



Measuring brand loyalty of farmers in the Free State Province towards their agricultural businesses

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ABSTRACT

Brand loyalty is often regarded as one of the most important drivers for ensuring the long-term sustainability of any business. Some of the foremost advantages of having a brand loyal customer base include: increased customer profitability, lower brand switching intentions, lower sensitivity to price increases and a high level of customer word-of-mouth marketing exposure. The central focus of this study is therefore aimed at measuring the level of brand loyalty in the Free State agribusiness environment using a validated model as measuring instrument. This study uses a validated model to measure brand loyalty in the fast-moving consumer goods in the agribusiness industry. The model measures twelve of the most important factors influencing brand loyalty, antecedents namely brand trust, brand affect, brand commitment, switching cost, customer satisfaction, culture, perceived value, brand performance, relationship proneness, brand relevance, repeat purchase and involvement. This allows for identification of the most important antecedents influencing brand loyalty in the agricultural business sector. An empirical study was conducted amongst 67 farmers in the Free State province of South Africa using a convenience sample to collect data via a structured questionnaire. The sample showed adequacy, had low sphericity and proved to be reliable as measured by Cronbach Alpha coefficients. The results confirm the importance of each brand loyalty antecedent in the agricultural business environment. The study provides a practical guideline to agricultural businesses regarding the most important brand loyalty antecedents on which they should focus on the implementation of their customer loyalty marketing strategies.

Keywords: Brand loyalty, agricultural business brands, agribusinesses, influences

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CHAPTER ONE

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

1.1.1 Agricultural Sector

1.1.1.1 South African Context

According to the Department of Agriculture, Forestry and Fisheries (2016:7) the South African agricultural sector is classified as a growth sector, mainly because of the vast amount of employment opportunities it still creates, while also curbing poverty and food insecurity. Although not functioning at its optimal capacity, the agricultural sector manages to contribute in the region of 2.5% to the Gross Domestic Product through direct agricultural activities and another 12.5% through manufacturing and processing, also referred to as the value adding activities (Department of Agriculture, Forestry and Fisheries, 2016:8). South Africa is currently a net exporter of agricultural, forestry and fisheries products, which exports are mainly concentrated around primary agricultural products. In contrast, South Africa is a net importer of processed agricultural products (Department of Agriculture, Forestry and Fisheries, 2016:8). The Department of Agriculture, Forestry and Fisheries is continuously trying to implement action plans and focussed strategies to expand the agricultural sector. Table 1.1 below reflects a number of the focus areas and associated projections of expansion in the agricultural sector (Department of Agriculture, Forestry and Fisheries, 2016: 9-10):

Table 1.1: Focus Areas: Expansion of the Agricultural Sector

Focus Area	From	To
Increase number of Agricultural Smallholders	171670 in 2013	471670 in 2019
Increase value-added activities of sectors	R42.5 billion in 2012	R48.9 billion in 2019
Increase average value of annual exports	R5.1 billion in 2012	R5.8 billion in 2019
Decrease in average value of annual imports of diesel, fertiliser and machinery	R9.6 billion in 2012	R7.4 billion in 2019
Increase the number of jobs in the sector	660 000 in 2012	1 million in 2030

1.1.1.2 Free State Context

Agriculture has always been a major contributor to the Free State's economy, especially given its capacity to produce large volumes of grains throughout the year. The agricultural

land in the province is mainly made up of 32 000 km² of cultivated land and 87 000 km² of natural veld and grazing areas (KPMG, 2012:74). The three main contributors to the agricultural income in the Free State are shown in figure 1.1 below (KPMG, 2012:74):

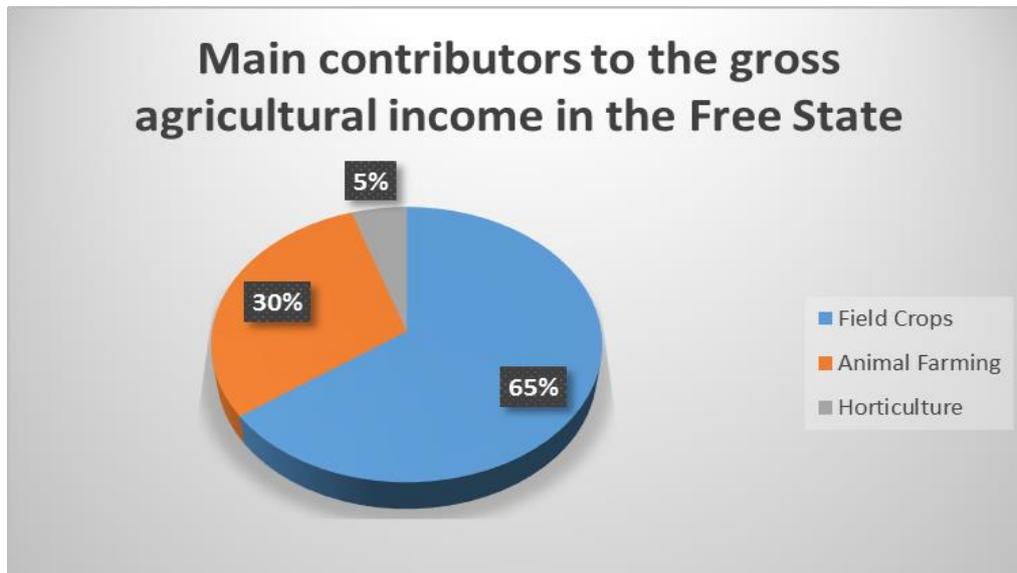


Figure 1.1: Main Contributors to Agricultural Income in the Free State

According to Statistics South Africa (2007:9), the Free State has the largest number of commercial farming units in South Africa with a total of 7 473 out of 39 966 country wide, while the Western Cape is second with a total of 6 653.

1.1.2 Agribusinesses

For this study, it is important to understand the concept of what is meant by the term agribusiness or agricultural business. The Agricultural Business Chamber of South Africa has adopted the following definition of agribusiness as defined by the United Nations Industrial Development Corporation (2011:28): "Agribusiness is a broad concept that covers input suppliers, agro-processors, traders, exporters and retailers. Agribusiness provides inputs to farmers and connects them to consumers through the financing, handling, processing, storage, transportation, marketing and distribution of agri-industry products and can be classified further into four main groups:

1. Agricultural input industry for increasing agricultural productivity, such as agricultural machinery, equipment and tools; fertilisers, pesticides, insecticides; irrigation systems and related equipment;
2. Agro-industry: Food and beverages; tobacco products, leather and leather products; textile, footwear and garment; wood and wood products; rubber products; as well as construction industry products based on agricultural materials;

3. Equipment for processing agricultural raw materials, including machinery, tools, storage facilities, cooling technology and spare parts;
4. Various services, financing, marketing and distribution firms, including storage; transport; ICTs; packaging materials, and design for better marketing and distribution.

In the South African context, most of the large-scale agribusinesses originated from the traditional farmer co-operatives which either retained its co-operative status or converted to private and public companies. Based on its 2015/2016 annual turnover, the following businesses are regarded as being among the top agricultural businesses in the South African agricultural sector (VKB, 2018:7; Senwes, 2018:6; GWK, 2018:3; Kaapagri, 2018:12; OVK, 2018:16):

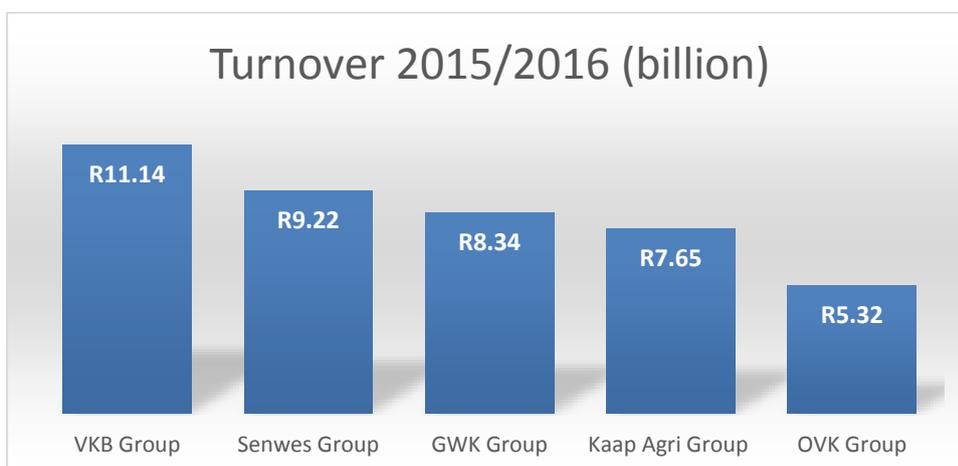


Figure 1.2: Agribusinesses Turnover 2015/2016

1.1.3 Relevance of brand loyalty in the agribusiness environment

Before 1996, agricultural co-operatives functioned as agents of grain control boards, which resulted in grain producers being obliged to conduct all their grain related business through the co-operatives (Grain SA, 2016:126). One can argue that the co-operatives enjoyed a matter of privilege, whereby they were ensured of business through their position as agents of the grain control boards. However, with the deregulation of grain control boards in 1996 and the inception of the Marketing of Agricultural Products Act (47 of 1996), grain producers were given the right to market their products. This resulted in co-operatives losing their position as agents of the control boards and consequently had to change the way in which they conducted business. The impact on co-operatives was significant, and it required that they become more marketing orientated to remain relevant in the eyes of grain producers (Grain SA, 2016:127). According to Esterhuizen (2006:1),

it is evident that South African agricultural businesses are not only competing in the domestic market but also on an international scale, which requires them to act innovatively to gain and retain market share. It is therefore imperative for agricultural businesses in South Africa to address marketing traits such as brand loyalty to remain relative in the market.

1.2 PROBLEM STATEMENT

Globalization has forced agricultural businesses to venture beyond local markets and implement strategic steps to expand their client base (Esterhuizen, 2006:1). Most businesses are likely to be influenced by external factors such as market competitiveness, the economy, geographical setting, regulatory factors (political and legal), socio-cultural influences and technological advancement (Richardson, 2013). Given the competitiveness of the South African agricultural business market, it is imperative for businesses to, not only focus on finding customers who are loyal to their brand but to also find ways of keeping their customers loyal (Bisschoff & Wiese, 2014:3). For agricultural businesses to increase brand loyalty, they should determine the needs of customers and implement strategies on how to interact with their customers (Bisschoff, 2014:5). One of the many advantages of creating brand loyal customers includes the fact that such customers are usually less sensitive to escalations in the price of goods or services, due to the value they attach to the brand (Holland & Baker, 2001:42). Twelve primary antecedents of brand loyalty was identified with specific reference to the fast moving consumer goods sector. They are brand trust, switching cost, perceived value, customer satisfaction, relationship proneness, repeat purchase; brand performance, culture, brand affect, brand commitment, involvement and brand relevance (Moolla & Bisschoff, 2012:343). The finding above was validated and based on the measuring instrument developed by Moolla (2010). Wiese (2014) also successfully applied the said measuring instrument to determine the brand loyalty of North-West farmers towards their agricultural business. It is therefore evident that Moolla's validated brand loyalty measuring model can, with great certainty, successfully be applied for purposes of this study. Although the said model can be applied, the results may very well vary in that not all farmers base their brand loyalty on the same antecedents and not all agricultural businesses follow the same modus operandi, due to each having a unique ownership and/or business model. A large number of South African farmers hold some form of ownership in large agricultural businesses. The said ownership, usually in the form of shareholding, will presumably play

a pivotal role in the brand loyalty of such farmer. It is commonly predicted that the agricultural business market will shortly be dominated by two or three large role-players (Esterhuizen, 2006:317). This leads one to believe that agricultural businesses are constantly under pressure to increase their competitiveness and establish strong brand loyalty with its current and future clients.

This study intends to assist agricultural companies in identifying those areas in their business most crucial for establishing brand loyalty. With limited resources and difficult market conditions, agricultural businesses should streamline their operations and strategies to meet the demands and expectations of their client base, local and international. For agricultural businesses to remain competitive, they will most likely have to change their perspective from a producer perspective to client perspective (Esterhuizen, 2006:318). Brand loyalty will form the basis of such change in perspective and will give agricultural businesses the operational guidance on how to focus and improve on client perspective.

1.3 OBJECTIVES

The primary objective of this study will be to measure the brand loyalty of Free State farmers towards their agricultural businesses. To fully realise the primary objective of this study, the following secondary objectives will be addressed:

- Measure brand loyalty of Free State farmers using a validated model;
- Confirm validity of the twelve brand loyalty antecedents prescribed by Moolla (2010) using an empirical study;
- Measure brand loyalty antecedents;
- Make recommendations regarding the measurement of brand loyalty in the agricultural sector; and
- Draw conclusions and elaborate on the impact of the study findings.

1.4 RESEARCH DESIGN AND METHODOLOGY

This study will be based on both a literature study as well as an empirical research study.

1.4.1 Literature Study

A literature study is conducted to gain a holistic understanding of the concept of brand loyalty and how it can be deployed to the benefit of agricultural businesses. Moolla (2010)

has developed a validated measuring instrument through which twelve brand loyalty antecedents are used to measure the brand loyalty of customers. Literature will also be a consultant to understand the workings of each of the twelve antecedents and how they rank amongst Free State farmers.

