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DEPARTMENT OF INFORMATION SYSTEMS

Full Thesis

For the Degree of Master of Commerce

An investigation into the use of social media channels within the South African retail banking environment in support of creating and maintaining brand loyalty.

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Abstract

The use of social media in the retail banking environment has changed the way the banking industry communicates with customers, creates sales and performs marketing and operational tasks. Social media strategies need to be aligned to business goals and effectively used to integrate social media as part of the overall marketing strategy. Only by understanding brand loyalty, multi-channel systems and social media channels can marketers effectively implement social media. In measuring brand loyalty, factors that influence customer buying behaviour and components that influence online interaction are essential in engaging different groups of customers in social media.

This research study aimed to examine the use of social media within the South African retail banking environment with a focus on creating and maintaining brand loyalty. An exploratory, mixed method research design was employed. Data collection instruments used in the study includes online surveys, structured interviews, and focus groups. Participants consisted of marketing personnel and customers. Three lead/head social media marketing personnel participated in the interview process, 14 marketing personnel took the online survey and 4 participated in a focus group. Participants for the online survey also consisted of 40 customers who were connected through the internet and performed various online banking activities. Data was analysed both quantitatively and qualitatively. Data from the online surveys completed by customers was analysed quantitatively using descriptive analysis, structural equation modelling (SEM) and factor analysis which was performed on the brand loyalty variables and the brand loyalty measures. Content analysis was used to qualitatively analyse data from the structured interviews. Data from the online surveys completed by marketing personnel was analysed quantitatively and qualitatively.

Findings indicated that social media forms an integral part of the marketing strategy that needs be aligned with the core business goals. Banks therefore need to focus on creating campaigns that are fun, exciting and appealing to the target market. A culture of innovation and new ideas is essential to grow the product/service. Building brand trust and creating customer satisfaction forms the core of creating brand loyalty on social media. Banks need to be aware of factors that influence customer brand loyalty and components that influence loyalty on social media in order to measure things that matter through analytical tools so that an actionable strategy can be put in place and implemented.

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Chapter 1 - Research Introduction

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This chapter introduces the research topic and provides an overview of how the researcher carries out the research in answering the identified problem statements relating to the overall topic. Chapter one also illustrates the research context with a summary of results and explains the chapter organisation of this thesis.

1.1 Introduction

Many companies in South Africa are taking steps towards transforming their business through the use of social media in enhancing their customer experience (KPMG Report, 2012). However the banking industry seems to be lagging behind this trend due to the nature of the business and the service delivery challenges that are faced by the industry (Rootman *et.al*, 2011: 185). These challenges need to be overcome by engaging in relationship marketing that focuses on customer satisfaction, customer engagement and customer retention, through brand loyalty strategies (Rootman *et.al,* 2011: 185). So the key question marketers need to ask is; what is stopping banks from using social media to connect with their customers and potentially driving new business opportunities (KPMG Report, 2012: 2)? The answer lies in the ability of the bank to integrate social media with its current technologies and using existing marketing strategies to achieve this goal (KPMG Report, 2012: 4). Reputation risk around the use of social media needs to be closely managed, but it must still enhance the customer experience so as to create customer connections (KPMG Report, 2012). It is through relationship marketing and customer retention strategies that banks can maintain profitability (Rootman *et.al*, 2011: 186).

On the basis of the above understanding, the research study will focus on four major South African banks that control 84% of that sector namely; Amalgamated Banks of South Africa (ABSA), First National Bank (FNB), Nedcor Limited (Nedbank) and Standard Bank (Rootman *et.al*, 2011: 186). The focus will be on the consumer banking or personal banking services that is provided by the banks through a retail banking division that deals directly with the general public (Ivanauskienė, 2012; Titko, Lance, 2012). Retail banking encompasses a wide variety of products and services that is provided to customers, for example; transferring funds, paying bills, viewing account balances, paying mortgages and purchasing financial instruments and certificates of deposits (Auta, 2010: 213).

1.2 Context of the Research

The research will be conducted within the South African banking environment with a focus on brand loyalty (Goldstuck, Wronski, 2014). The reason for this is that social media within the South African banking environment is a growing phenomenon which is changing the market place and how customers interact with business (Goldstuck, Wronski, 2014). Statistics from the South African Social Media Landscape 2014 report shows that Facebook has become the biggest social media network in South Africa, overtaking other social media channels (Goldstuck, Wronski, 2014). The study shows that Facebook's active users have increased by

38.2% compared to 2013 (Goldstuck, Wronski, 2014). Additionally, "no less than 87% of Facebook users and 85% of Twitter users are accessing these tools on their phones." (Goldstuck, Wronski, 2014). The report also highlights that of the major brands in South Africa 93% use Facebook, 79% use Twitter, 58% YouTube, 46% LinkedIn and 28% Pinterest (Goldstuck, Wronski, 2014).

In order to better understand the context of the research, one first needs to understand the different components that make up the topic and these include; brand loyalty, social media and multichannel systems.

1.2.1 Brand loyalty

According to Kathuria and Jit (2009: 123) brand loyalty refers to the degree to which a consumer consistently purchases the same brand within a product class expressed over a period of time. This is a process of conscious or unconscious decision by customers that is expressed through intention or behaviour, to repurchase a brand continually (Kathuria, Jit, 2009: 123). This process occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price (Kathuria, Jit, 2009: 123). Solis (2010: 134) further states that the environment and customer circumstances play a major role in this purchase and consumption behaviour. Therefore there is a strong relationship between consumers and brands where consumers who show an active preference for one brand over all others will continue to buy that brand over a period of time (Kathuria, Jit, 2009: 123). This subjective and intangible assessment of brand by customers is known as 'brand equity' which is driven by customer brand awareness, customer attitude towards the brand and customer perception towards brand ethics (Kathuria, Jit, 2009: 122).

In addition Punniyamoorthy and Raj (2007: 222) describe brand loyalty as a number of complex marketing occurrences relating to consumer attitude and behavioural elements that have a psychological attachment to the brand consumed. According to Punniyamoorthy and Raj (2007: 223), some of the factors that influence brand loyalty include brand involvement, functional value, trust, customer satisfaction and commitment towards the brand. Customer satisfaction is only built over time and achieved when customers choose to buy from a company they trust (Kathuria, Jit, 2009: 123). Therefore, customers offer trust and loyalty with an understanding that the brand will behave in a certain way they expect it to (Kathuria, Jit, 2009: 124). That is the reason; brand loyalty is an essential element of brand marketing as loyalty creates value which in turn generates profits (Severi, Ling, 2013: 127).

Organisations therefore need to aim at building a strong brand by putting customers and their needs at the forefront of every organisational decision (Kathuria, Jit, 2009: 122). "Branding is one of the most important factors influencing a product's success or failure in the market and it has a significant influence on the perception of the general public towards the company owning the brand" (Kathuria, Jit, 2009: 122). Additionally, brand loyalty not only represents the brand of the company but also the company itself (Kathuria, Jit, 2009: 122). A brand is a product or service that adds dimensions and differentiates itself from other products or services offered by competitors (Kathuria, Jit, 2009: 122).

