & Brodie, R.J. 2014. Consumer brand engagement in social media: conceptualization, scale development and validation. *Journal of Interactive Marketing*, 28(2014):149-165.

Hosseini, S.A., Delafrooz, N. & Fadaei, M. 2014. Investigating the effects of brand identity on customer loyalty. *Indian Journal of Fundamental and Applied Life Sciences*, 4(S4):3491-3506.

Huang, M. & Cheng, Z. 2016. Strategies to enhance consumers' identification with service firm. *Journal of Services Marketing*, 30(3):449-461.

Kapferer, J.N. 2008. *The new strategic brand management: creating and sustaining brand equity long term*. 4th ed. London.

Kim, J., Morris, J.D. & Swait, J. 2008. Antecedents of true brand loyalty. *Journal of Advertising*, 37(2):99-117.

Koronidi, V. 2012. What drives customer loyalty? <http://mkt-magic.blogspot.co.za/2012/09/>
Date of access: 20 May 2017.

Kumar, V. 2008. Customer Lifetime Value – The path to profitability. *Foundations and trends in marketing*, 2(1):1-98.

Kumar, V. 2013. *Profitable customer engagement. Concept, metrics and strategies*. Delhi: Sage.

Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T. & Tillmanns, S. 2010. Undervalued or overvalued customers: capturing total customer engagement value. *Journal of Service Research*, 13(3):297-310.

Kumar, V. & Pansari, A. 2016. Competitive advantage through engagement. *Journal of Marketing Research*. LIII:497-514.

Lamb, W.C., Hair, J.F., McDaniel, C., Boshoff, C., Terblanche, N., Elliott, R. & Klopper, H.B. 2015. *Marketing*. 5th ed. Oxford University Press.

Leckie, C., Nyadzayo, M.W., & Johnson, L.W. 2016. Antecedents of consumer brand engagement and brand loyalty. *Journal of Marketing Management*, 32(5/6):558-578.

Levine, M.L., Stephan, D.F. & Szabat, K.A. 2014. *Statistics for managers using Microsoft Excel*. 7th ed. Upper Saddle River, NJ: Pearson Prentice Hall.

Lindiç, J. & da Silva, C.M. 2011. Value proposition as a catalyst for a customer focused innovation. *Management Decision*, 49(10):1694-1708.

- Maheshwari, V., Lodorfos, G. & Jacobsen, S. 2014. Determinants of brand loyalty: a study of the experience-commitment-loyalty constructs. *International Journal of Business Administration*, 5(6):13-23.
- Maity, M. & Gupta, S. 2016. Mediating effect of loyalty program membership on the relationship between advertising effectiveness and brand loyalty. *Journal of Marketing Theory and Practice*, 24(4):462-481.
- Manternach, L. 2015. Consumers are getting harder to please. <https://www.linkedin.com/pulse/consumers-getting-harder-please-lynn-manternach> Date of access: 28 Aug. 2017.
- Matthews, J. 2013. Adding value: getting to the heart of the matter. *Performance Measurement and Metrics*, 14(3):162-174.
- Müller, J.F. 2012. Brand loyalty and membership retention rates in voluntary professional institutes and associations. (Dissertation – MBA). Potchefstroom: NWU.
- Nammir, D.S.S., Marane, B.M. & Ali, A.M. 2012. Determine the role of customer engagement in relationship quality and relationship performance. *European Journal of Business and Management*, 4(11):27-36.
- Nobel, C. 2011. Clay Christensen's Milkshake Marketing. <https://hbswk.hbs.edu/item/clay-christensens-milkshake-marketing> Date of access: 28 Aug.2017.
- Osterwalder, A. & Pigneur, Y. 2009. *Business model generation: a handbook for visionaries, game changers, and challengers*. Hoboken, N.J.: Wiley.
- Padua, D. 2012. Trust, social relations and engagement. Understanding customer behaviour on the web. London: CPI Anthony Rowe.
- Patterson, P., Yu T. & de Ruyter, K. 2006. Understanding Customer Engagement in Services. https://www.researchgate.net/publication/242076259_Understanding_Customer_Engagement_in_Services Date of access: 28 Aug. 2017.
- Payne, A. & Frow, P. 2014. Developing superior value proposition: a strategic marketing imperative. *Journal of Service Management*, 25(2):213-227.
- Pophal, L. 2014. *The everything guide to customer engagement*. New York, NY: Adams Media.