1.4.2 Empirical Study

This study is based on a quantitative research approach. The reason for this is that the research was done in a predetermined manner, whereby a questionnaire was developed and distributed to farmers for completion. The results of the data were then evaluated to determine the relationship between certain variables. The said questionnaire was compiled to address the twelve factors influencing brand loyalty as initially developed by Moolla (2010) and adapted by Wiese (2014) to find application in the agricultural business environment. This study was conducted by making use of a correlational research design. The reason for this lies in the fact that the study was conducted on a single group of a unit of analysis (farmers in the Free State) and each farmer will be measured against certain variables at practically the same time (Welman et al., 2010:94).

1.5 STRUCTURE OF THE STUDY

The layout of this study is structured as follows:

Chapter one: Introduction

This chapter provides a:

- brief introduction to the agricultural sector;
- description of the problem statement;
- description of the primary and secondary objectives of the study;
- description of the research design and methodology; and
- brief layout and structure of this study.

Chapter two: Literature study on brand loyalty

This chapter provides a comprehensive literature study on the following:

- an overview of what brand loyalty entails;
- brand loyalty in the agricultural business environment;
- the benefits of having brand loyal customer; and
- how brand loyalty is measured regarding a conceptual framework.

Chapter three: Empirical study

This chapter provides an empirical study on the manner in which Free State farmers perceive their brand loyalty towards agricultural business brands. In general, the empirical results will address the following elements:

- demographic information of respondents;
- validity analysis of the study questionnaire;
- reliability analysis of research findings; and
- the level of importance of each research variable.

Chapter four: Conclusion and recommendations

This chapter provides various conclusions and recommendations based on the theoretical analysis in chapter two and the empirical study in chapter three.

Recommendations broadly address the following:

- how agricultural businesses can approach the concept of brand loyalty to their advantage; and
- areas for further research derived from this study.

1.6 SUMMARY

In conclusion, this chapter is aimed at setting a platform for this study, through addressing the following central concepts: an introduction to brand loyalty and agricultural business brands and a clear overview of the methodical approach toward this study. Chapter two will delve deeper into the literature regarding the concept of brand loyalty and its application in the agricultural business sector.

CHAPTER TWO

BRAND LOYALTY

2.1 INTRODUCTION

Marketing researchers have in recent years shown a great interest in the concept of brand loyalty, especially given the fact that customers with a high level of brand loyalty are least likely to be influenced by marketing campaigns of competitors (Lamb et al., 2015:385). According to Oliver (1999:34), brand loyalty can be defined as “*a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational antecedents and marketing efforts have the potential to cause switching behavior.*”

Huang et al. (2016:145) take a very practical and simplified approach in their definition of brand loyalty, expressed in the sense of behavioural loyalty, as follows: a “customer’s continuous purchase of a brand, as well as their repeated intention to purchase it in the future”. Brand loyalty is not a one-dimensional concept and according to Ferrell and Hartline (2011:204) brand loyalty consists of three degrees, namely:

- **Brand Recognition:** Considered to be the weakest form of brand loyalty. Brand recognition is where a customer is merely aware of a brand, which ensures that the brand forms part of several other brands when the customer considers to buy a specific product or service.
- **Brand Preference:** This is a stronger form of brand loyalty, whereby a customer prefers a specific brand over other competing brands. The preference is however limited to instances where the brand is conveniently and readily available. Should the preferred brand not be available, the customer is most likely to purchase an alternative brand.
- **Brand Insistence:** The strongest degree of brand loyalty. Customers are so strongly insistent on a brand, that they will pay a premium for such brand or will go through considerable effort to acquire such brand.

2.2 BENEFITS OF BRAND LOYALTY

According to Kim et al. (2008:99), brand loyalty can benefit both the consumer and the company in the following manner:

- For a consumer, being loyal to a specific brand may be an indication of expectation being achieved; and

- For a company, brand loyalty leads to higher brand equity due to the following occurrences: limit the effect of a competitor's marketing campaigns, growth in profit margins, improve the effects of marketing strategies and create new business opportunities.

In a study conducted by Helgesen (2006:261), it was found that customer loyalty and customer profitability are positively related to one another. Therefore, a company that manages to establish a high level of customer loyalty would most likely experience an increase in the profitability of such customer base. Bisschoff and Wiese (2014:5) indicated that the benefits a company attain from having a brand loyal customer base can be found in the value generated from the following state of affairs:

- creation of a barrier to entry for competitors;
- capability and capacity to counter the threats from competitors;
- increased turnover; and
- customers are less sensitive.

2.3 AGRICULTURAL BUSINESS MARKET

After deregulation of the South African agricultural market in 1996, agricultural businesses (then more commonly known as co-operatives) lost their monopolistic position, which required them to compete in a free market (Ortmann & King, 2007:220). Some of the agricultural businesses who initially came into existence as cooperatives had to be converted into companies for them to align themselves with the legal framework in which South African business has to operate in. Although operating as companies, several of the agricultural business is still solely owned by agricultural producers. This requires agricultural businesses to play a balancing act between being profit driven and supplying agricultural inputs to its customer-shareholders at the best possible price (Alsemgeest & Smit, 2012:85).

Traditional agricultural businesses in South Africa normally consist of various business units, each catering for a specific need of its clients. These business units include focus areas such as financing, retail outlets, grain storage and marketing, input supply and mechanisation (Alsemgeest & Smit, 2012:84). In addition to supplying their clients with agricultural related products and services, the South African Government has in recent years placed a great deal of emphasis on the involvement of agricultural business in the transformation of small emerging farmers into commercial farmers (Bitzer & Bijman,

2014:167). Esterhuizen (2006) conducted a study on the competitiveness of the South African agricultural business sector on a global scale and found that agricultural business in South Africa were faced with various market changes, which include factors such as technology, environmental, consumer demands/preferences and equity transformation. It is therefore evident that agricultural businesses remain under pressure to remain relevant in the global market and to increase its efficiency to increase the profitability and sustainability of itself and agricultural producers in South Africa. Esterhuizen (2006:24) also highlighted the following factors, as drivers of success in the agricultural business sector, to which agricultural businesses should align themselves: “business systems innovation, socio-economic transformation, deracialisation and economic empowerment”.

2.4 MEASURING BRAND LOYALTY – MOOLLA’S CONCEPTUAL FRAMEWORK

Moolla (2010:7) constructed a conceptual framework using twelve of the most recognised antecedents of brand loyalty. The model was originally empirically tested on the consumers in the FMCG industry. Figure 2.1 on the following page reflects all twelve of the antecedents as well as their coefficients about brand loyalty.

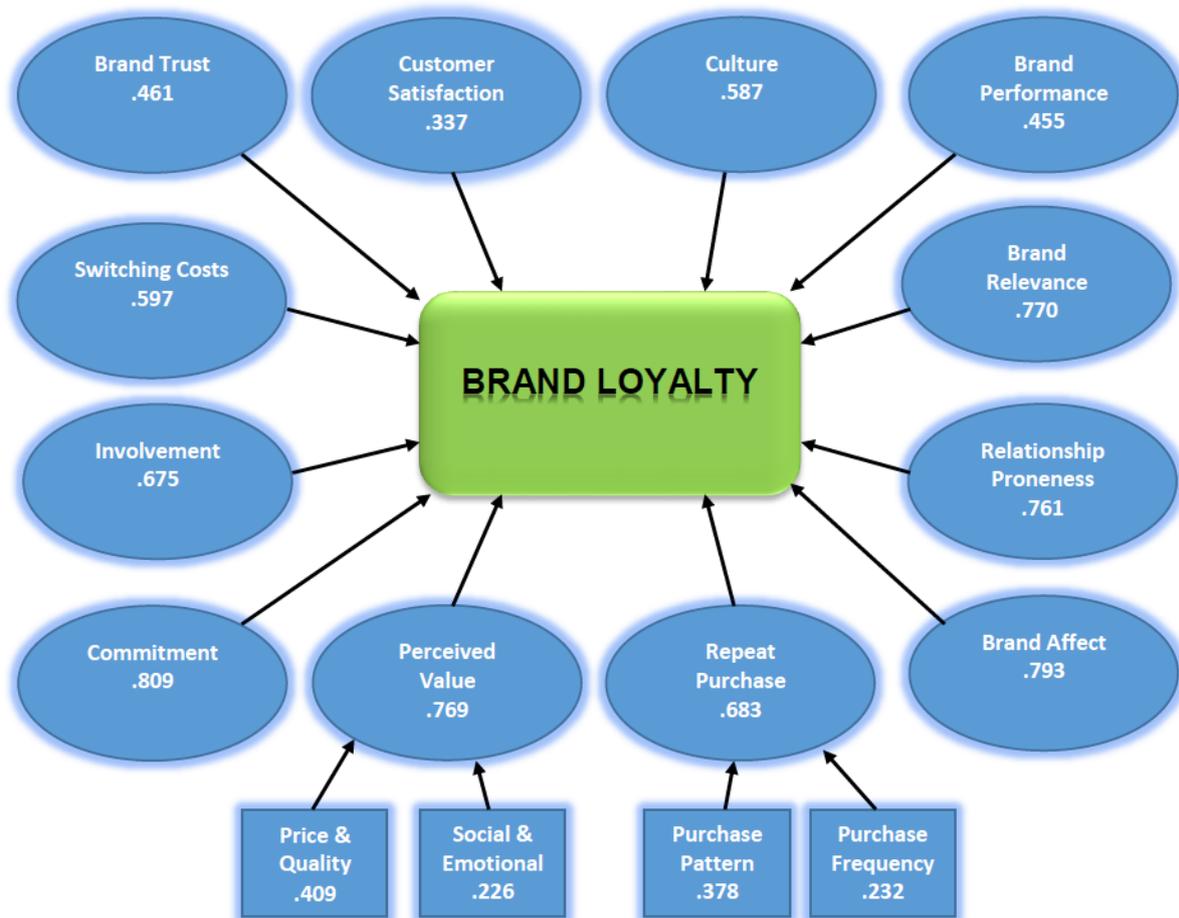


Figure 2.1: Conceptual Framework: Brand Loyalty (Moolla, 2010:197)

2.4.1 Brand Loyalty Antecedents

The twelve brand loyalty antecedents as reflected in Figure 2.1 above will now be discussed in detail.

2.4.1.1 Brand Trust

According to Chaudhuri and Holbrook (2001:82) brand trust can be defined as ‘the willingness of the average consumer to rely on the ability of the brand to perform its stated function’. Trust in a product or service is usually formed through a person’s beliefs about the attributes of a product or service, such as reliability, safety and honesty (Chaudhuri & Holbrook, 2001:82). It is important for businesses to implement marketing strategies aimed at establishing positive emotional links between customers and their brands, especially given that such emotional links directly lead to trust in, and loyalty towards a brand (Bidmon, 2017:180). The level of brand trust experienced by a consumer has a direct and very important impact on the level of brand loyalty formed by the consumer

(Geçti & Zengin, 2013:12). Delgado-Ballester and Munuera-Aleman (1999:1254) conducted a study on brand trust (in the context of brand loyalty) and concluded that:

- Brand trust can be conceptualised as a consumer's belief that a brand will perform according to the consumer's expectations.
- In the context of a consumer's relationship with a certain brand, empirical results suggest that brand trust consists of only one dimension.
- Brand trust has a significant effect on a customer's commitment towards a brand, which in turns increases a customer's price tolerance toward a brand.
- Brand trust in a brand can be enhanced by:
 - Always being honest in all communications about the brand;
 - Sharing in the values of a customer;
 - Building a strong reputation for the brand; and
 - Refrain from acting opportunistically to the detriment of the consumer.

In support of the above findings, a study conducted by Molinillo et al. (2017:173) confirmed that a responsible brand is more preferred when trying to build brand trust, rather than just focusing on being an active brand in the eyes of a consumer. It can, therefore, be concluded that a company should not primarily focus on being visible to as much consumer's as possible, but rather find ways in which to actively increase brand trust through responsible engagements with all of the company's stakeholders.

2.4.1.2 Brand Affect

Chaudhuri and Holbrook (2001:82) define brand affect as "a brand's potential to elicit a positive emotional response from the average consumer as a result of its use". In contrast to brand trust, the development of a person's brand affect is usually more spontaneous and not the result of a long-deliberated thought process (Chaudhuri & Holbrook, 2001:82; Geçti and Zengin, 2013:117). From a marketing perspective, it is therefore important for a company to understand how its brands affect the customers, meaning how the customers emotionally respond to their experience with a brand. According to Geçti and Zengin (2013:112), several literature studies confirm that there is a strong relationship between brand affect and brand loyalty. In turn, Geçti and Zengin (2013:117) also found that brand trust has a significant effect on brand affect.