In marketing brands on social platforms, companies need to define the core values of the brand persona to ensure that it is consistent and prominent throughout the different platforms (Solis, 2010: 134). It is through these core values that intentions, purpose and association are substantiated (Solis, 2010: 134). These serve as a framework and pattern for organisational culture and community development. The aim is to identify and define core values so as to relate each of them to actionable behaviour (Solis, 2010: 135). Some of the key questions that marketing personnel need to be asking about their brands are as follows (Solis, 2010: 135):

- What is unique to the brand that people need to know as it exists today?
- What is it that business aims to portray?
- What are the words customers and peers use to describe us?
- What primary characteristics describe our competition?
- What are the terms that designate our desired depiction?

Businesses need to further understand the concept of repeat purchase, as value for money is a very important decision criterion (Kathuria, Jit, 2009: 132). Additionally, brand personality and availability are also considered important factors for making a repeat purchase decision over a period of time (Kathuria, Jit, 2009: 132). Therefore understanding repeat purchases over a period of time becomes an important factor of brand loyalty (Kathuria, Jit, 2009: 123).

According to Kuikka and Laukkanen (2012: 529), brand loyalty has two dimensions called attitudinal and behavioural loyalty. Behavioural brand loyalty is considered to be synonymous with repeat purchase whereas attitudinal loyalty is based on customer opinions, expression and feelings (Kuikka, Laukkanen, 2012: 529). Therefore the function of a brand's relative frequency of purchase in a time-dependent situation becomes an important variable when analysing brand loyalty (Kathuria, Jit, 2009: 532).

Based on the different variables defined above by the various authors, a structural equation technique can be used to validate the construct and test the hypothesis of brand loyalty (Kuikka, Laukkanen, 2012: 529). According to Schumacker and Lomax (2012: 2), structural equation modelling (SEM) is a type of technique that depicts relationship among observed variables with a goal of providing a qualitative test for theoretical framework hypothesised by the researcher. "The goal of SEM analysis is to determine the extent to which the theoretical model is supported by sample data", (Schumacker, Lomax, 2012: 2).

1.2.2 Social Media

Social media has been defined by Okazaki and Taylor (2013: 56) as a series of technologies in terms of both hardware and software that facilitate inexpensive content creation, interaction and interoperability by online users. According to Sterne (2010: 17) social media "is that which allows anybody to communicate with everybody". Social media is about speaking with, not 'at' people to create a conversational medium that serves the interests of both parties (Solis, 2010:8). Additionally, Solis (2010:36) states that social media is more than one definition:

- It is a platform for socialisation of media.

- It is an online tool that facilitates conversations.

- It enables connection between friends, peers and influencers.

- It encourages collaboration.

- It redistributes influence.

- It is words, pictures, chatter, audio, experience, observation and insight.

Furthermore Gillin (2009: 134) states that social media allows people to more effectively share their ideas, content, thoughts and relationship matters through an online platform. In addition social media also bridges this gap of distance and time allowing people to easily interact with each other across platforms (Gillin, 2009: 134). Companies such as IBM, Coca-Cola and General Motors have effectively used the Second Life virtual environments for collaboration and virtual meetings thereby overcoming the distance and time barriers (Gillin, 2009: 134).

However Sterne (2010: 16) argues that social platforms are only possible through the internet which has made it possible to support online customers and build customer loyalty through these channels. The internet is unique as it is one of the first many-to-many communication channels that gives an average person equal chance to communicate with the rest of the world

(Sterne, 2010: 16). Therefore simply put, without the internet and connectivity, using social media or its services would not be possible (Solis, 2010:37).

Whether a business is selling online, through direct sales force or through a distribution channel, what people say about the business online is now more important than ever before as social media is no more a curiosity horizon but has become a significant part of the marketing mix (Sterne, 2010: 19). As customers become part of the company product design and development process it is important to include them in the production and sales activities (Sterne, 2010: 150). Companies can do this by including online customers to be part of the customer service team to get constructive feedback through focus groups and surveys (Sterne, 2010: 150). Motorola was one of the first to create a wiki where customers could post their own 'user manual' thus encouraging knowledge sharing amongst the online community members (Sterne, 2010: 151). These online communities are great platforms for customers to exchange thoughts and ideas as they shape consumer brand perception through electronic word of mouth (Hennig-Thurau *et al*, 2013: 319).

An online community is basically a platform that caters for communication of information between multiple parties through different channels (Sterne, 2010: 175). Building a community is a human endeavour and therefore requires commitment from marketing personnel (Sterne, 2010: 175). This process will involve covering technical necessities, legal requirements, design standards and community interaction policy documents (Sterne, 2010). Once the site is launched it will further require time to be spent on developing and enforcing guidelines, choosing and assigning moderators and keeping the site interesting and inviting for users (Sterne, 2010: 172).

According to Stelzner (2012: 15) the two main benefits of social media marketing are increased exposure and increased web traffic. Exposure leads to marketplace intelligence, lead creation and development of loyal customers (Stelzner, 2012: 15). Loyalty is built over time through relationships which then influences product sales (Stelzner, 2012: 16). However, marketers who take the time in developing these relationships will reap the rewards in the future (Stelzner, 2012: 16). Relationship is the new currency of the social economy as it fuels and extends interaction, insight, and loyalty (Solis, 2010: 165). In turn this contributes to social capital of the individuals who actively invest their time and money into the business (Solis, 2010: 165). Banks therefore need to create a connected and integrated online customer experience by operating across different channels (Tandulwadikar, 2011: 2).

A study by Hennig-Thurau *et al.* (2013: 319) notes that customers spend a substantial amount of their time on various social media sites to achieve both personal and shared goals. The reason for this is that consumers are becoming more information driven and their buying decisions are now enhanced by online research which involves reading reviews from friends and family, and inputs from social communities (Tandulwadikar, 2011: 2).

This exchange of information and fast uptake of social media by users is a good reflection of its power within the market (Tandulwadikar, 2011: 2). Businesses that can effectively collate feedback from its various stakeholders will reap multiple benefits (Tandulwadikar, 2011: 4). "The ability of the bank to exploit this phenomenon will determine how successful their social media strategies will be" (Tandulwadikar, 2011: 3). Therefore, understanding the relationship between internet-based applications on brands and interaction of customers is crucial to online marketing (Solis, 2010: 165).

Tandulwadikar (2011: 2) believes that banks are an important part of the economy and suggests there is greater demand for responsive banking from the various stakeholders. "Winning back consumer trust is crucial to the survival of banks, and this is where social media fits into the picture" (Tandulwadikar, 2011: 2). A well-planned social media strategy can ensure that customers interact with each other and the bank thereby help in creating an innovative product and service, improve brand image and promote transparency (Tandulwadikar, 2011: 2).