- Raut, U.M. 2015. A study on brand loyalty and its association with demographics of consumers: Evidence from the cellphone market of India. *IUP Journal of Brand Management*, XII(3):30-44.
- Sashi, C.M. 2012. Customer engagement, buyer-seller relationships and social media. *Management Decision*, 50(2):253-272.
- Severi, E. & Choon Ling, K. 2013. The Mediating Effects of Brand Association, Brand Loyalty, Brand Image and Perceived Quality on Brand Equity. *Asian Social Science*, 9(3):125-137.
- Sharma, J. & Rather, R.A. 2016. The role of customer engagement in ensuring sustainable development in hospitality sector. *International Journal of Hospitality & Tourism Systems*, 9(1):33-43.
- Shirazi, A., Lorestani, H.Z. & Mazidi, A.K. 2013. Investigating the effects of brand loyalty on customer loyalty from a social identity perspective. *Iranian Journal of Management Studies*, 6(2):154-178.
- So, J.T., Danaher, T. & Gupta, S. 2015. What do customers get and give in return for loyalty program membership? *Australasian Marketing Journal*, 23:196-206.
- So, K.K.F., King, C., & Sparks, B. 2014. Customer engagement with tourism brand: scale development and validation. *Journal of Hospitality & Tourism Research*. 38(3):304-329.
- So, K.K.F., King, C., Sparks, B.A. & Wang, Y. 2016a. The role of customer engagement in building consumer loyalty to tourism brands. *Journal of Travel Research*, 55(1):64-78.
- So, K.K.F., King, C., Sparks, B.A. & Wang, Y. 2016b. Enhancing customer relationships with retail service brands. The role of customer engagement. *Journal of Service Management*, 27(2):170-193.
- Thakur, R. 2016. Understanding Customer Engagement and loyalty: A case of mobile devices for shopping. *Journal of Retailing and Consumer Services*, 32(2016):151-163.
- Tripathi, M.N. 2014. Customer Satisfaction and Engagement – Customer Retention strategies for brand manager. *XIMB Journal of Management*, 11(1):123-134.
- Tschohl, J. 2013. Cultivate loyal customers. <https://www.desk.com/blog/cultivate-loyal-customers-value-of-defection-management> Date of access: 20 May. 2017.

- Van Doorn, J., Lemon, K.N., Mittal, V., Nass, S., Pick, D., Pirner, P. & Verhoef, P.C. 2010. Customer Engagement behaviour: Theoretical Foundations and Research Directions. *Journal of Service Research*, 13(3):253-266.
- Vera, J. & Trujillo, A. 2017. Searching most influential variables to brand loyalty measurements: An exploratory study. *Contaduriay Administracion*, 62:600-624.
- Verhoef, P.C., Reinartz, W.J. & Krafft, M. 2010. Customer Engagement as a new perspective in customer management. *Journal of Service Research*, 13(3):247-252.
- Vivek, S.D., Beatty, S.E. & Morgan, R.M. 2012. Customer Engagement: Exploring customer relationships beyond purchase. *Journal of Marketing Theory and Practice*, 20(2):127-145.
- Vivek, S.D., Beatty, S.E., Dalela, V. & Morgan, R.M. 2014. A generalized multidimensional scale for measuring customer engagement. *Journal of Marketing Theory and Practice*, 22(4):401-420.
- Welman, C., Kruger, F. & Mitchell, B. 2012. *Research Methodology 3rd ed.* Cape Town: Oxford University.
- Wiese, C.M. 2014. *Measuring brand loyalty in Agribusinesses.* (Dissertation – MBA). Potchefstroom: NWU.
- Zakaria, I., Rahman, B.Ab., Othman, A.K., Yunus, N.A.M., Dzulkpli, M.R. & Osman, M.A.F. The relationship between loyalty program, customer satisfaction and customer loyalty in retail industry: a case study. *Social and Behavioral Sciences*, 129:23-30.