2.4.1.3 Brand Commitment

Dwyer et al. (1987:19) define commitment as an “implicit or explicit pledge of relational continuity between exchange partners”. For purposes of this study, commitment would, therefore, include the process whereby farmers pledge their relationship with a specific agricultural business brand. Moorman et al. (1992:316) give recognition to the abovementioned definition of Dwyer et al. (1987:19) and add that commitment is “an enduring desire to maintain a valued relationship”. In a study conducted by Shukla et al. (2016:324), reference is made to the three-component view of commitment as alluded to in a study compiled by Allen and Meyer (1996:253), which include the following components of commitment:

- **Affective Commitment:** Defined by Allen and Meyer (1996:253) as “*identification with, involvement in, and emotional attachment to the organization*”. Customers are prone to form affective commitment towards a company if they had positive prior engagements or experiences with the company, resulting in the creation of a strong customer/company bond (Shukla et al., 2016:324).
- **Continuance Commitment:** In contrast to affective commitment, continuance commitment is formed when the costs associated with leaving an organisation tend to be too high (Allen & Meyer, 1996:253). This creates a situation where a customer does not want to be committed to a company but have to because of the cost associated with leaving the company for another.
- **Normative Commitment:** Defined by Allen and Meyer (1996:253) as “commitment based on a sense of obligation to the organisation”. This sense of obligation is the result of a force or social antecedent that make consumers feel that they *ought to* be committed to a certain brand (Bansal et al., 2004:239).

In conclusion, consumers committed to a brand usually become brand loyal customers and show their commitment and loyalty through repeated purchases (Ercis et al., 2012:1399).

2.4.1.4 Switching Cost

Switching costs are defined by Lee et al. (2001:36) as the “costs that the consumer incurs by changing providers that they would not incur if they stayed with their current provider”. According to Ningsih and Segoro (2014:1016) switching costs appear to play an important role in a customer’s decision not to switch to another service provider. A customer’s

loyalty towards a brand will increase in situations where customer satisfaction and switching costs are showing an upward trend (Ningsih & Segoro, 2014:1018). A study conducted by Stan et al. (2013:1549-1550) also found that switching costs:

- have a positive effect on a customer's price sensitivity as well as its loyalty towards a specific brand; and
- moderates the connection and effect between customer satisfaction and customer loyalty.

This implies that if a company can find ways in which to increase the switching costs, such company may reap the benefits of their customers becoming less sensitive about price increases as well as the customer remaining loyal to the brand, should customer satisfaction decrease for some or other reason.

2.4.1.5 Customer Satisfaction

Customer satisfaction is defined by Lamb et al. (2015:5) as "a customer response (a judgement) to a product or service regarding the extent to which consumption meets the customer's expectations". The Disconfirmation Paradigm on the following page graphically describes how a customer will either be satisfied or dissatisfied with its experience of a particular product or brand.

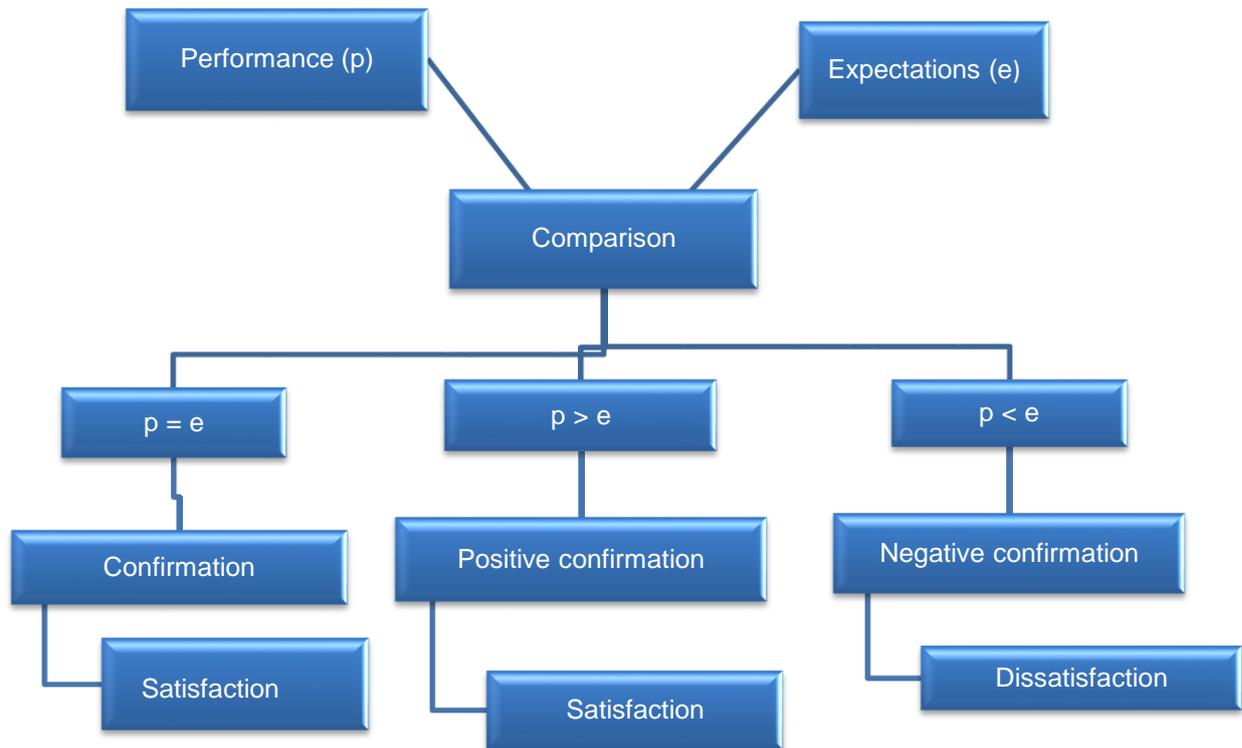


Figure 2.2: The Disconfirmation Paradigm (Lamb et al., 2015:5)

As manifested in the above Disconfirmation Paradigm it is important for a company to understand the level of expectation of its customers, due to customer satisfaction being the difference between a customer's expectations of a product and the actual performance of the product. A customer is therefore likely to be satisfied when a company manages to equal or exceed such customer's expectations of a product or services' performance (Weideman, 2014:2). In a study conducted by Awan and Rehman (2014:29) it was found that an increase in customer satisfaction will lead to a customer showing a higher level of brand loyalty. Also, Weideman (2014:2) alludes to the fact that customer satisfaction can affect the manner in which a customer either repeats or discontinues the use of a product. Brand performance is considered the main driver of customer satisfaction, and therefore it is important for a company to understand and give due consideration to the specific needs of its customers (Awan & Rehman, 2014:29). It is therefore evident that a company needs to understand the expectations of their customers as well as how their product or service meets the expectations of the customers. This can be achieved by measuring customer (current, lost and potential) satisfaction on a continuing basis, which measurement or analysis can either be on a formal or informal basis (Lamb et al., 2015:6).

2.4.1.6 Culture

According to Hofstede (2001:9), the term culture can be defined as “the collective programming of the mind that distinguishes the members of one group or category of people from another”. Lamb et al. (2015:107) refer to culture as “the set of values, norms and attitudes that shape human behaviour, as well as the artefacts, or products, of that behaviour as they are transmitted from one generation to another”. According to Lamb et al. (2015:107) culture forms part of the major social factor that influence the buying behaviour of consumers. By not understanding the cultures forming part of a company’s client base, such company has almost no chance of selling products or services to such cultural segments of the market (Lamb et al., 2015:107). In a study conducted by Garcia et al. (2015:289), it was found that a consumer’s process of brand loyalty formation was affected by even the smallest change in cultural beliefs.

2.4.1.7 Perceived Value

Perceived value is defined by Zeithaml (1988:14) as “*the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given*”. Perceived value can, in simplified terms also be seen as the results of the perceived benefits a consumer wish to obtain from using a product or service (Yoo & Park, 2016:5776). Studies conducted by Igaua et al. (2013:9) and Demirgüneş (2015:213) showed that perceived value has a strong link with customer satisfaction, which in turn is an antecedent of brand loyalty. A study conducted by Nikhashemi et al. (2016:437) however indicated that perceived value could influence brand loyalty directly. A customer’s perception of value can relate to any of the following aspects as listed by Demirgüneş (2015:212): “*money, quality, benefit and social psychology*”.

2.4.1.8 Brand Performance

In the context of a product’s performance, Lamb et al. (2015:240) define performance as “*the levels at which a product’s primary characteristics function*”. McDonagh (2015:627) refers to brand performance as “*how the brand is ‘performing’, regarding market penetration and popularity, among consumers*”. Brand performance is usually associated with an increase in sales, market share and profitability (O’Cass & Weerawardena, 2010:575). Companies should focus on, and understand the actions of both their customers and competitors to allow them to integrate their marketing strategies in such a way as to antecedent their markets more successfully (O’Cass & Weerawardena,

2010:579). This approach is also supported by a study conducted by Luxton et al. (2015:43) regarding which it was found that companies can improve their brand performance by launching integrated marketing campaigns.

2.4.1.9 Relationship Proneness

According to Bloemer et al. (2003:4) relationship proneness refers to a “personality trait that reflects a consumer’s relatively stable and conscious tendency to engage in relationships with sellers of a particular product category”. Studies conducted across different cultures confirm that a person’s expectations regarding a relationship vary from culture to culture (Wei et al., 2015:452). This results in the culture being an important determinant of the success of a company’s relationship marketing schemes (Wei et al., 2015:452). It is therefore suggested that customer relationship proneness and culture should be dealt with as interconnected elements when considering a company’s relationship marketing strategies (Wei et al., 2015:452).

2.4.1.10 Brand Relevance

Brand relevance can be seen as the manner in which a brand serves a purpose to all of the stakeholders having an interest in such brand (Overton-De Klerk & Sienaert, 2016:50). According to Aaker (2012:44) brand relevance finds application during a customer’s decision process, whereby the customer first identifies a product or service he/she would like to acquire while the second step is to identify a brand that is relevant to the identified product or service. A company will, therefore, have strong brand relevance if the customer selects such company’s brand due to its competitors not being relevant. For a brand to acquire relevance in the mind of a consumer, such brand needs to be visible to the consumer and be credible in respect of the specific category of product or service (Aaker, 2012:44). In a highly competitive category of product or service market, a company will, therefore, be required to focus on increasing its visibility and credibility. The road to true financial success is where a company manages to create a unique category of product or service, in which such company manages to remain the only relevant brand for a considerable amount of time (Aaker, 2012:44). It is therefore evident that a company will constantly have to reflect on its brand relevance to ensure sustainability (Overton-De Klerk & Sienaert, 2016:50).

2.4.1.11 Repeat Purchase

Repeat purchase in a marketing context is defined by Oxford (2016) as follows: “The process of buying the same products from the same supplier for convenience, and is usually for frequent, low-cost purchases”. According to Chen and Fang (2016:903), repeat purchase is influenced by the following factors:

- **Perceived Value:** If customers perceive their initial purchases as meeting or exceeding their value expectation, it is much easier to promote future repeat purchases.
- **Satisfaction:** A customer’s level of satisfaction regarding the use of a product or service, is generated when the actual performance of a product or service meets the expectation of the customer.
- **Trust:** A customer’s trust in a company, its brand and the products or services it offers, plays a significant role in a customer’s formation of repeat purchase behaviour.
- **Conversion Barrier:** Should a customer experience difficulties and high costs in converting to an alternative brand or product, such customer might be prone to rather remain committed to the current brand or product and repeat its purchases.

In a study conducted by Hsu et al. (2015:1) it was found that perceived value, trust and satisfaction in a brand served as strong predictors of a customer’s repeat purchase behaviour. The advantage of having a customer base that shows strong repeat purchase behaviour lies in the fact that according to estimations, repeat customer can be five times more profitable to a company than first-time buyers (Gupta & Kim, 2007:1).

2.4.1.12 Involvement

According to Vera and Trujillo (2017:602) involvement is defined as “*the quantity and type of information the consumer processes when making a decision about which brand to buy*”. A customer’s attitude towards a brand or company increases the more involved such a customer becomes in the brand or company (Cruz et al., 2017:105). In a study conducted by Shiue and Li (2013:643) it was confirmed that brand involvement can mitigate the negative effect of a company’s failures and reduces a customer’s dissatisfaction and intention to exit. This does not allow a company to continue to disappoint its customer base, but rather to highlight the fact that a company should focus on increasing customer involvement.

2.5 SUMMARY

Chapter two of this study is dedicated to providing an introduction into the agricultural business environment, which also highlights the fact that agricultural business is constantly required to adapt to global changes and trends in the agricultural sector, to remain relevant and sustainable. The chapter further focuses on brand loyalty as one of the elements which can improve the financial well-being and sustainability of an agricultural business. Special consideration is given to Moolla's brand loyalty conceptual framework and the twelve-factor influencing brand loyalty to measure the manner in which farmers are brand loyal towards their agricultural businesses. Chapter three follows with the empirical research study conducted by the literature included in chapter two.

CHAPTER THREE

EMPIRICAL STUDY

3.1 INTRODUCTION

The chapter addresses the research methodology used to conduct this study and to report on the results of the empirical study conducted. The brand loyalty conceptual framework developed by Moolla (2010:197) was used as the basis for this study, and accordingly, this chapter is dedicated to reporting on the following elements:

- research methodology deployed in this study;
- the results obtained through completed questionnaires;
- reliability analysis of research findings; and
- the level of importance of each research variable.