1.2.3 Multichannel systems and online customers

According to Hsieh (2012: 312) multichannel systems are different customer contact points, such as branches, automated teller machines (ATMs), telephones, and websites through which the firm and the customer interact. A multichannel environment provides good opportunities for business in keeping customer satisfaction and enhancing loyalty by proving customers with various connectivity options (Hsieh, 2012: 311). However, it can also erode loyalty as many modern communication channels such as ATMs, call centre service and online platforms have little human interaction which is an important component for rendering customised services (Hsieh, 2012: 311). Hence, understanding how customers respond with these multiple channels of distribution is crucial for banks in satisfying customer needs (Hsieh, 2012: 311).

The functional and software components that are related to these channels include; the company website, mobile portals and social media websites (Sears-Black, 2012: 13). With the right systems and processes in place, organisations can add these channels without disrupting existing business processes, as customers want the same overall experience but through

different media channels (Sears-Black, 2012: 13). Ultimately, organisations aim to further their sales through offering services through multiple channels while consumers aim for a hassle-free purchase that best suits their needs (Sears-Black, 2012: 13). This is where these two requirements come together within a multichannel approach where online customers are created and internal systems are enhanced (Sears-Black, 2012: 13).

Many customers search for products or services in one channel but purchase them from another (Hsieh, 2012: 311). Customers therefore obtain different values from these interactions depending on the channel, service and the time of their interaction (Hsieh, 2012: 311). In a multichannel loyalty environment a paradigm developed by Robert S. Woodworth called a stimulus-organism-response (S-O-R) paradigm can be used to better understand how customers respond to multichannel marketing activities (Hsieh, 2012: 312). A firm's multichannel characteristics (stimulus) have influence on customers' perceptions of benefits, barriers, and satisfaction (organism), which in turn influence their purchase behaviours (response) (Hsieh, 2012: 312).

With regard to the 'response' (R) component, many companies provide customers with multiple options in order to improve retention and participation (Hsieh, 2012: 312). The 'organism' (O) component considers three factors; satisfaction, perceived multichannel quality and channel switching difficulties which are the key determinants of customer retention that marketers need to be aware of (Hsieh, 2012: 312). Finally the stimulus (S) component focuses on the service quality that is required to build an integrated multichannel service system (Hsieh, 2012: 313).

The channels selected are of little value if organisations such as banks are unable to research and track feedback received from customers to make business decisions (ABA Bank Marketing, 2011: 23). Banks therefore need to be aware of whom they are selling to and what they are selling before deciding on a marketing campaign (ABA Bank Marketing, 2011: 23). The use of social media as a marketing channel is growing rapidly due to the ability to track responses and provide real time feedback (ABA Bank Marketing, 2011: 23).

While understanding channels of interaction with customers is important it is only by monitoring and analysing these channels that organisations such as banks realise their full potential (Stewart, 2012: 55). Utilising multichannel systems with analytical tools would provide firms with advanced capabilities of accurately gathering information; provide quick responses (feedback) and conversation monitoring (Stewart, 2012: 55). Banks can use this data

to better integrate these channels and analyse the impact they have on customers and the business (Stewart, 2012: 55).

Keyword-based monitoring tools can also be used to identify conversations and sentiments on social media platforms (Stewart, 2012: 55). Banks can use natural language processing (NPL) systems that are able to identify the topic and sentiment of the online conversation (Stewart, 2012: 55). Use of these multichannel analytical tools can assist the organisation in identifying key patterns, conversation trends and emerging topics of concern (Stewart, 2012: 55). Through this information organisations will be able to determine emerging opportunities and consumer concerns as they arise and be in a position to remedy situations before they become a major problem (Stewart, 2012: 55).

1.3 Aims and Goals of the Research

This research is aimed at analysing the use of social media within the South African retail banking environment and to provide details on key social media success factors that can be integrated into the existing marketing strategy so as to present a clear way forward for banks to use social media effectively. Understanding consumer behaviour and brand loyalty is the key in creating effective marketing strategies and targeting the intended consumers. Thus the goals of the research are as follows:

- To identify and explore social media marketing strategies used by banks.

- Identify the functional, social and brand values of banks and how this is reflected in the marketing strategies.

- To identify uses of social media channels in support of building brand loyalty.

- To identify and investigate frameworks together with their related matrices used in measuring brand loyalty.

1.4 Limitations

Social media by definition requires a device and connectivity through the internet in order to facilitate participation, collaboration and interaction on these channels (Okazaki, Taylor, 2013: 56). Based on this premise, only customer who are connected through the internet and perform various banking activities online will form part of the study. Furthermore the study will be based on the four banks selected but not limited to these as not all banks or marketers within the banks may participate in the study. Due to both time and financial constraints the researcher

will distribute the questionnaire electronically to both the customers and the marketing personnel at the bank.

1.5 Delimitations

The research is based in the South African banking environment and therefore only social media tools that have an impact in the South African market will be considered for this study. In terms of social media usage, Facebook is the most commonly used social media site in South Africa, followed by Twitter, YouTube, LinkedIn and Pinterest (Goldstuck, Wronski, 2014). Therefore only these tools will form focus of the research.

1.6 Value of the Research

The study will aim to provide a better understanding of social media uses in the banking environment so as to allow marketing personnel to achieve the desired business objectives set out by the marketing strategy. Furthermore it will provide a framework for understanding how customers interact on an online social media platform so as to gain an insight into these components that make up the brand loyalty construct.

1.7 Research Methodology

While details of the research methodology are described in chapter 7, the following provides an overview of the research methodology used:

This research was conducted using the positivist research paradigm which is closely associated with the idea of fact-based investigation through questionnaires and surveys, but not excluding the use of qualitative strategies (Broadbent, Unerman, 2011: 7). Furthermore an exploratory, mixed method research design was employed, whereby qualitative exploratory analysis was conducted using various journals, academic publications, articles, books, online reports and electronic resources in gaining an understanding of the problem statements. Based on the evidence gathered from the literature review, a conceptual framework for creating and maintaining brand loyalty was created. Both the literature review and the proposed framework were used to design the survey questionnaires and the structured interview questions which were then used as an instrument for data collection.

Data was analysed both quantitatively and qualitatively using computer-aided software such as Statistical Product and Service Solution (SPSS), Microsoft Excel, Microsoft PowerPoint and Microsoft Visio (Mouton, 2001: 198). Quantitative analysis was conducted through descriptive analysis, structural equation modelling (SEM) and factor analysis method. As part of the factor

analysis method, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, Bartlett's test of sphericity and rotational correlation matrix were performed to test the hypothesis identified (Polonsky, Waller, 2011). Furthermore content analysis was used to qualitatively analyse data gathered from the structured interviews. Based on the results from the analysis, key factors of brand loyalty are theorised. Lastly recommendations for banks on creating and maintaining brand loyalty on social media were discussed.