ANNEXURES

APPENDIX 1: QUESTIONNAIRE

PART 1: INFORMED CONSENT

Background

This research project is designed to explore the level of customer engagement and brand loyalty of ATKV members. Information obtained from the research project will be used for research purposes only.

Explanation of procedures

No intentional risks or harm are anticipated as a result of your participation. It will take approximately 20-30 minutes of your time to complete the questionnaire. The information gathered during this project will at all times remain confidential. To maintain anonymity, you will be asked to construct a personal code in the first section of the questionnaire. This code will ONLY be known to you, and thus presents no danger of harming your anonymity. The code will enable the researcher to differentiate between questionnaires without being able to trace the questionnaire to a specific respondent. Participation is voluntary and refusal to participate in this study will involve no penalty. Each participant is free to withdraw consent and discontinue participation at any given moment in time.

The code is made up of the following:

	Example	Your code ↓
1. Give the first and last letter of the city or town in which you were born	Johannesburg = JG	
2. Give the first and last letter of your mother's maiden name (surname before she got married)	Cloete = CE	
3. Give the first and last letter of your Father's name	John = JN	

BIOGRAPHICAL INFORMATION:

The following information is needed to enable meaningful data analysis. We appreciate your help in providing this important information.

Mark the applicable block with a cross (X). Complete all questions.

Bio1: Please state your age.....years.....months

Bio 2	Gender:	1. Male	2. Female			
Bio 3	Race:	1. Black	2. White	3. Coloured	4. Indian	5. Other
Bio 4	Level Employment	1. Junior	2. Middle	3. Senior	4. Top	5. Unsure

Bio 5	Highest Qualification:		1. Below Matric	2. Matric	3. Diploma	4. Degree	5. Postgraduate			
Bio 6	Pro- vince:	1. Western Cape	2. Gau- teng	3. Eastern Cape	4. North West	5. Northern Cape	6. Mpu- malanga	7. Free State	8. Lim- popo	9. Kwa- Zulu Natal
Bio 7	I am a member of the ATKV					1. Yes	2. No			
Bio 8	How did you hear about the ATKV									

Word of mouth

Website

Television

Radio

Magazine

Outdoor advertising

Newspaper

Social media

Other (specify)

Section A: Customer engagement

Would you please indicate to what extent you agree with these statements by using the following 5-point scale, where

1= DISagree totally, and 5= AGREE totally:

1	2	3	4	5			
DISagree totally	Disagree Somewhat	Neutral	Agree	AGREE totally			
			DISagree totally			AGREE totally	
1 ID	When someone criticizes the ATKV, it feels like a personal insult		1	2	3	4	5
2 ID	When I talk about the ATKV, I usually say we rather than they		1	2	3	4	5
3 ID	The success of the ATKV is also my successes		1	2	3	4	5
4 ID	When someone praises the ATKV, it feels like a personal compliment		1	2	3	4	5
5 EN	I am heavily into the ATKV and their projects or activities		1	2	3	4	5
6 EN	I am passionate about the ATKV's projects and activities		1	2	3	4	5
7 EN	I am enthusiastic about the ATKV's projects and activities		1	2	3	4	5
8 EN	I feel excited about the ATKV's projects and activities		1	2	3	4	5
9	I am proud to be a member of the ATKV		1	2	3	4	5

1	2	3	4	5
DISagree totally	Disagree Somewhat	Neutral	Agree	AGREE totally
EN				
10 AT	I like to learn more about the ATKV's projects and activities	1	2	3 4 5
11 AT	I pay a lot of attention to anything about the ATKV	1	2	3 4 5
12 AT	Anything related to the ATKV grabs my attention	1	2	3 4 5
13 AT	I concentrate a lot on the ATKV and their activities or projects	1	2	3 4 5
14 AB	When I am interacting with the ATKV, I forget about everything else around me	1	2	3 4 5
15 AB	Time flies when I am interacting with the ATKV	1	2	3 4 5
16 AB	When I am interacting with the ATKV, I get carried away	1	2	3 4 5
17 AB	When interacting with the ATKV, it is difficult to detach myself	1	2	3 4 5
18 AB	In my interaction with the ATKV, I am immersed	1	2	3 4 5
19 AB	When interacting with the ATKV intensely, I feel happy	1	2	3 4 5
20 IT	In general, I like to get involved in community discussions about the ATKV	1	2	3 4 5
21 IT	I am someone who enjoys interacting with like-minded others in the brand community of the ATKV	1	2	3 4 5
22 IT	In general, I thoroughly enjoy exchanging ideas with other people in the brand community	1	2	3 4 5
23 IT	I often participate in activities of the brand community	1	2	3 4 5