3.2 RESEARCH METHODOLOGY

3.2.1 Questionnaire development

Moolla (2010:150) initially developed a questionnaire to measure the importance of the twelve antecedents of brand loyalty, which questionnaire was intended for the FMCG sector. Wiese (2014:34) adapted the said questionnaire to find the application and be relevant to agricultural businesses in the North-West Province. For purposes of this study, the Wiese-questionnaire was adapted to be applied on agricultural business brands in the Free State. The structure of the questionnaire attached hereto as Appendix A, consist of the following:

- Section A: Five questions on the demographic profile of the respondent; and
- Section B: Fifty questions relating to each of the 12 factors influencing brand loyalty.

Section B of the questionnaire was constructed on a 7-point Likert Scale platform, regarding which the respondent had to indicate the level importance of the fifty statements about brand loyalty, which scale ranged from Strongly Disagree (1) to Strongly Agree (7). The fifty statements included in the questionnaire covered all twelve factors influencing brand loyalty, with the number of statements applicable to each factor varying between three and five statements.

3.2.2 Sampling Procedure

The population of this study consists of farmers in the Free State Province. A randomly selected sample of 200 individuals were identified to complete the questionnaire of which 67 responded, resulting in a response rate of 33.50%. The participants who responded to the questionnaire are representative of the following Free State regions: Goldfields, Northern Free State, Eastern Free State, Central Free State, Southern Free State and Transgariep. The Kaiser-Meyer-Olkin measure of sampling adequacy was used to determine the sample adequacy of this study statistically.

3.2.3 Data collection

The questionnaire developed for this study, as referred to in paragraph 3.2.1 above, was distributed to various farmers in the Free State via email and Whatsapp. The following individuals were also contacted to assist with references to farmers willing to complete the questionnaire: CEOs of the following agricultural companies: OVK Group, Senwes Group and Afgri Limited, President of Free State Agriculture, Chairmen of Free State Farmer Associations and employees of the VKB Group.

3.2.4 Data analysis and statistical techniques

The data collected was analysed using a statistical programme, referred to as IBM's Statistical Package for Social Sciences (v24). The analysis is based on descriptive statistics, which include the following analytical tools:

- The Kaiser-Meyer-Olkin measure of sampling adequacy;
- Bartlett's Test for sphericity;
- Exploratory factor analysis; and
- Cronbach Alpha's reliability coefficient.

3.3 DEMOGRAPHIC PROFILE

The demographic profile of the respondents are reflected in Figure 3.1 to 3.4 on the following page.

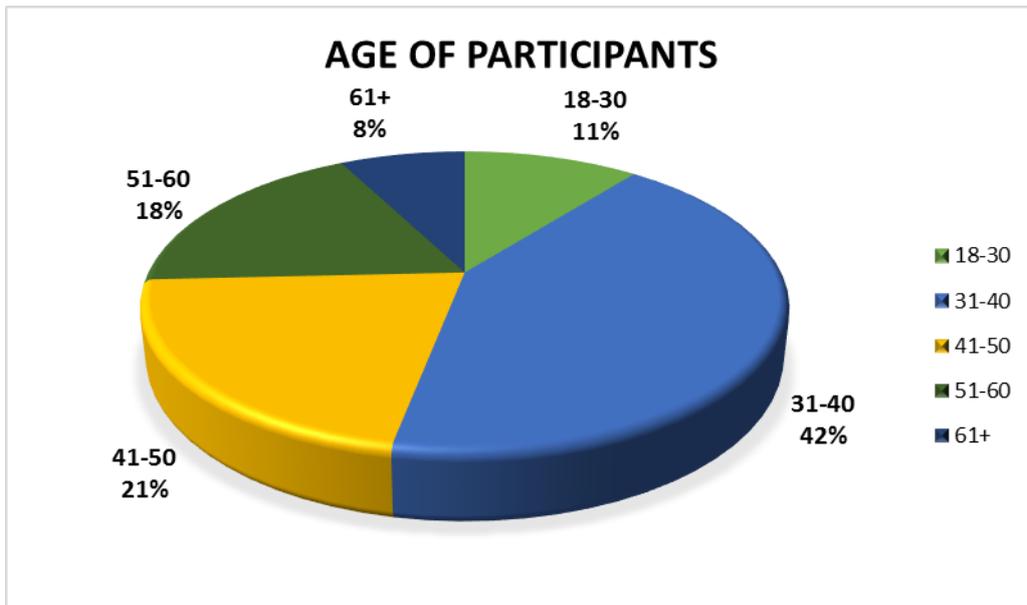


Figure 3.1: Age of Participants

Figure 3.1 shows that most of the participants are aged between 31 and 40, with 42%. If one considers that 11% of participants are aged between 18 and 30, it is encouraging to see an almost equal split between participants older and younger than 50, with 53% being younger than 50 and 47% being older than 50.

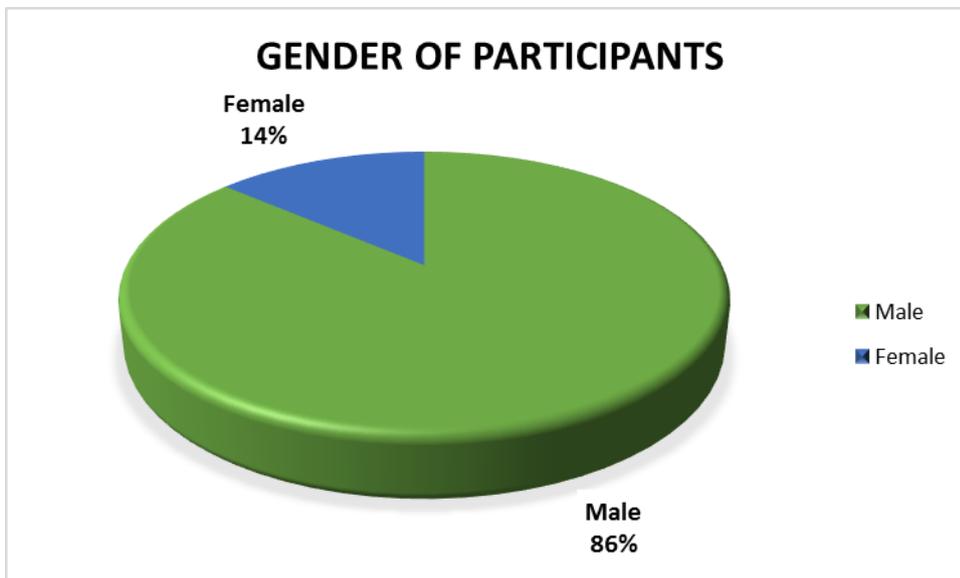


Figure 3.2: Gender of Participants

Figure 3.2 shows that 86% of the participants are males, while only 14% are females. All participants in this study were white.

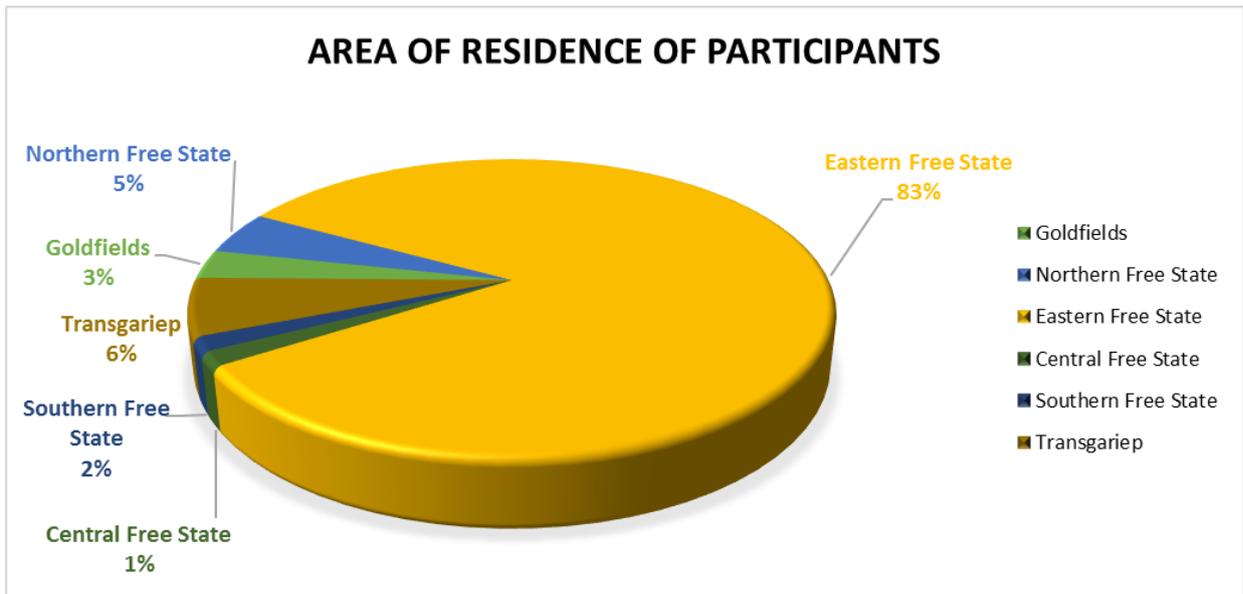


Figure 3.3: Area of Residence of Participants

Figure 3.3 shows that 83% of the participants reside in the Eastern Free State, which high percentage might be due to the methods implemented to collect the data, as fully described in paragraph 3.2.3.

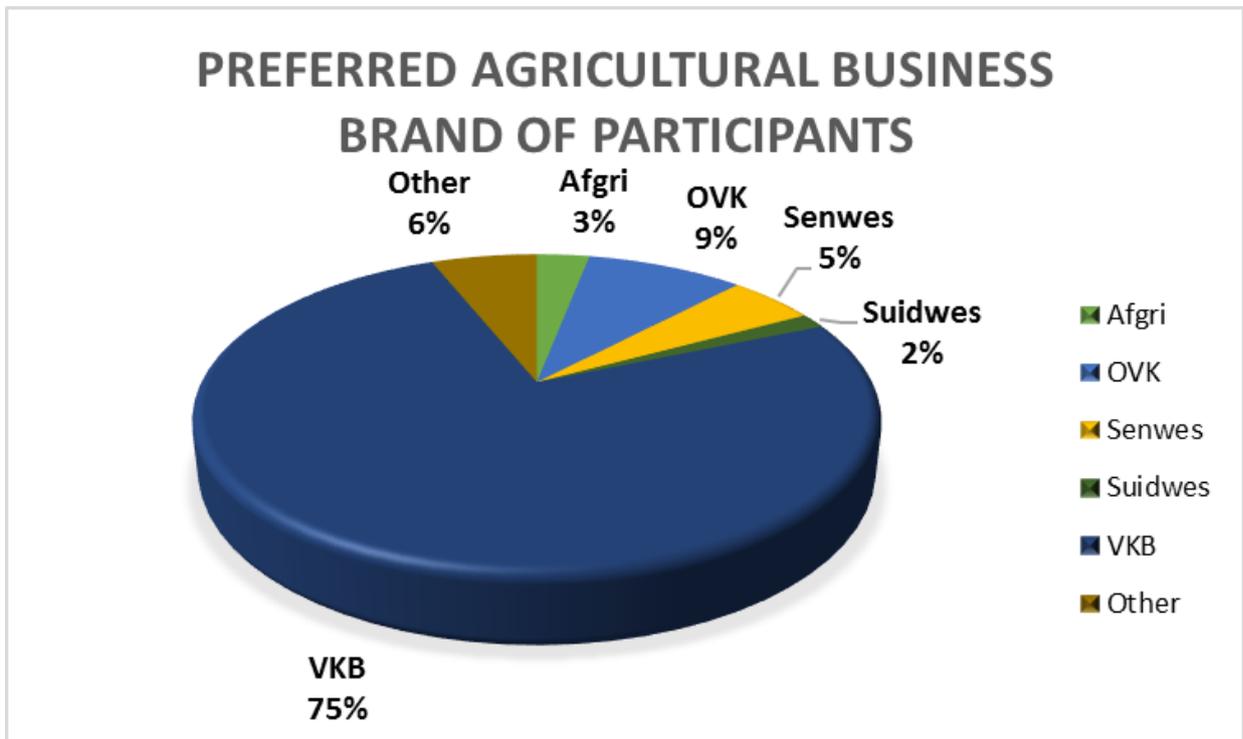


Figure 3.4: Preferred Agricultural Business Brand of Participants

Figure 3.4 shows that 75% of all participants prefer VKB as their agricultural business brand. This majority might be due to the high percentage of participants residing in the

Eastern Free State. The Eastern Free State is one of VKB's main focus areas and also home to its head office located in Reitz.