1.8 Summary of Recommendations

This research makes contribution in the following areas:

- Social media is an integral part of the marketing strategy that needs be aligned with the core business goals. Creating brand awareness, increasing public relations and increasing sales need to part of the core business objectives. The literature from chapter 2 identifies that banks need to involve different departments in the process to create a more unified message that is aligned to company goals and objectives (Sheahan, Hershberger, 2011: 27; Chikandiwa *et al*, 2013: 376).

- Banks need to focus on creating campaigns on Facebook, LinkedIn and Twitter that engage customers. The literature in chapter 3 identifies that these campaigns need to offer social, brand or functional value that impact both psychological and behavioural state of the customer (Ivanauskienė, 2012; Nicholls, 2006; Harris, Dennis, 2002).

- Banks need to use a combination of in-house and outsourced social media functions so as to save on costs, effectively allocate resources and use social media experts strategically. In using this approach the literature in chapter 3 acknowledges that banks that are able to encourage a culture of innovation, new ideas and customer oriented marketing can drive future product/service growth (Viet Ngo, O' Cass, 2010: 500; Mroz, 2013; Allden, Harris, 2013).

- Banks should not use social media only for advertising and creating awareness but use it as a communication channel aimed at creating true and authentic relationships with customer, thereby providing an additional service. Building communities and managing online reputation should be part of this process.

- Banks need to identify and segment customers based on their needs, wants and buying behaviour, as each segment groups will have different levels of expectations that need

to be managed differently. Banks can use enjoyable content and loyalty programs or reward schemes to group customers. The literature in chapter 4 suggests that loyalty programs are usually developed for target groups of customers whose continued support is critical to bottom line performance (Gable *et al*, 2008: 34).

- Banks need to primarily focus on building brand trust and creating customer satisfaction in order to improve customer perception of the brand. It is only through flow of information, continuous engagement and feedback processes that this, positive perception can be retained and transparency created.

- Banks need to be aware of factors that influence customer brand loyalty and components that influence loyalty within social media. These components need to be measured using either in-house or third party analytical tools so that an actionable strategy can be put in place and implemented.

- Banks need to use rewards, incentives and benefits on social media as these have an impact on both customer engagement and interaction. It is through these programs that initial interest is encouraged and brand loyalty created.

1.9 Thesis Organisation

The thesis is organised into chapters as follows:

Chapter 1: Research Introduction

Chapter 1 introduces the research topic and provides an overview of how the researcher carries out the research in answering the identified problem statements relating to the overall topic. Chapter one also illustrates the research context with a summary of results and explains the chapter organisation of this thesis.

Chapter 2: Marketing strategies used by banks

This chapter identifies and explores the different marketing strategies that are being used by banks and how these incorporate social media as part of the overall marketing strategy. It is important to understand the interaction between the bank and its customers in order to formulate strategies that create loyalty. In relation to the marketing strategy process, the decision of insourcing or outsourcing of social media taken by banks is also discussed.

Chapter 3: Defining Functional, Social and brand values and their linkage to Marketing strategies

This chapter defines the concepts of functional, social and brand values and how these are linked to the marketing strategies in the banking environment. Furthermore, value creation from both the business and the customer perspective is analysed to determine how these affect the relationship between the bank and the customer. The integration of these values within a marketing strategy is also discussed.

Chapter 4: Uses of social media channels within banks in support of building brand loyalty.

This chapter focuses on the uses of social media and how banks can expose their brands through awareness to driver customer interactions. Social media integration as well as concerns of security, privacy and regulatory requirements is also explained. Social media techniques which banks can use to create brand loyalty are discussed to get an understanding of what may or may not work given the high regulatory banking environment.

Chapter 5: Frameworks and matrices used to measure brand loyalty on social media

This chapter focuses on identifying and investigating the different frameworks and matrices that can be used in measuring brand loyalty on social media. In doing so the different components that make up brand loyalty are discussed and how these can be used to measure brand loyalty.

Chapter 6: Proposed Conceptual Framework of Brand Loyalty

This chapter aims to propose a conceptual framework based on the literature from chapters two, three, four and five. The conceptual framework identifies the components that affect brand loyalty and uses these to measure customer brand loyalty by developing questions for online customers. The framework also proposes effective marketing steps that marketing personnel need to take in effectively, integrating social media as part of the overall marketing strategy in achieving brand loyalty on social media. The questions for marketing managers are based on the marketing steps identified through the framework.

Chapter 7: Research Methodology

Chapter 7 focuses on the research methodology used to validate the framework proposed by the researcher in chapter 6. The chapter covers research methods, sampling approach and the analysis techniques that are used in collecting and compiling the research data.

Chapter 8: Research Results

Chapter 8 analyses the data gathered from both the questionnaires and interprets the results using statistical methods discussed in Chapter 7. A detailed analysis of the hypothesis testing is provided based on the collected data.

Chapter 9: Conclusion and Future Research

Chapter 9 concludes the research by presenting the most significant contributions of the research to the existing body of knowledge. In addition comments on future areas of research as well as concluding remarks will be added.

Chapter 2 - Marketing strategies used by banks

This chapter identifies and explores the different marketing strategies that are being used by banks and how these incorporate social media as part of the overall marketing strategy. It is important to understand the interaction between the bank and its customers in order to formulate strategies that create loyalty. In relation to the marketing strategy process, the decision of insourcing or outsourcing of social media taken by banks is also discussed.

2.1 Introduction

According to the KPMG Report (2012: 11), the banking industry has access to in-depth information (financial statements, spending patterns, demographics, etc.) that banks can use to their advantage. The challenge however would be to harness this data in a way that remains compliant with privacy laws, governance policies and data management regulations (KPMG Report, 2012: 11). In a rapidly changing environment, banks need to move past these concerns and develop appropriate frameworks that not only comply with existing regulations, but provide the level of flexibility to reflect the constantly evolving nature of social media (KPMG Report, 2012: 24).

Building and maintaining brand loyalty has been one of the central themes of research for marketers for a very long time, (Erdomus, Cicek, 2012: 1353). While techniques and methods have been applied by marketers to maintain brand loyalty, one of the most recent means is through social media marketing (Erdomus, Cicek, 2012: 1353). Brand loyalty can be conceptualised as the final step that symbolises the consumer's ultimate relationship and level of identification with a brand (Erdomus, Cicek, 2012: 1360). Brands therefore need to aim at gaining this exclusive, positive and prominent meaning in the mind of consumers, so that they become irresistible and irreplaceable in order to win the loyalty of consumers (Erdomus, Cicek, 2012: 1360). Once this is achieved, brand loyalty creates sales, increases revenue, increases profits and helps to grow both the company and its market share (Erdomus, Cicek, 2012: 1360).