Section B: Brand loyalty

Would you please indicate to what extent you agree with these statements by using the following 5-point scale, where

1= DISagree totally, and 5= AGREE totally:

1	2	3	4	5
DISagree totally	Disagree Somewhat	Neutral	Agree	AGREE totally
			DISagree totally	AGREE totally
1 CS	Generally I am satisfied with my decision to become a member of the ATKV	1	2	3 4 5
2 CS	I tell other people how satisfied I am with the interactions that I have with the ATKV brand	1	2	3 4 5
3 CS	I am content with the ATKV brand, offering the service that I need	1	2	3 4 5
4 BT	The ATKV as a brand is a brand that never disappoints	1	2	3 4 5
5	I have confidence in the ATKV as brand that I am	1	2	3 4 5

1	2	3	4	5				
DISagree totally	Disagree Somewhat	Neutral	Agree	AGREE totally				
BT	loyal to							
6 BT	The reputation of the ATKV as brand is a key factor in me maintaining brand loyalty		1	2	3	4	5	
7 PV	The value added by the ATKV brand generates a feeling of safety, security and belonging to my life		1	2	3	4	5	
8 PV	The value that I acquire from the ATKV brand is far greater than the financial contribution that I must make annually as membership fee		1	2	3	4	5	
9 PV	I believe that my membership of ATKV will be of specific value to me in the future		1	2	3	4	5	
10 BI	The ATKV as a brand has prestige and good quality		1	2	3	4	5	
11 BI	The ATKV as brand has a great reputation		1	2	3	4	5	
12 BI	The ATKV has a distinct identity		1	2	3	4	5	
13 BIF	When someone criticises the ATKV, I consider it as a personal insult		1	2	3	4	5	
14 BIF	I am very interested to know what other people think about the ATKV		1	2	3	4	5	
15 BIF	I consider the success of the ATKV as successes of mine		1	2	3	4	5	
16 BL	Characteristics of the products and services of the ATKV are well by what I like		1	2	3	4	5	
17 BL	I have no negative attitude toward the ATKV		1	2	3	4	5	
18 BL	I like the features and performance of the ATKV		1	2	3	4	5	

1. Do you think that the ATKV as an organisation is still relevant within the current conditions in South Africa?

2. Which of the ATKV's products or activities are you familiar with?

Please tick all the relevant options

ATKV Buffelspoort	
ATKV Drakensville	
ATKV Eiland Spa	
ATKV Goudini Spa	
ATKV Hartenbos	
ATKV Klein-Kariba	
ATKV Natalia	
ATKV Applous	
ATKV Redenaars	

ATKV Spelathon	
ATKV Debat	
ATKV Tienertoneel	
ATKV Animato	
ATKV Mediaveertjies	
ATKV Woordveertjies	
ATKV Olimpiade	

3. How must the ATKV position itself as an organisation to be relevant over the next ten years?

Thank you for sparing your precious time to complete this questionnaire.

APPENDIX 2: LETTER OF LANGUAGE EDITING



Dynamic Language &
Translation Specialists

Antoinette Bisschoff
71 Esselen Street, Potchefstroom
Tel: 018 293 3046
Cell: 082 878 5183
antoinettebisschoff@mweb.co.za
CC No: 1995/017794/23

Friday, 13 October 2017

To whom it may concern,

Re: Letter of confirmation of language editing

The dissertation **Exploring the level of customer engagement and brand loyalty: A survey of a cultural organisation in South Africa** by MS Eksteen (10777687) was language edited. The referencing and sources were checked as per NWU referencing guidelines. Final corrections remain the responsibility of the author.

Antoinette Bisschoff

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)

Precision ... to the last letter