3.4 STATISTICAL APPLICATIONS DEPLOYED

The data was first subjected to the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity to ensure that the data is adequate for purposes of the exploratory factor analysis. Each of the twelve factors influencing brand loyalty was subjected to an exploratory factor analysis to validate each of the factors as antecedents on brand loyalty. Lastly, the Cronbach Alpha test was applied to the data to statistically measure its reliability. The aforementioned statistical applications were applied to the data and interpreted on the following basis:

- **The KMO Measure of Sample Adequacy:** According to Field (2009:647), the methodology and use of the measuring instrument consist of the following: KMO measurements vary between 0 and 1. A value of 0 indicates that a factor analysis is most likely to be inappropriate, due to the sum of partial correlations being too large compared to the sum of correlations. On the other hand, a value of 1 indicates that a factor analysis is most likely to provide reliable and distinct factors, as a result of the patterns of correlation being compact. Values greater than 0.5 can be regarded as acceptable, subject to the following classifications: values between 0.5 and 0.7 are mediocre, between 0.7 and 0.8, between 0.8 and 0.9 great and above 0.9 superb.
- **Bartlett's Test of Sphericity:** This test is applied to examine the hypothesis that the population includes variables which are uncorrelated (Moolla & Bisschoff, 2012:346). A Sig value <0.05 is regarded as significant and indicates that factor analysis is appropriate (Field, 2009:660).
- **Exploratory factor analysis:** Factor analysis is a statistical process used to study the relationship between a set of observed variables measured through the use of a questionnaire (Beavers_et al., 2013:1). For purposes of this study, the exploratory factor analysis is applied to determine whether or not the questions included in the questionnaire load onto the relevant brand loyalty antecedent (Wiese, 2014:38). Only questions with a factor loading >0.3 was considered for the purposes of the exploratory factor analysis.
- **The Cronbach Alpha** is one of the most widely used measures to test the reliability of research components in social and organizational sciences

(Bonett & Wright, 2015:3). In studies where the measurement consists of various questions in a questionnaire, the Cronbach Alpha test is used to measure the “internal consistency” reliability (Bonett & Wright, 2015:3). According to George and Mallery (2003:231) the Cronbach Alpha coefficient can be interpreted on the following basis: $\alpha < 0.5$ = unacceptable, $0.5 < \alpha < 0.6$ = Poor, $0.6 < \alpha < 0.7$ = Questionable, $0.7 < \alpha < 0.8$ = Acceptable, $0.8 < \alpha < 0.9$ = Good, and $\alpha > 0.9$ = Excellent. Field (2007:668) is of the view that a Cronbach Alpha coefficient of 0.70 and upwards can be regarded as satisfactory. It should, however, be noted that Cortina (1993) in Field (2007:667) found that a secondary reliability coefficient of 0.58 could be sufficient when a Likert scale is used to collect data.

3.5 VALIDITY OF RESEARCH INSTRUMENT

To assess the validity of the questionnaire, each of the twelve factors that antecedent brand loyalty, as well as the questions measuring such antecedents, will be subjected to the following measure/tests: KMO, Bartlett’s Test of Sphericity and Exploratory Factor Analysis.

3.5.1 Brand Trust

Table 3.1: KMO and Bartlett's Test: Brand Trust

KMO and Bartlett's Test: Brand Trust		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.665
Bartlett's Test of Sphericity	Approx. Chi-Square	105.512
	df	6
	Sig.	0.000

Table 3.1 reflects that the:

- KMO reading of 0.665 for brand trust, which is slightly below the preferred level of 0.700, but still acceptable; and
- Bartlett’s test reading of 0.000, which is adequate.

The said readings suggest that the brand trust data is suitable for factor analysis, which analysis is reflected in Table 3.2.

Table 3.2: Factor Analysis: Brand Trust

Factor Analysis: Brand Trust	
Question	Factor
	1
Q11. I trust the agricultural business brands I am loyal towards	0.910
Q12. I have confidence in the agricultural business that I am loyal to	0.658
Q13. The agricultural business brands I purchase has consistently high quality	0.780
Q14. The reputation of an agricultural business brand is a key factor in me maintaining brand loyalty	0.456

The factor analysis of questions 11 to 14 indicates that all the questions load onto one factor, indicating a pure antecedent. All the questions reflect factor loadings > 0.300, confirming that the questions satisfactory measure brand trust. The total variance explained is 61.97%.

3.5.2 Brand Affect

Table 3.3: KMO and Bartlett's Test: Brand Affect

KMO and Bartlett's Test: Brand Affect		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.667
Bartlett's Test of Sphericity	Approx. Chi-Square	43.229
	df	3
	Sig.	0.000

Table 3.3 reflects that the:

- KMO reading of 0.667 for brand affect is marginally below the preferred level of 0.700, but it is still acceptable; and
- Bartlett’s test reading of 0.000, which is adequate.

The said readings suggest that the brand affect data is suitable for factor analysis, which analysis is reflected in the Table on the following page.

Table 3.4: Factor Analysis: Brand Affect

Factor Analysis: Brand Affect	
Question	Factor
	1
Q37. I attain a positive emotional response through the usage of an agricultural business brand	0.819
Q38. The agricultural business brands that I am loyal towards makes a difference in my life	0.682
Q39. I am distressed when I am unable to use/purchase a particular agricultural business brand	0.599

The factor analysis of questions 37 to 39 indicates that all the questions load onto one factor, indicating a pure antecedent. All the questions reflect factor loadings > 0.300, confirming that the questions satisfactory measure brand affect. The total variance explained is 65.79%.

3.5.3 Brand Commitment

Table 3.5: KMO and Bartlett's Test: Brand Commitment

KMO and Bartlett's Test: Brand Commitment		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.764
Bartlett's Test of Sphericity	Approx. Chi-Square	135.673
	df	10
	Sig.	0.000

Table 3.5 reflects that the:

- KMO reading of 0.764 for brand commitment, which is above the preferred level of 0.700; and
- Bartlett’s test reading of 0.000, which is adequate.

The said readings suggest that the brand commitment data is suitable for factor analysis, which analysis is reflected in the Table on the following page.

Table 3.6: Factor Analysis: Brand Commitment

Factor Analysis: Brand Commitment	
Question	Factor
	1
Q27. I have pledged my loyalty to particular agricultural business brands	0.839
Q28. I do not purchase/sample other agricultural business brands if my agricultural business brand is unavailable	0.539
Q29. I identify with the agricultural business brands that I consume and feel like part of the brand community	0.734
Q30. The more I become committed to an agricultural business brand, the more loyal I become	0.588
Q31. I remain committed to agricultural business brands even through price increases and declining popularity	0.798

The factor analysis of questions 27 to 31 indicates that all the questions load onto one factor, indicating a pure antecedent. All the questions reflect factor loadings > 0.300, confirming that the questions satisfactory measure brand commitment. The total variance explained is 59.42%.

3.5.4 Switching Cost

Table 3.7: KMO and Bartlett's Test: Switching Cost

KMO and Bartlett's Test: Switching Cost		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.695
Bartlett's Test of Sphericity	Approx. Chi-Square	83.877
	df	10
	Sig.	0.000

Table 3.7 reflects that the:

- KMO reading of 0.695 for switching cost, which is slightly below the preferred level of 0.700, but still acceptable; and
- Bartlett's test reading of 0.000, which is adequate.

The said readings suggest that the switching cost data is suitable for factor analysis, which analysis is reflected in Table 3.8.

Table 3.8: Factor Analysis: Switching Cost

Factor Analysis: Switching Cost	
Question	Factor
	1
Q6. I do not switch agricultural business brands because of the high-cost implications	0.752
Q7. I do not switch agricultural business brands because of the effort required to reach a level of comfort	0.766
Q8. I avoid switching agricultural business brands due to the risks involved	0.681
Q9. I switch agricultural business brands according to the prevailing economic conditions	<0.300
Q10. I prefer not to switch agricultural business brands as I stand to lose out on the benefits of loyalty programmes	0.549

The factor analysis of questions 6 to 10 indicates that all the questions load onto one factor, indicating a pure antecedent. Question 9 reflects a factor loading of <0.300, which requires the question to be excluded from this factor analysis. All the other questions, however, reflect factor loadings >0.300, confirming that the satisfactory questions measure is switching cost. The total variance explained is 49.73%.

3.5.5 Customer Satisfaction

Table 3.9: KMO and Bartlett's Test: Customer Satisfaction

KMO and Bartlett's Test: Customer Satisfaction		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.720
Bartlett's Test of Sphericity	Approx. Chi-Square	50.409
	df	10
	Sig.	0.000

Table 3.9 reflects that the:

- KMO reading of 0.720 for customer satisfaction, which is above the preferred level of 0.700; and
- Bartlett’s test reading of 0.000, which is adequate.

The said readings suggest that the customer satisfaction data is suitable for factor analysis, which analysis is reflected in the Table below.

Table 3.10: Factor Analysis: Customer Satisfaction

Factor Analysis: Customer Satisfaction	
Question	Factor
	1
Q1. I am very satisfied with the agricultural business brands i am doing business with	0.640
Q2. Distinctive product attributes in my agricultural business keep me brand loyal	0.632
Q3. My loyalty towards a particular agricultural business brand increases when I am satisfied with that brand	0.406
Q4. I do not repeat a purchase if I am dissatisfied with a particular agricultural business brand	<0.300
Q5. I attain pleasure from the agricultural business brands I am loyal towards	0.804

The factor analysis of questions 1 to 5 indicates that all the questions load onto one factor, indicating a pure antecedent. Question 4 reflects a factor loading <0.300, which requires the question to be excluded from this factor analysis. All the other questions, however, reflect factor loadings >0.300, confirming that the questions satisfactorily measure customer satisfaction. The total variance explained is 43.50%.

3.5.6 Culture

Table 3.11: KMO and Bartlett's Test: Culture

KMO and Bartlett's Test: Culture		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.587
Bartlett's Test of Sphericity	Approx. Chi-Square	44.303
	df	6
	Sig.	0.000

Table 3.11 reflects that the:

- KMO reading of 0.587 for culture is below the preferred level of 0.700. It, however, does not disqualify the antecedent from being subjected to a factor analysis, but caution should be given as to the adequacy of the sample here; and
- Bartlett's test reading of 0.000, which is adequate.

The factor analysis is reflected in the Table on the following page.

Table 3.12: Factor Analysis: Culture

Factor Analysis: Culture	
Question	Factor
	1
Q47. My choice of agricultural business brands is in keeping with the choice made by other members of my race group	0.497
Q48. My loyalty towards an agricultural business brand is based on the choice of agricultural business brand used by my family	0.563
Q49. Religion plays a role in my choice and loyalty of agricultural business brands	0.375
Q50. Family used agricultural business brands indirectly assure brand security and trust	0.872

The factor analysis of questions 47 to 50 indicates that all the questions load onto one factor, indicating a pure antecedent. All the questions reflect factor loadings >0.300, confirming that the questions satisfactory measure culture. The total variance explained is 49.78%.

3.5.7 Perceived Value

Table 3.13: KMO and Bartlett's Test: Perceived Value

KMO and Bartlett's Test: Perceived Value		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.495
Bartlett's Test of Sphericity	Approx. Chi-Square	30.834
	df	6
	Sig.	0.000

Table 3.13 reflects that the:

- KMO reading of 0.495 for perceived value, which is below the minimum level of 0.500, which normally requires the antecedent to be disqualified from being subjected to a factor analysis; and
- Bartlett's test reading of 0.000, which is adequate.

Given the small margin by which the KMO reading fails to reach the 0.500 mark, it decided to continue with factor analysis as reflected in the table below. The results of the factor analysis should, however, be interpreted with great caution.

Table 3.14: Factor Analysis: Perceived Value

Factor Analysis: Perceived Value	
Question	Factor
	1
Q23. My agricultural business brand loyalty is based on product quality and expected performance	0.321
Q24. I have an emotional attachment to the agricultural business brands I am loyal towards	0.561
Q25. Price worthiness is a key antecedent of my loyalty towards agricultural business brands	0.300
Q26. The agricultural business brands that I am loyal to enhance my social self-concept	0.970

The factor analysis of questions 23 to 26 indicates that all the questions load onto one factor, indicating a pure antecedent. Question 25 reflects a factor loading <0.300, which requires the question to be excluded from this factor analysis. All the other questions, however, reflect factor loadings >0.300, confirming that the questions satisfactorily measure customer satisfaction. The total variance explained is 42.60%.

3.5.8 Brand Performance

Table 3.15: KMO and Bartlett's Test: Brand Performance

KMO and Bartlett's Test: Brand Performance		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.427
Bartlett's Test of Sphericity	Approx. Chi-Square	7.991
	df	3
	Sig.	0.046

Table 3.15 reflects that the:

- KMO reading of 0.427 for brand performance, which is below the minimum level of 0.500, which requires the antecedent to be disqualified from being subjected to a factor analysis; and
- Bartlett's test reading of 0.046, which is acceptable given the fact that it is below 0.05 (Field, 2009:660).

The factor analysis of brand performance, as per the table below, should only be interpreted for purposes of confirming the manner in which each question manages measure brand performance.

Table 3.16: Factor Analysis: Brand Performance

Factor Analysis: Brand Performance	
Question	Factor
	1
Q44. I evaluate an agricultural business brand based on perceived performance	<0.300
Q45. I will switch agricultural business brand loyalty should a better performing agricultural business brand be available	0.380
Q46. I am loyal only towards the top performing agricultural business brand	0.695

Question 45 and 46 reflect factor loadings > 0.300, confirming that the questions satisfactorily measure brand performance. The total variance explained is 42.54%.