2.2 Brand loyalty on social media - hypothesis building

According to SouthAfrica.info reports (2014) just over a quarter (25.5%) of South African households have internet access, placing South Africa 5th in Africa and 44th among developing countries for household internet access. When it comes to fixed broadband penetration, the report ranks South Africa 111th worldwide (SouthAfrica.info, 2014). Furthermore the reports states that mobile broadband subscriptions are growing at a rate of 30% per year (SouthAfrica.info, 2014). According to Hamadoun Toure UN Broadband Commission co-vice chair, broadband internet has become a key tool for social and economic development (SouthAfrica.info, 2014). Additionally, the Ugandan President, Paul Kagame states that broadband needs to be effectively used in developing economies to enhance delivery of services in education, health care, banking and other sectors (SouthAfrica.info, 2014). According to Mybroadband (2013), the places where the largest percentages of South Africans tend to use the Internet include:

- Work: 18.9%
- Within the Household/at Home: 9.8%
- School/University/College: 5.4%

In terms of social media usage, Facebook is the most commonly used social media site in South Africa, followed by Twitter, YouTube, LinkedIn and Pinterest (Goldstuck, Wronski, 2014). According to Goldstuck and Wronski (2014) companies are now acknowledging the importance of social media as a business tool and the need for gaining value from it. Based on the statistics and information available in the market, companies need to realise the importance

of social media and have a solid media strategy that will achieve the defined business objectives (Erdomus, Cicek, 2012: 1355).

According to Erdomus and Cicek (2012: 1354), social media is a tool used by many online communities to share information, knowledge and opinions using conversational media. Social media has participatory, collaborative and knowledge sharing abilities, that effectively saves time and resources and therefore opens up possibilities as an effective communication tool in building brand loyalty (Erdomus, Cicek, 2012: 1355). According to ZASocial Media (2014, cited in BusinessTech, 2013) FNB use Facebook as a promotional tool to collaborate with users in order to create brand awareness.

Businesses can promote product and services, provide instant support, create an online community of brand enthusiasts through various forms of social media such as social networking sites, content communities, virtual environments, blogs, online gaming sites, social bookmarking sites, forums and many more (Erdomus, Cicek, 2012: 1355). According to Porterfield (2011), Ford Motor Company used social media experience as part of their marketing efforts to interact with their customers. Each time customers added a new post, they would need to upload an image and add some comments allowing customers browsing for a new car to experience the company and its culture from a social viewpoint (Porterfield, 2011). This strategy allowed Ford to acquire brand insight from customers and use these new ideas for their next generation of cars (Porterfield, 2011). Whilst social media may not replace traditional routes of communication, it can certainly supplement them" (MHP Communication, 2011: 5). Any direct engagement with customers can be beneficial in a difficult situation to make customers aware of the situation and thereby improve the bank's crisis management strategies and processes (MHP Communication, 2011: 5). "Although, many businesses have crisis management plans, few companies actually have social media crisis management plans in place" (Champoux *et al*, 2012: 28). Such a plan can be instrumental in dealing with overblown customer complaints to true business disasters (Champoux *et al,* 2012: 28). Thus dealing with operational issues utilising social media becomes an important part of the process (Champoux *et al*, 2012).

In such a heavily regulated industry such as the banking sector, social media platforms need to be managed carefully so that sensitive data is stored and transmitted on the bank's infrastructure to ensure full compliance (MHP Communication, 2011: 4). Despite these concerns, social media is seen as direct means of communication with customers rather than

solely a tactical activity for many banks (MHP Communication, 2011: 4). For this reason social media marketing is different to traditional methods and therefore requires special attention in strategy creation and loyalty building (Erdomus, Cicek, 2012: 1355). Social media use is about relationship building where the shift is from 'trying to sell' to 'making connections with customers' (Erdomus, Cicek, 2012: 1355). This more sincere marketing approach aims to show customers the value of the brand rather than trying to control its image through marketing (Erdomus, Cicek, 2012: 1355). Banks need to learn to manage their fears of control and engage in fruitful dialogues that will help in developing new ideas for products or services (Chikandiwa *et al,* 2013: 376). Social interactions create transparency by allowing customers to voice their concerns about the brand and companies to deal with these in a proactive way (Champoux *et al,* 2012: 27).

For example, when the multinational clothing and accessories retailer, Gap, unveiled their new company logo design in October of 2010, there was a negative reaction on Gap's Facebook page (Champoux *et al*, 2012: 28). To rectify this situation Gap handled the situation by responding quickly and asking customers to propose their logo design ideas, which would be taken into consideration (Champoux *et al*, 2012: 28). In the end, Gap returned to their old logo, proving just how powerful their consumer base was. By virtue of a quick and proactive response, the company was able to use Facebook to its advantage by showing how consumer-centric a brand they really are (Champoux *et al*, 2012: 28).

According to Erdomus and Cicek (2012: 1355), some organisations prefer to hire social media experts and consultants to manage these situations. Additionally, they would also manage social media content, monitor activities on various platforms and provide support to new product campaigns so that consumers are kept satisfied and brand loyalty retained (Erdomus, Cicek, 2012: 1355). According to ZASocial Media (2014, cited in BusinessTech, 2013) banks in South Africa are using social media, primarily Facebook as a promotional tool for their campaigns and events. Customers however are using social media to keep up with promotional campaigns, engage with businesses on real-time bases and get information they seek (Erdomus, Cicek, 2012: 1355). These online dialogues provide companies with another cost effective way to increase brand awareness, boost brand recognition and increase brand loyalty (Erdomus, Cicek, 2012: 1355). Thus in effect helping companies build brand loyalty through networking, conversation building and community engagements (Erdomus, Cicek, 2012: 1355).

However many customers prefer to see updated content and filter out content not relevant to them (Erdomus, Cicek, 2012: 1355). For example, both Pepsi and Coca-Cola used online customer loyalty programs to engage customers by offering special promotions and free online gifts to create loyalty (Erdomus, Cicek, 2012: 1355). Given the various reasons why customers get involved with social media, marketers need to analyse their target audience and participate in the most effective platform to communicate with them (Erdomus, Cicek, 2012: 1356).

2.3 The need for banks to use social media?

For the majority of banks, social media is about building brand awareness with customers; creating visibility with partners and investors and using social media as a public relations (PR) tool to strengthen relationships with customers (MHP Communication, 2011: 5). However using both traditional and modern media channels has become increasingly common over recent years, such as using print publications, television adverts and radio stations to mention blog posts and tweets (MHP Communication, 2011: 5). However according to the MHP Communication report (2011: 5) many banks agree that social media helps them to pre-empt the need for crisis management activities as it delivers real-time impacts. According to Mybroadband (2014), FNB recently used Twitter and Facebook effectively to manage duplicate transaction problems that occurred in July 2014. FNB's response on social media provided information on the problem that occurred and contact details of people who would assist in solving the problem (Mybroadband, 2014).

Many companies agree that social media gives them a competitive edge as they can respond quicker to enquiries, manage market rumours and deal with customer sentiments effectively (MHP Communication, 2011: 5). According to Okazaki and Taylor (2013: 56) social media differs from traditional computer-mediated communications in three primary ways:

- A shift in the focus of activity from desktop to the web (meaning greater accessibility).
- A shift in value production from the firm to the consumer (deriving from increased interaction/interactivity).
- A shift in power away from the firm to the consumer.

However many banks still fear the loss of control in such a regulated environment (MHP Communication, 2011: 5). Furthermore Chikandiwa *et al*, (2013) states that implementing a social media strategy without a social media usage policy and a planned strategy in place will have a huge impact on the brand's image. Many also fear the reputational risk of the

organisation's brand and the pressures of dealing with negative comments from online customers (Chikandiwa *et al*, 2013: 374). Due to the lack of experienced social media experts in the South African social media industry, the market is immature and under developed (Chikandiwa *et al*, 2013: 375). This could be one of the reasons why half of the banks in South Africa prefer to in-source rather than outsource this function of the business (Chikandiwa *et al*, 2013: 375). Additionally the regulatory and legal policies that are put in place to protect both the consumer and the bank may potentially pose a challenge in adopting social media strategies (Chikandiwa *et al*, 2013: 375).

Despite these challenges, social media has changed the dynamics of doing business for companies and has become a significant promotional vehicle for marketers (Okazaki, Taylor, 2013: 58). Social media creates opportunity for banks to reconnect with their customers and eliminate negative publicity through a feedback process (Chikandiwa *et al*, 2013: 376). Banks that gain credibility from their customers can build strong and long term relationships which in effect, affect the brand reputation (Chikandiwa *et al*, 2013: 377). According to Seggie (2012), FNB has an average of 15 000 conversations a month with existing and potential customers on social media. FNB's digital marketing and media head, believes that a single voice of a customer can be amplified significantly in the social media space if not managed correctly and can have a massive impact on reputation (Seggie, 2012).

According to Khan and Karodia (2013: 10) below are some of the benefits of using social media channels in creating customer value:

- Brand Recognition - Social media is a great brand-building tool that allows firms to position themselves in a market and to determine what people need to know about the organisations (Khan, Karodia, 2013: 10).
- Community Engagement – Social media is one of the best tools in cultivating a community where followers that become part of this community or organisation have instant access to them (Khan, Karodia, 2013: 10). This means that organisations can get an insight into challenges faced by customers and aim to address these through continuous dialogue to improve the product or service offered by the business (Khan, Karodia, 2013: 10).
- Repeated Exposure – One of the clear benefits of social media is repeat exposure that occurs very easily online with customers through the various social media networks

(Khan, Karodia, 2013: 11). This process shortens the business sales cycle and increases product awareness in the market (Khan, Karodia, 2013: 11).

- Enforce Authority – For many businesses social media is a platform to establish authority in this environment through content, information, products and service offerings (Khan, Karodia, 2013: 11).

- Influence – Social media increases the influence component through a snowball effect which creates opportunities in the market for the business (Khan, Karodia, 2013: 11).

- Web Traffic – Social media is one of the leading traffic generators on the web (Khan, Karodia, 2013: 11). These are usually triggered by content in the form of shared blog posts, videos, images and any other customer valued content (Khan, Karodia, 2013: 11).

- Sales Promotion – social media can be used to market and promote the brand based on the price and quality offered (Chikandiwa, 2013: 17).

According to Khan and Karodia (2013: 11) the South African information technology landscape is unique in that there are more mobile users than actual computer users of the internet. Bearing this in mind organisations that want to implement a social media marketing strategy need to tailor their strategy to cater for both mobile and web based platforms (Goldstuck, Wronski, 2014). However when it comes to fixed broadband penetration, the SouthAfrica.info report (2014) ranks South Africa 111th worldwide, with 2.2 out of every 100 people enjoying a fixed broadband subscription which is well below the global average of 9.1. The implications are that all online services will have to include mobile access through cell phones (Khan, Karodia, 2013: 12). Therefore any internet based marketing needs to be done at a mobile level (Khan, Karodia, 2013: 12). Thus creating an effective marketing strategy on social media becomes an extremely important process if organisations are to incorporate this process into their traditional marketing activities (Khan, Karodia, 2013: 12).

2.4 Marketing strategies used in the Banking environment

Integrating social media as part of the overall marketing strategies would help organisations create a more unified message that is aligned to company goals and objectives (Chikandiwa *et al*, 2013: 376). Social media marketing is different to traditional marketing and therefore requires greater attention in achieving brand awareness and loyalty (Erdomus, Cicek, 2012: 1355). According to Reece (2010: 254), developing a social media marketing plan is no

different from an operations marketing plan. However investment in social media is less costly than other forms of marketing but is more time consuming (Reece, 2010: 254). It takes time and effort to build an online presence and community (Reece, 2010: 254). The true investment is time spent listening, developing content, monitoring feedback, researching competitor trends, engaging in conversations, building customer relationships and measuring results (Reece, 2010: 255).

Therefore the PRAISE Marketing Process decision making process can be used in planning, executing and measuring social media marketing (Reece, 2010: 254). The components of this framework are purpose, research, analyse, implementation, strategy development, and execute or evaluate (PRAISE) (Reece, 2010: 254).

2.4.1 Strategy Purpose

Firstly the social media marketing plan must start with an objective and a strategy that will integrate with the existing delivery channels (Trammell, 2010: 22). According to Seggie (2012), FNB view social media as part of the overall brand and communications strategy that provides a holistic view of the business across the various social media channels. According to Mitic and Kapoulas (2012: 670), firms create interactive platforms to share information about offers, allowing customers to give quick feedback to the organisation and engage in a discussion that will aid the business. For example, banks like ABSA and FNB successfully use social media to obtain customer feedback, create new interest, strengthen customer interaction and engage in an online dialogue with customers (Seggie, 2012). The core benefit of integrating social media as a component of the marketing strategy is that it provides a platform for existing customers to raise their opinions and also creates opportunities for new customers (Mitic, Kapoulas, 2012: 670). Thus social media marketing is about relationship building and making connections with people by showing customers the value of the brand rather than its image (Erdomus, Cicek, 2012: 1355). A good example of this was Citibank in the United States (US), who managed to use this principle by creating online rapport with customers by providing interactive online services via Web 2.0 tools and channels (Mitic, Kapoulas, 2012: 669).

Banks therefore need to understand the use of the social media space to effectively integrate traditional media channels such as print publications, television and radio with social media channels such as Twitter, Facebook and Google plus (MHP Communication, 2011: 4). Furthermore Trammell (2010: 25) confers that banks can use different platforms for different reasons; Facebook for account acquisition, Twitter for customer service and LinkedIn for

networking with people. This on-going communication process helps companies become transparent with customers and gain competitive advantage through the flow of information (Chikandiwa *et al*, 2013: 378).

Many people use Facebook to maintain social relationships, whilst they use LinkedIn to form professional ones (Gillin, 2009). LinkedIn is a social media platform for business professionals, where members can maintain their resume, write recommendations for colleagues and easily keep track of their career related information (Gillin, 2009: 123). For example, FNB focuses heavily on macromedia such as forums and blogs for managing complaints (Seggie, 2012). Mainstream media such as Facebook and Twitter are used for managing operational issues (Seggie, 2012).