3.5.9 Relationship Proneness

Table 3.17: KMO and Bartlett's Test: Relationship Proneness

KMO and Bartlett's Test: Relationship Proneness		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.634
Bartlett's Test of Sphericity	Approx. Chi-Square	58.743
	df	10
	Sig.	0.000

Table 3.17 reflects that the:

- KMO reading of 0.634 for relationship proneness, which is slightly below the preferred level of 0.700, but still acceptable; and
- Bartlett’s test reading of 0.000, which is adequate.

The said readings suggest that the relationship proneness data is suitable for factor analysis, which analysis is reflected in the Table below.

Table 3.18: Factor Analysis: Relationship Proneness

Factor Analysis: Relationship Proneness	
Question	Factor
	1
Q32. My loyalty towards agricultural business brands is purely habitual	<0.300
Q33. I do not necessarily purchase the same agricultural business brands all the time	0.797
Q34. I always sample new agricultural business brands as soon as they are available	0.670
Q35. I establish an agricultural business brand purchasing pattern and seldom deviate from it	-0.526
Q36. Loyalty programmes are reason I repeat agricultural business brand purchases	-0.397

The factor analysis of questions 32 to 36 indicates that all the questions load onto one factor, indicating a pure antecedent. Question 32 was excluded from the analysis due to its factor loading being <0.300. Questions 33 and 34 reflect factor loadings >0.300, confirming that the questions satisfactorily measure relationship proneness. Questions 35 and 36 reflect a negative factor loading, which might be due to the question being negatively related to the factor, indicating a measure of the opposite of relationship proneness. The total variance explained is 42.42%.

3.5.10 Brand Relevance

Table 3.19: KMO and Bartlett's Test: Brand Relevance

KMO and Bartlett's Test: Brand Relevance		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.744
Bartlett's Test of Sphericity	Approx. Chi-Square	58.073
	df	6
	Sig.	0.000

Table 3.19 reflects that the:

- KMO reading of 0.744 for brand relevance, which is above the preferred level of 0.700; and
- Bartlett's test reading of 0.000, which is adequate.

The said readings suggest that the brand relevance data is suitable for factor analysis, which analysis is reflected in Table 3.20 below.

Table 3.20: Factor Analysis: Brand Relevance

Factor Analysis: Brand Relevance	
Question	Factor
	1
Q40. The agricultural business brands that I am loyal towards stand for issues that matter	0.758
Q41. The agricultural business brands that I am loyal towards have freshness about them and portray positive significance	0.642
Q42. I know that an agricultural business brand is relevant to the brand messages communicated	0.538
Q43. The agricultural business brands that I am loyal towards are constantly updating and improving to stay relevant	0.688

The factor analysis of questions 40 to 43 indicates that all the questions load onto one factor, indicating a pure antecedent. All the questions reflect factor loadings >0.300 , confirming that the questions satisfactorily measure brand relevance. The total variance explained is 57.35%.

3.5.11 Repeat Purchase

Table 3.21: KMO and Bartlett's Test: Repeat Purchase

KMO and Bartlett's Test: Repeat Purchase		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.713
Bartlett's Test of Sphericity	Approx. Chi-Square	60.727
	df	6
	Sig.	0.000

Table 3.21 reflects that the:

- KMO reading of 0.713 for repeat purchase, which is above the preferred level of 0.700; and
- Bartlett's test reading of 0.000, which is adequate.

The said readings suggest that the repeat purchase data is suitable for factor analysis, which analysis is reflected in the table below.

Table 3.22: Factor Analysis: Repeat Purchase

Factor Analysis: Repeat Purchase	
Question	Factor
	1
Q15. I prefer to maintain a long-term relationship with an agricultural business brand	0.634
Q16. I maintain a relationship with an agricultural business brand in keeping with my personality	0.650
Q17. I maintain a relationship with an agricultural business brand that focuses and communicates with me	0.432
Q18. I have a passionate and emotional relationship with the agricultural business brands I am loyal to	0.868

The factor analysis of questions 15 to 18 indicates that all the questions load onto one factor, indicating a pure antecedent. All the questions reflect factor loadings >0.300, confirming that the satisfactory questions measure repeat purchase. The total variance explained is 56.35%.

3.5.12 Involvement

Table 3.23: KMO and Bartlett's Test: Involvement

KMO and Bartlett's Test: Involvement		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.543
Bartlett's Test of Sphericity	Approx. Chi-Square	48.374
	df	6
	Sig.	0.000

Table 3.23 reflects that the:

- KMO reading of 0.587 for involvement, which is below the preferred level of 0.700. It, however, does not disqualify the antecedent from being subjected to a factor analysis, but caution should be given as to the adequacy of the sample; and
- Bartlett's test reading of 0.000, which is adequate.

The factor analysis is reflected in the table below.

Table 3.24: Factor Analysis: Involvement

Factor Analysis: Involvement	
Question	Factor
	1
Q19. Loyalty towards an agricultural business brand increases the more I am involved with it	0.736
Q20. Involvement with an agricultural business brand intensifies my arousal and interest towards that brand	0.794
Q21. I consider other agricultural business brands when my involvement with my agricultural business brand diminishes	<0.300
Q22. The involvement influences my choice of an agricultural business brand others to have with their agricultural business brand	0.396

The factor analysis of questions 19 to 22 indicates that all the questions load onto one factor, indicating a pure antecedent. Question 21 reflects a factor loading <0.300, which requires the question to be excluded from this factor analysis. All the other questions, however, reflect factor loadings >0.300, confirming that the questions satisfactorily measure involvement. The total variance explained is 47.91%.

3.6 RELIABILITY OF RESULTS

Table 3.25 on the following page reflects the reliability results of each of the twelve brand loyalty antecedents, as measured regarding Cronbach’s Alpha reliability analysis.

Table 3.25: Cronbach's Alpha Results

Description	Questions	Cronbach's Alpha	Number of Items
Brand Trust	All	0.78	4
Brand Affect	All	0.74	3
Brand Commitment	All	0.83	5
Switching Cost	All	0.73	5
Customer Satisfaction	Q1, Q2, Q3, Q5	0.70	4
Culture	All	0.63	4
Perceived Value	Q23, Q24, Q26	0.61	3
Brand Performance	Q45, Q46	0.43	2
Relationship Proneness	Q32, Q33, Q34	0.62	3
Brand Relevance	All	0.74	4
Repeat Purchase	All	0.73	4
Involvement	All	0.63	4

A majority of the antecedents (as highlighted in blue) proved to be of satisfactory reliability due to their alpha coefficients measuring >0.70 . The following four antecedents proved to be of lower order reliability due to their alpha coefficients measuring $0.58 < \alpha < 0.70$: Culture, Perceived Value, Relationship Proneness and Involvement. Brand Performance is the only unreliable antecedent with an alpha coefficient of 0.43.

3.7 IMPORTANCE OF RESEARCH VARIABLES

The following methodology was deployed to enhance the interpretation of research (as originally developed by Bisschoff & Hough, 1995 and successfully applied in Bisschoff and Lotriet, 2009:270): The 7-point Likert scale used in Section B (fifty questions) of this study's questionnaire is scaled as follows:

Table 3.26: Likert Scale Scoring

Strongly Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
1	2	3	4	5	6	7

The mean scores for each of the twelve brand loyalty antecedents and their respective questions are then calculated and converted into a percentage figure, which percentages can then be interpreted as follows:

Table 3.27: Means Score Interpretation

Mean Percentage	Options for Interpretation
< 60%	Lower importance; Dissatisfaction; Immediate action required
60% - 75%	Important; Satisfaction; Develop to become excellent
> 75%	Very important; Very satisfied/excellent, maintain to stay on top

The standard deviation for each of the fifty Section B questions is then calculated and deployed as a secondary measure to indicate to what extent the respondents have agreed on their responses to each of the questions.

3.7.1 Brand Trust

Table 3.28: Brand Trust: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q11. I trust the agricultural business brands I am loyal towards	5.73	81.88%	1.162
Q12. I have confidence in the agricultural business that I am loyal to	5.75	82.09%	1.283
Q13. The agricultural business brands I purchase has consistently high quality	5.37	76.76%	1.217
Q14. The reputation of an agricultural business brand is a key factor in me maintaining brand loyalty	5.51	78.68%	1.386

The mean percentages of all the questions are >75%, which indicate the very importance of each question about a farmer's loyalty towards its agricultural business brands. The overall mean for Brand Trust is 79.85%, which further indicates how important the concept of brand trust is to farmers when forming loyalty toward an agricultural brand. Without derogating from the importance of a high-quality brand and good reputation, the concepts of trust and confidence in an agricultural business brand seems to be crucial in the development of a farmer's loyalty towards an agricultural business brand. Agricultural businesses should, therefore, focus on strategies to establish, improve and maintain the trust and confidence levels of its clients.

3.7.2 Brand Affect

Table 3.29: Brand Affect: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q37. I attain a positive emotional response through the usage of an agricultural business brand	4.18	59.70%	1.614
Q38. The agricultural business brands that I am loyal towards making a difference in my life	4.51	64.39%	1.646
Q39. I am distressed when I am unable to use/purchase a particular agricultural business brand	3.42	48.92%	1.655

Two of the three questions relating to Brand Affect have a mean percentage <60%, indicating the low importance of Brand Affect about a farmer's loyalty to his/her agricultural business brands. The overall mean of Brand Affect is 57.71% which further confirms the low importance of Brand Affect during a farmer's formation of brand loyalty towards his/her agricultural businesses. This does not exclude the fact that farmers do recognise the importance of having an agricultural business brand that makes some form of a positive difference in their lives.

3.7.3 Brand Commitment

Table 3.30: Brand Commitment: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q27. I have pledged my loyalty to particular agricultural business brands	4.43	63.33%	1.869
Q28. I do not purchase/sample other agricultural business brands if my agricultural business brand is unavailable	2.94	42.00%	1.800
Q29. I identify with the agricultural business brands that I consume and feel like part of the brand community	4.99	71.22%	1.522
Q30. The more I become committed to an agricultural business brand, the more loyal I become	5.01	71.64%	1.628
Q31. I remain committed to agricultural business brands even through price increases and declining popularity	4.25	60.77%	1.845

Apart from Question 28, it is evident that the questions are all important in influencing a farmer’s brand loyalty to agricultural business brands. The overall mean of Brand Commitment is 61.79%, which reflect the importance of Brand Commitment as an influence on farmers’ loyalty to agricultural business brands. The correlation between commitment and brand loyalty is quite evident in the farmers’ response (71.64%) to question 30, which confirm that the more committed a farmer becomes toward an agricultural business brand, the more brand loyal such farmers become. Question 28 is clearly an outlier with an important percentage of 42%, indicating that farmers do tend to buy other agricultural brands should their preferred brand not be available. This type of behaviour seems rational, given the nature of the agricultural industry and products associated in addition to that.

3.7.4 Switching Cost

Table 3.31: Switching Cost: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q6. I do not switch agricultural business brands because of the high-cost implications	3.78	53.94%	1.824
Q7. I do not switch agricultural business brands because of the effort required to reach a level of comfort	4.43	63.33%	1.777
Q8. I avoid switching agricultural business brands due to the risks involved	3.79	54.11%	1.741
Q9. I switch agricultural business brands according to the prevailing economic conditions	4.16	59.49%	1.880
Q10. I prefer not to switch agricultural business brands as I stand to lose out on the benefits of loyalty programmes	4.85	69.30%	1.777

The overall mean of Switching Cost is 62.69%, confirming its importance as an influence on a farmer’s formation of brand loyalty towards an agricultural business brand. The questions that indicated an importance level bigger than 60% relates to:

- Question 7: The effort it takes to switch between agricultural business brands; and
- Question 10: Regarded as the most important antecedent in Switching Cost; the fact that farmers stand to lose out on loyalty programme benefits should they switch agricultural business brands.

From a marketing strategy perspective, it is important for agricultural businesses to take note of the fact that loyalty programmes significantly contribute to the formation of brand loyalty, due to the switching costs implications. The following elements of Switching Cost reflected a low importance level from a farmer perspective: high-cost implications, risks and prevailing economic conditions.

3.7.5 Customer Satisfaction

Table 3.32: Customer Satisfaction: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q1. I am very satisfied with the agricultural business brands I am doing business	5.61	80.17%	1.072
Q2. Distinctive product attributes in my agricultural business keep me brand loyal	5.03	71.86%	1.467
Q3. My loyalty towards a particular agricultural business brand increases when I am satisfied with that brand	5.94	84.86%	1.099
Q4. I do not repeat a purchase if I am dissatisfied with a particular agricultural business brand	5.43	77.61%	1.417
Q5. I attain pleasure from the agricultural business brands I am loyal towards	5.61	80.17%	1.044

Apart from question 2, all the other questions reflected a very high importance level of >75%. The overall mean of Customer Satisfaction is 79.34% which further confirmed that farmers regard Customer Satisfaction as a very important antecedent on the level of their loyalty toward their agricultural business brands. Question 2 was the only question reflecting an importance level of <75%, which still confirmed that distinctive product attributes are important in influencing a farmer's brand loyalty. Question 3 reflected an importance level of 84.86%, highlighting the direct correlation between Customer Satisfaction and the brand loyalty of a farmer towards his or her agricultural business brand.