According to Reece (2010: 254) and Chikandiwa (2013: 144), it is important to consider the following questions in identifying the purpose behind creating a social media marketing plan for a business:

- What social media tools are used and what is the purpose of using these?
- What social media objectives does the business aim to achieve through social media?
- How effective are social media channels in achieving business goals?

2.4.2 Research

According to the Harvard Business Review Report (2010: 4) social media produces large amounts of data but not necessarily useful data that can be translated into strategic action, customer generation process or sales creation. Therefore research aids in identifying the target audience and defining a social media fit for the target audience (Reece, 2010: 256). Without proof of positive impact of social media strategies, buy-in from senior management is difficult (Harvard Business Review Report, 2010: 4). There are real financial and regulatory challenges in implementing social media for organisations such as banks (Harvard Business Review Report, 2010: 4). Hence banks need to develop a business case with details of costs, expected return and expected benefit for the time frame of social media usage to justify the implications of the costs associated with this approach (Trammell, 2010). In addition, aligning spending initiatives and investments with the bank's overall marketing strategy should be an important consideration at all times, especially when budgets are constricted (Mambrino, 2011: 17).

Interaction on social media is about connecting with prospects, customers and like-minded people (Reece, 2010: 256). Listening is an on-going process on social media for marketers and

only through research can marketers understand the gathered information and shorten the learning curve by adjusting strategies accordingly (Reece, 2010: 256). Information about the brand, customers, competitors and trends is vital in formulating new strategies and tactics (Reece, 2010: 256). The following are some of the key questions that marketers need to think about in researching social media (Reece, 2010: 256):

- Who is the target audience and where will you find them?
- How would business define them?

According to Erdomus and Cicek (2012) customers are attracted by exciting technology, interesting content and engaging conversations. Therefore social media strategy needs to create brand campaigns that are fun, exciting and appealing to the target market (Erdomus, Cicek, 2012: 1355). Thus maintaining a continuous research and development program on the bank's key customers, key markets, key competitors and customer perception can assist marketers to identify new niches and opportunities as they develop (Mambrino, 2011: 17).

2.4.3 Strategy Analysis

Banks can use social media channels to create better, more innovative products and services that reflect real time consumer demands (Accenture Report, 2011: 5). According to Seggie (2012), FNB position their brand in the market through innovations and technology by ensuring that social media is part of the overall brand and communications strategy. Effective strategy integration is necessary in creating sales and ultimately generating revenue for the bank (Accenture Report, 2011: 5). A bank's ability to map transactions to social media channels and determining volumes is advantageous to estimating likely impact of change on the bank (Trammell, 2010: 25). According to the MHP Communication report (2011: 5), banks have a competitive edge using social media, as responses to customer queries are instant and feedback is immediate. In order to provide timely responses to customer, FNB have hired a dedicated team of experts, who focus on the various aspects of interaction on social media with focus on the speed of response to communities (Seggie, 2012). Primarily, banks can increase revenue by focusing on customer service that deals with issues raised by customers (Accenture Report, 2011: 5). It is important to note that not every bank's product or customer is a viable candidate for electronic delivery (Trammell, 2010: 25). A set process is therefore needed to identify potential markets, products, services and transactions for electronic delivery (Trammell, 2010: 25).

According to Pry (2010: 24) social media is more about interaction with customers in finding new prospects and ideas. Although social media is relatively new there are a vast number of analytical tools that can be used by marketers in research and analysis (Reece, 2010: 256). The following questions will allow marketers to understand the strategy in determining the best outcome for the strategy (Reece, 2010: 256):

- What is used to monitor and analyse the social media (comments, views, actions, re-tweets, followers, links, leads, media mentions or something else)?
- What analytical tools are being used in analysing social media activities?

2.4.4 Strategy development

Social media strategy should flow from business goals, be simple and similar across all media channels (Reece, 2010: 257). In reaching the target audience, brand presence is important, which can only happen from customer interaction and engagement in an online platform (Reece, 2010: 257). For example, online videos, podcasts, community based forums and social sites can be used to create this engaging environment (Reece, 2010: 257). Additionally, social media tools can be used to amplify the content and management of feedback (Reece, 2010: 257). According to Trammell (2010: 25); Mitic and Kapoulas (2012) and Reece, (2010) below are some of the questions that banks need to consider in strategy development:

- How are market and customer groups segmented?
- Is there customer feedback process through surveys?
- Are transactions mapped to channels to determine volumes and requirements?
- Are details of costs, expected benefits and expected return documented and acknowledged?

2.4.5 Strategy Implementation

Once social media strategies are developed based on the objectives, then tactics can be developed to achieve these strategies (Reece, 2010: 258). For example, a magazine would have a specific profile describing its content, style, audience, circulation, readership, coverage and so on (Reece, 2010: 258). Likewise social media can also be described in a similar way with a plan that identifies tactics that can be used; resources needed, form of measure to be used and the projected return on investment (ROI) (Reece, 2010: 258).

Pry (2010: 25) emphasises that a good rule of thumb is to apply the same rules to social media that would apply to internet content. He (2010: 25) further stresses that ethical rules need to be

standardised across all communication channels. Additionally, activities on social media platforms need to be managed with a methodology in place that will track each communication process and its content (Pry, 2010: 25). All content posted on the Bank's website and social media sites needs to go through a compliance officer who then needs to ensure that everything is being logged and archived for future references (Pry, 2010: 25). Furthermore, Sheahan and Hershberger (2011: 26) believe that organisations must have a clearly outlined social media strategy document that is used throughout the organisation as a guideline and reference point.

Additionally, budget, timeframe and the personnel responsible for execution should be stated in this document to have accountability of tasks (Reece, 2010: 258). The following are some of the implementation process questions that managers need to think about (Reece, 2010: 259):

- What marketing strategies are used on social media to reach the target audience (e.g. Increase Awareness (develop brand); Build Community (engage prospects); Generate Publicity)?
- How is the business going to encourage customer interaction (through followings, online reward benefits, product or service incentives)?
- What reporting and analytical tools are being used to measure social media activities?
- Is social media planning and execution carried out by an outsourced agency or conducted in-house?

2.4.6 Execute and Evaluate

In the execution stage a clearly outlined plan needs to be available on the roles and responsibilities of the people involved (Reece, 2010: 259). The first step in the execution process is to identify who in the company can add value by participating in this social media strategy and ensuring that these people are involved in the strategy formulation process (Reece, 2010: 259). Next guidelines need to be developed on content posting and messaging to have a formalised policy document (Reece, 2010: 259). Once this is done, the legal department within the organisation needs to authorise this formal document so as to avoid any compliance and legal related problems (Reece, 2010: 259). Evaluative programs often ask the following questions (Reece, 2010: 259; Mitic, Kapoulas, 2012):

- Which social media channel provides the greatest response and why?
- What messages work for existing customers and prospective customers?

- Are there social media policy documents in place to guide the users and the organisation?