3.7.6 Culture

Table 3.33: Culture: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q47. My choice of agricultural business brands is in keeping with the choice made by other members of my race group	3.19	45.63%	1.777
Q48. My loyalty towards an agricultural business brand is based on the choice of agricultural business brand used by my family	3.45	49.35%	1.729
Q49. Religion plays a role in my choice and loyalty of agricultural business brands	4.25	60.77%	2.149
Q50. Family used agricultural business brands indirectly assure brand security and trust	4.48	64.07%	1.620

The overall mean of Culture is 54.80%, indicating a low importance level is considered as an antecedent on a farmer's brand loyalty towards an agricultural business brand. Questions 49 and 50 reflect the following two elements as important when considering culture as an antecedent of brand loyalty:

- Religion is regarded as an important consideration when forming brand loyalty. This might pose a challenge to agricultural businesses, especially if they cater for a diverse customer base, consisting of an individual with different religious believes.
- Agricultural business brands supported by families as a whole creates a perception of security and trust in such a brand.

3.7.7 Perceived Value

Table 3.34: Perceived Value: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q23. My agricultural business brand loyalty is based on product quality and expected performance	5.97	85.29%	1.087
Q24. I have an emotional attachment to the agricultural business brands I am loyal towards	4.72	67.38%	1.756
Q25. Price worthiness is a key antecedent of my loyalty towards agricultural business brands	5.92	84.63%	0.882
Q26. The agricultural business brands that I am loyal to enhance my social self-concept	3.94	56.29%	1.757

Perceived Value returned an overall mean of 69.65%, indicating that Perceived Value does have an important effect on a farmer's level of brand loyalty towards an agricultural business brand. Question 23 and 25 should be highlighted due to their mean percentages being >75% and indicating a very high importance level:

- Question 23 reflects an importance level of 85.29%, indicating that the quality and expected performance of a product plays a significant role in the establishment of brand loyalty towards an agricultural business brand; and
- Question 25 also reflect an importance level of 84.63%, indicating that the price worthiness of products supplied by agricultural business brands plays an important role in the formation of brand loyalty by farmers.

The social self-concept created by an association with an agricultural business brand is of low importance to farmers.

3.7.8 Perceived Value

Table 3.35: Perceived Value: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q44. I evaluate an agricultural business brand based on perceived performance	5.58	79.74%	1.208
Q45. I will switch agricultural business brand loyalty should a better performing agricultural business brand be available	4.88	69.72%	1.572
Q46. I am loyal only towards the top performing agricultural business brand	3.70	52.88%	1.697

The mean percentage of question 44 reflects an importance level 79.74%, indicating that farmers see it as very important to evaluate and agricultural business brand based on its perceived performance. Questions 45's mean percentage of 69.72% indicates that farmers are willing to switch to agricultural business brands perceived to be better performing. Question 46 indicates that it is of low importance for farmers to only support the top performing agricultural business brand.

3.7.9 Relationship Proneness

Table 3.36: Relationship Proneness: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q32. My loyalty towards agricultural business brands is purely habitual	3.46	49.47%	1.645
Q33. I do not necessarily purchase the same agricultural business brands all the time	4.51	64.39%	1.795
Q34. I always sample new agricultural business brands as soon as they are available	3.97	56.72%	1.714
Q35. I establish an agricultural business brand purchasing pattern and seldom deviate from it	4.36	62.34%	1.697
Q36. Loyalty programmes are reason I repeat agricultural business brand purchases	4.22	60.22%	1.875

Relationship Proneness reflects an overall mean of 56.86%, indicating that farmers tend to see Relationship Proneness as a low importance antecedent during the formation of

brand loyalty towards an agricultural business brand. However, the questions that did return a mean percentage of >60%, indicated that the following was important to farmers when considering their loyalty towards agricultural business brands:

- Question 33: Farmers do tend to buy agricultural products from different agricultural business brand from time to time;
- Question 35: Farmers are likely to establish a purchasing pattern when it comes to agricultural business brands and seldom deviate from it.
- Question 36: Loyalty programmes do tend to encourage repeat purchases in the agricultural business brand sector.

3.7.10 Brand Relevance

Table 3.37: Brand Relevance: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q40. The agricultural business brands that I am loyal towards stands for issues that actually matters	4.94	70.58%	1.526
Q41. The agricultural business brands that I am loyal towards has freshness about them and portray positive significance	5.33	76.12%	1.223
Q42. I know that an agricultural business brand is relevant to the brand messages communicated	4.87	69.51%	1.266
Q43. The agricultural business brands that I am loyal towards are constantly updating and improving to stay relevant	5.24	74.89%	1.290

Brand Relevance produced an overall mean of 72.62%, indicating its high level of importance to farmers when they consider their brand loyalty towards an agricultural business brand. Questions 41 and 43 reflect mean percentages of 76.12% and 74.89% respectively, indicating that farmers regard the following as very important aspects when evaluating agricultural business brand:

- Agricultural business brands should focus on portraying a positive significance in the agricultural market; and
- Agricultural business brands should constantly strive to update and improve itself to remain relevant in the market.

3.7.11 Repeat Purchase

Table 3.38: Repeat Purchase: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q15. I prefer to maintain a long-term relationship with an agricultural business brand	6.12	87.42%	1.135
Q16. I maintain a relationship with an agricultural business brand in keeping with my personality	4.43	63.33%	1.828
Q17. I maintain a relationship with an agricultural business brand that focuses and communicates with me	5.34	76.33%	1.175
Q18. I have a passionate and emotional relationship with the agricultural business brands I am loyal to	4.76	68.02%	1.776

Repeat Purchase reflects an overall mean of 73.77%, indicating that farmers regard the concept as important (almost very important) when considering their loyalty towards an agricultural business brand. The questions reflecting a mean percentage >75% include the following:

- Question 15 has a mean percentage of 87.42%, indicating that it is of the utmost importance for farmers and agricultural business brands to build long-term relationships with each other.
- Question 17 has a mean percentage of 76.33%, indicating that it is very important to farmers that their agricultural business brands focus and communicates with them.

3.7.12 Involvement

Table 3.39: Involvement: Mean and Standard Deviation

Question	Mean Score	Mean Percentage	Standard Deviation
Q19. Loyalty towards an agricultural business brand increases the more I am involved with it	5.36	76.55%	1.484
Q20. Involvement with an agricultural business brand intensifies my arousal and interest towards that brand	4.99	71.22%	1.647
Q21. I consider other agricultural business brands when my involvement with my agricultural business brand diminishes	4.07	58.21%	1.579
Q22. The involvement influences my choice of an agricultural business brand others to have with their agricultural business brand	3.72	53.09%	1.485

The overall mean of Involvement is 64.77%, indicating that it is an important antecedent during the formation of a farmer’s loyalty towards an agricultural business brand. Question 19 has a mean of 76.55%, confirming that involvement has a direct and very important (positive) antecedent on a farmer’s loyalty towards an agricultural business brand. Question 21 and 22 reflect mean percentages < 60%, indicating that:

- Low involvement with an agricultural business brand does not necessarily have a negative effect on the brand loyalty of farmers toward their agricultural business brands; and
- The farmer does not deem the involvement that others have with their agricultural business brands as important.

3.8 SUMMARY OF MEAN VALUES

Table 3.40: Summary of the mean value and importance percentages

Antecedent	Mean	Mean %	Standard Deviation
Brand Trust	5.59	79.85%	0.980
Customer Satisfaction	5.55	79.34%	0.859
Repeat Purchase	5.16	73.77%	1.125
Brand Relevance	5.08	72.62%	1.026
Perceived Value	4.88	69.65%	1.176
Involvement	4.53	64.77%	1.063
Switching Cost	4.14	62.69%	1.238
Brand Commitment	4.33	61.79%	1.333
Brand Affect	4.04	57.71%	1.324
Relationship Proneness	3.98	56.86%	1.295
Culture	3.84	54.80%	1.271

Very important antecedents (>75%): Brand Trust and Customer Satisfaction are the two most important antecedents during a farmer's formation of brand loyalty towards an agricultural business brand.

Important antecedents (60% - 75%): Farmers regard all of the following antecedents as important during their formation of brand loyalty towards an agricultural business brand (ranked according to the percentage of importance): Repeat Purchase, Brand Relevance, Perceived Value, Involvement, Switching Cost and Brand Commitment.

Lower important antecedents (<60%): According to farmers, all of the following antecedents are of low importance during their formation of brand loyalty towards an agricultural business brand (ranked according to the percentage of importance): Brand Affect, Relationship Proneness and Culture.

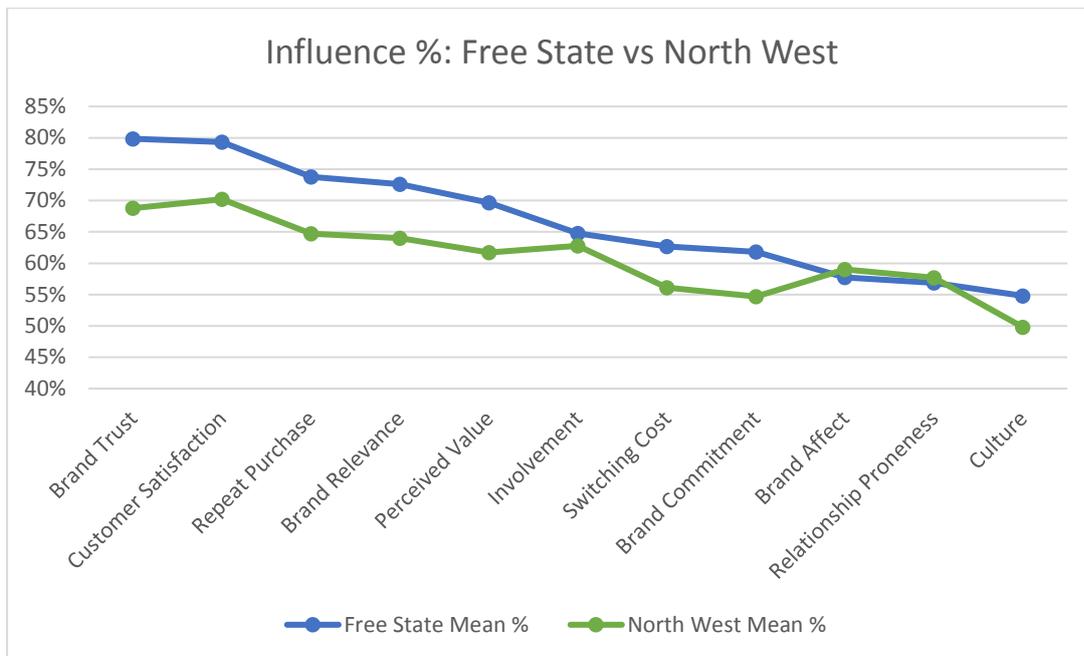


Figure 3.5: Importance of Brand Loyalty Antecedents: Free State vs North-West

Figure 3.5 compares the importance percentages of brand loyalty antecedents with that of a similar study conducted in the North-West Province by Wiese (2014:71).

There is a correlation between the findings of this study and the North-West study. In consideration of the important antecedents (>60%), both studies concur that Brand Trust, Customer Satisfaction, Repeat Purchase, Brand Relevance, Perceived Value and Involvement are of importance to farmers when considering their brand loyalty toward agricultural business brands. A further correlation is found in the fact that farmers regard the following antecedents as of low importance during their formation of brand loyalty towards agricultural business brands: brand affect, relationship proneness and culture.

3.9 SUMMARY

Chapter three includes the empirical research findings derived from the application of the Moolla (2010:197) brand loyalty conceptual framework on the Free State agricultural business sector. Data were collected using a questionnaire initially developed by Moolla (2010:150) and adapted by Wiese (2014:34) to find application in the agricultural sector.

The data collected was subjected to the following statistical analysis:

- Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity to ensure that the data is adequate for purposes of the exploratory factor analysis;
- Each of the twelve factors influencing brand loyalty was subjected to an exploratory factor analysis to validate each of the factors as antecedents on brand loyalty; and

- Lastly, the Cronbach Alpha test was applied to the data to measure its reliability statistically.

Chapter four includes several of the material research findings derived from the empirical study undertaken in chapter three, in the form of conclusions and recommendations.

CHAPTER FOUR

CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

This chapter completes this study and will offer various conclusions and recommendations based on the literature reviewed and the empirical study conducted on brand loyalty antecedents in the agricultural business sector. The conclusions and recommendations in this chapter will mainly be focussed on the following elements:

- Validity and reliability of data;
- Analysis of the twelve brand loyalty antecedents;
- Comparison with a previous study; and
- Possible future research studies.

This chapter will conclude with a summary of the study objectives and how such objectives were met.

4.2 CONCLUSIONS AND RECOMMENDATIONS

4.2.1 Validity and reliability of data

The following conclusions and recommendations regarding the validity and reliability of the data are based on the empirical study conducted in chapter three of this study.

4.2.1.1 Conclusion 1

The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy delivered the following results:

- The KMO measure on all twelve of the brand loyalty antecedents yielded an average measure of 0.638, which is within acceptable limits for purposes of conducting factor analysis.
- The following brand loyalty antecedents did not yield sufficient KMO measures for purposed of factor analysis: Perceived Value (0.495) and Brand Performance (0.427). The low KMO measure could be derived from the data sets not being appropriate for factoring.
- Apart from the two brand above loyalty antecedents all of the ten other antecedents delivered satisfactory KMO measures between 0.543 and 0.764.

Bartlett's Test of Sphericity confirmed:

- that the study's sampling is adequate and can, therefore, be subjected to factor analysis; and
- the strength of the relationship between the variables was sufficient.

With the exclusion of Perceived Value and Brand Performance, the KMO and Bartlett's Test of Sphericity confirmed that the data were suitable for factor analysis.

4.2.1.2 Conclusion 2

The factor analysis used to analyse the data was found to be an appropriate statistical instrument for purposes of this study. The variance in the brand loyalty antecedents subjected to factor analysis was satisfactorily explained by the factors extracted. According to the factor analysis, none of the results indicates any existence of sub-antecedents.

4.2.1.3 Conclusion 3

In consideration of the reliability and internal consistency of the data, the Cronbach Alpha yielded the following results.

- Six of the twelve brand loyalty antecedents have satisfactory Cronbach Alphas of >0.70 ;
- Five of the twelve brand loyalty antecedents have sufficient Cronbach Alpha's of $0.58 < \alpha < 0.70$; and
- One of the twelve brand loyalty antecedents as an insufficient Cronbach Alpha of <0.58 , namely Brand Performance.

In light of the above, the Cronbach Alpha analysis conducted confirms that the data of this study can be regarded as reliable.

4.2.1.4 Recommendation 1

The following recommendations are presented in light of the conclusions reached on the reliability and validity of this study's data:

- It is recommended that the brand loyalty antecedent questionnaire initially developed Moolla (2010:150) and adapted by Wiese (2014:34) for purposes of the agricultural business sector, can successfully be deployed to measure the brand loyalty antecedents in the agricultural business sector.

- It is recommended that the statistical instruments deployed in this study can successfully be applied in similar research projects, which statistical instruments include the following: To measure the suitability of data for purposes of factor analysis, use the KMO and Bartlett's Test of Sphericity. To determine if the study questionnaire is valid, use Factor Analysis. To determine the reliability of the data, use the Cronbach Alpha coefficient.

4.2.2 Antecedents of brand loyalty

The following conclusions and recommendations regarding twelve antecedents on brand loyalty are based on the empirical study conducted in chapter three of this study.

4.2.2.1 Conclusion 4

The mean values, expressed as percentage for each of the twelve brand loyalty antecedents, serve as indicator of importance. The important antecedents (>60%) are ranked (from the most important to the least important) as: Brand Trust (79.85%), Customer Satisfaction (79.34%), Repeat Purchase (73.77%), Brand Relevance (72.62%), Perceived Value (69.65%), Involvement (64.77%), Switching Cost (62.69%) and Brand Commitment (61.79%). The following antecedents are regarded as being less important (<60%) when considering brand loyalty in the agricultural business sector: Brand Affect (57.71%), Relationship Proneness (56.86%) and Culture (54.80%).

4.2.2.2 Conclusion 5

If one considers the top five brand loyalty antecedent (based on the mean values expressed as a percentage) derived from this study and the Wiese (2014) study, it is evident that the following antecedents are the most influential during a farmer's formation of brand loyalty toward an agricultural business: Brand Trust, Customer Satisfaction, Repeat Purchase and Brand Relevance.

4.2.2.3 Recommendation 2

Given the advantages of having a brand loyal customer base, it is important for an agricultural business to focus on implementing strategies which can enhance a customer's experience and/or perception of Brand Trust, Customer Satisfaction, Repeat Purchase and Brand Relevance.

4.3 SUGGESTIONS FOR FUTURE RESEARCH

4.3.1 Conclusion 6

In consideration of the demographic information obtained from the data collection, it is evident that the respondents were all white, which results in this study not being able to confirm, with certainty, that brand loyalty antecedents are regarded the same by all South African farmers, notwithstanding their ethnicity.

4.3.2 Recommendation 3

Even though the research findings of this study and the Wiese (2014) study largely support each other, it is still recommended that further studies be conducted on a national scale to obtain a representative sample of the South African population, especially to include a more diverse group of ethnic representation.

4.4 BRAND LOYALTY MODEL FOR THE AGRICULTURAL BUSINESS INDUSTRY

Figure 4.1 on the following page reflect a conceptual framework on the measuring of brand loyalty within the agricultural business sector, which framework was adapted from Moolla (2010:197) and Wiese (2014:34).



Figure 4.1: Conceptual Framework - brand Loyalty towards Agricultural Business Brands

4.5 AREAS FOR FUTURE RESEARCH

The following areas can be considered for future research:

- Extending the scale of the study, on brand loyalty within the agricultural business sector, internationally.
- Focus on measuring the brand loyalty of developing farmers towards their agricultural businesses.
- Undertake a qualitative study to determine if any additional brand loyalty antecedents, apart from the twelve identified by Moolla (2010), exist amongst South African farmers.
- Apply Moolla's brand loyalty conceptual framework on industries forming part of the agricultural value chain, such as food processors, mechanisation and seed producers.

4.6 SUMMARY

The main focus of this study was to measure the brand loyalty of Free State farmers towards their agricultural businesses. Moolla's brand loyalty conceptual framework was deployed as the basis for this study with Wiese's (2014) brand loyalty study in the North-

West Province serving as confirmation that the framework can successfully be applied in the agricultural business sector. **Chapter one** serves as an introduction to study, which include: an overview of the agricultural sector, the importance of brand loyalty for agricultural businesses, the research design and methodology and the primary and secondary objectives of this study. **Chapter two** is dedicated to a literature study on brand loyalty and agricultural businesses. The focus on brand loyalty includes an overview of the Moolla conceptual framework used to measure brand loyalty and addresses the twelve factors influencing brand loyalty. The literature on the agricultural business sector is focussed on confirming the need for a renewed focus on the establishment of a brand loyal customer base. **Chapter three** focuses on the research methodology used in this study as well as the empirical results derived from the deployment of the Moolla conceptual framework on this study. Focus areas in the chapter include the development of a questionnaire, the sampling procedure followed, data collection and analysis of the data. The data were statistically analysed by means of the following analytical tools: Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity to ensure that the data is adequate for purposes of the exploratory factor analysis; exploratory factor analysis on the qualifying brand loyalty antecedents to validate the influence of each factor impacting on brand loyalty and the Cronbach Alpha test to statistically verify the reliability of the data. **Chapter four** concludes the study and focus on the conclusion and recommendation derived from this study. An adapted brand loyalty conceptual framework is presented to measure brand loyalty in the agricultural business sector and future research areas were identified and recommended.

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APPENDIX A

Research Questionnaire to the determine the brand loyalty of Free State farmers towards their agricultural businesses

Section 1 - Demographic Information

1. Age 18-30 31-40 41-50 51-60 61+
2. Gender Male Female
3. Ethnicity White Black Coloured Asian Other: _____
4. Region of Residence Eastern Free State Goldfields Northern Free State Transgariep Other: _____
5. At which agricultural business brand do you prefer to do business? Afagri OVK VKB Senwes Other: _____

Section B - Brand Loyalty

Strongly Disagree	Disagree	Somewhat Disagree	Neither agree, nor disagree	Somewhat agree	Agree	Strongly agree
1	2	3	4	5	6	7

- | | |
|---|---------------------------|
| 1. I am very satisfied with the agricultural business brands I am doing business with | 1 2 3 4 5 6 7 |
| 2. Distinctive product attributes in my agricultural business keep me brand loyal | 1 2 3 4 5 6 7 |
| 3. My loyalty towards a particular agricultural business brand increases when I am satisfied about that brand | 1 2 3 4 5 6 7 |
| 4. I do not repeat a purchase if I am dissatisfied about a particular agricultural business brand | 1 2 3 4 5 6 7 |
| 5. I attain pleasure from the agricultural business brands I am loyal towards | 1 2 3 4 5 6 7 |

6. I do not switch agricultural business brands because of the high cost implications	1	2	3	4	5	6	7
7. I do not switch agricultural business brands because of the effort required to reach a level of comfort	1	2	3	4	5	6	7
8. I avoid switching agricultural business brands due to the risks involved	1	2	3	4	5	6	7
9. I switch agricultural business brands according to the prevailing economic conditions	1	2	3	4	5	6	7
10. I prefer not to switch agricultural business brands as I stand to lose out on the benefits from loyalty programmes	1	2	3	4	5	6	7
11. I trust the agricultural business brands I am loyal towards	1	2	3	4	5	6	7
12. I have confidence in the agricultural business that I am loyal to	1	2	3	4	5	6	7
13. The agricultural business brands I purchase has consistently high quality	1	2	3	4	5	6	7
14. The reputation of an agricultural business brand is a key factor in me maintaining brand loyalty	1	2	3	4	5	6	7
15. I prefer to maintain a long term relationship with an agricultural business brand	1	2	3	4	5	6	7
16. I maintain a relationship with an agricultural business brand in keeping with my personality	1	2	3	4	5	6	7
17. I maintain a relationship with an agricultural business brand that focuses and communicates with me	1	2	3	4	5	6	7
18. I have a passionate and emotional relationship with the agricultural business brands I am loyal to	1	2	3	4	5	6	7

19. Loyalty towards an agricultural business brand increases the more I am involved with it	1	2	3	4	5	6	7
20. Involvement with an agricultural business brand intensifies my arousal and interest towards that brand	1	2	3	4	5	6	7
21. I consider other agricultural business brands when my involvement with my agricultural business brand diminishes	1	2	3	4	5	6	7
22. My choice of an agricultural business brand is influenced by the involvement others have with their agricultural business brand	1	2	3	4	5	6	7
23. My agricultural business brand loyalty is based on product quality and expected performance	1	2	3	4	5	6	7
24. I have an emotional attachment with the agricultural business brands I am loyal towards	1	2	3	4	5	6	7
25. Price worthiness is a key influence in my loyalty towards agricultural business brands	1	2	3	4	5	6	7
26. The agricultural business brands that I am loyal to enhances my social self-concept	1	2	3	4	5	6	7
27. I have pledged my loyalty to particular agricultural business brands	1	2	3	4	5	6	7
28. I do not purchase/sample other agricultural business brands if my agricultural business brand is unavailable	1	2	3	4	5	6	7
29. I identify with the agricultural business brands that I consume and feel as part of the brand community	1	2	3	4	5	6	7
30. The more I become committed to an agricultural business brand, the more loyal I become	1	2	3	4	5	6	7
31. I remain committed to agricultural business brands even through price increases and declining popularity	1	2	3	4	5	6	7

32. My loyalty towards agricultural business brands is purely habitual	1	2	3	4	5	6	7
33. I do not necessarily purchase the same agricultural business brands all the time	1	2	3	4	5	6	7
34. I always sample new agricultural business brands as soon as they are available	1	2	3	4	5	6	7
35. I establish an agricultural business brand purchasing pattern and seldom deviate from it	1	2	3	4	5	6	7
36. Loyalty programmes are reason I repeat agricultural business brand purchases	1	2	3	4	5	6	7
37. I attain a positive emotional response through the usage of an agricultural business brand	1	2	3	4	5	6	7
38. The agricultural business brands that I am loyal towards makes a difference in my life	1	2	3	4	5	6	7
39. I am distressed when I am unable to use/purchase a particular agricultural business brand	1	2	3	4	5	6	7
40. The agricultural business brands that I am loyal towards stands for issues that actually matters	1	2	3	4	5	6	7
41. The agricultural business brands that I am loyal towards has freshness about them and portray positive significance	1	2	3	4	5	6	7
42. I know that an agricultural business brand is relevant through the brand messages communicated	1	2	3	4	5	6	7
43. The agricultural business brands that I am loyal towards are constantly updating and improving so as to stay relevant	1	2	3	4	5	6	7
44. I evaluate an agricultural business brand based on perceived performance	1	2	3	4	5	6	7

45. I will switch agricultural business brand loyalty should a better performing agricultural business brand be available 1 2 3 4 5 6 7
46. I am loyal only towards the top performing agricultural business brand 1 2 3 4 5 6 7
47. My choice of agricultural business brands is in keeping with the choice made by other members in my race group 1 2 3 4 5 6 7
48. My loyalty towards an agricultural business brand is based on the choice of agricultural business brand used by my family 1 2 3 4 5 6 7
49. Religion plays a role in my choice and loyalty of agricultural business brands 1 2 3 4 5 6 7
50. Family used agricultural business brands indirectly assure brand security and trust 1 2 3 4 5 6 7

APPENDIX B



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Monday, 13 November 2017

To whom it may concern,

Re: Letter of confirmation of language editing

The dissertation **Measuring brand loyalty of farmers in the Free State Province towards their agricultural businesses by HJ Hill (20065043)** was language and technically 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)