According to Pry (2010: 24) there are three principle risk areas that banks need to address and manage in drafting a bank's social media strategy:

- Activities conducted by the bank on brand promotion.
- Activities conducted by bank employees as part of their own work duties or on their own capacity.
- Activities conducted by the general public and customers.

2.5 Supervising activities conducted by the Bank

According to Pry (2010: 24), reputational risk needs to be managed carefully on content posted on social media sites and on a bank's official website. In order to do this, banks need to clearly understand the use of social media platforms and its limitations (Pry, 2010: 24). Banks also need to ensure that regulatory requirements are met in order to avoid misleading claims (Pry, 2010: 24). It is important to establish specific objectives that will guide the strategy and some of these may include; cost reduction, increase public relations, creating brand awareness, increase sales and to generate web traffic (Sheahan, Hershberger, 2011: 26). Furthermore Sheahan and Hershberger (2011: 26) also note that organisations should not have more than five social media initiatives in the marketing strategy, as more than that will lead to poor execution. Additionally, Pry (2010: 24) states that it is imperative for personnel involved in content management to be aware of compliance requirements internally and externally.

2.6 Supervising activities conducted by the Bank's employees

According to Roig *et al.* (2009 cited in Ivanauskienė, 2012: 81), the bank's frontline employees play a significant role in creating a positive atmosphere and making customers feel part of the process. Only by managing these internal resources can the bank achieve the desired objectives and results (Ivanauskienė, 2012: 85). Banks can re-enforce this process by investing in staff training so as to empower front-line staff that interact with customers (Ivanauskienė, 2012: 85). Banks therefore need to consistently pay sufficient attention to contact personnel's competence development and emotional health to ensure that customers get the best service (Ivanauskienė, 2012: 85). Furthermore the most valuable feedback will come from frontline staff who are directly involved in customer related services (Mitic, Kapoulas, 2012: 670).

Pry (2010: 25) states that most banks struggle to take the decision to allow employees access to social media sites, however this can be managed by having strict guidelines on content posting and usage of the social media. A good social media strategy document should provide guidelines on private and work usage of social media focusing on the "do's" and "don'ts" of content posted regarding the bank (Pry, 2010: 26). Therefore frontline individuals as well as the different departments need to be involved in the strategy implementation process (Sheahan, Hershberger, 2011: 27).

Moreover employees need to be made aware that posting harmful content will not only harm the brand image but also affect the company reputation (Pry, 2010: 26). Hence each bank needs to identify and use tools that benefit the business and only allow access to employees that use it for business purposes (Pry, 2010: 26). Thus training these employees is vital to achieving successful business objectives as they are acting on behalf of the bank and its brand (Pry, 2010: 26). For example, the Bank of California uses both internal and external social media policies to protect the reputation of the bank and interest of various stakeholders of the business (California Bank, 2014).

2.7 Supervising activities conducted by the general public and customers.

According to Pry (2010: 26) and Tandulwadikar (2011: 4), the majority of posts on social media come from third parties and the general public that needs to be managed properly through a feedback process. Feedback and online activities can be managed through monitoring tools and processes (Sheahan, Hershberger, 2011: 27; Mitic, Kapoulas, 2012: 678). Additionally, social media policy documents need to be created and be easily accessible to users on social media sites (Sheahan, Hershberger, 2011: 27). These documents should highlight customer post guidelines as well as some ground rules on the use of offensive language, threats, harassment and undesirable content on social networks (Pry, 2010: 26). For example, the Bank of California effectively achieves this task by having a detailed policy document on their website, detailing the tasks that can be performed on social media by both internal and external social media users (California Bank, 2014). However it must be acknowledged that, "banks must learn to transform customer complaints into opportunities for cooperation, rather than to view them as threats and sources of conflict" (Mitic, Kapoulas, 2012: 678)

In order to maintain and manage this supervision process, internal staff need to enforce a fair assessment of the content posted (Pry, 2010: 26). The aim is to strike a fair balance by providing

corrective measures for any non-satisfactory comments and complimenting positive remarks, bearing in mind the impact of these on the brand (Pry, 2010: 26). Thus marketers need to continuously initiate this positive dialogue with customers so as to improve the service experiences (Mitic, Kapoulas, 2012: 678). Only by identifying the most debated topics and contributing to these through a feedback process is customer's trust re-enforced (Mitic, Kapoulas, 2012: 679). Trust is an essential component for establishing and maintaining successful and prosperous long term relationships with customers (Mitic, Kapoulas, 2012: 679). Organisations need to continuously build on the strategy by integrating target audiences from one platform to another and engaging in valued conversations (Sheahan, Hershberger, 2011: 27). The challenge is to choose a brand component that will best fit the social media channel and create the desired behaviour, as a "one size fits all" marketing management approach will not work in the current social media environment (Ivanauskienė, 2012: 76).

2.8 Insource or outsource the social media function?

In the strategy implementation stage, organisations need to take a critical decision regarding planning and executing social media functions in-house, or outsourcing it to an agency (Reece, 2010: 259). "Today, outsourcing is frequently proposed as a way to reduce costs and boost profitability" (Zutshi *et al*, 2014: 289). However according to Goldstuck and Wronski (2014), many South African corporates are using their own internal marketing teams to take charge of social media activities rather than outsourcing it to agencies. As 54% rely on their own marketing teams, a further 9% rely on public relations and only 16% are relying on third parties (Goldstuck, Wronski, 2014).

While outsourcing is often seen as the logical option for many businesses, it is often based on short-term benefits, such as cost reduction, with no assessment done into the long-term impact of the decision (Heslop, 2012: 14). Businesses therefore need to evaluate this decision based on the nature and scale of change necessary to achieve the desired business objectives, but with a long-term view in mind (Heslop, 2012: 14). On the other hand, in-housing the social media function with a short term view will be costly if valuable staff resources are tied up that would otherwise be focusing on core business tasks (Heslop, 2012: 14). It is a delicate balance ensuring that the decision taken does not affect the quality of the product and the price so as to maintain a balanced level of service throughout the process (Zutshi *et al*, 2014: 289).

According to Joseph (2013: 1), the Nike brand has taken control of its social media marketing in-house in an effort to get closer to its fans. This function of the business which was previously

outsourced has been reallocated within the business to better control its social media offering and to gain a deeper understanding of how its consumers interact with the brand on its social media environment (Joseph, 2013: 1). This strategy was implemented by Nike to strengthen its fan relationship and have greater control over the social media data in order to be more innovative in providing digital services (Joseph, 2013: 1). On the other hand Puma prefers to work with an agency focusing on young football fans on Twitter and Facebook, while Reebok has opted to conduct an audit on its own social media profile to evaluate the effectiveness of the channels (Joseph, 2013: 1).

Thus based on the business requirements and strategy implemented, management need to evaluate both internal business units and external vendors to acquire the services that will best meet business requirements (Heslop, 2012: 14). According to Thorndike (2013 cited in Joseph, 2013: 1), social media needs to be an integrated activity across all the business units and not an outsourced service, as it allows companies to better understand its customers. Hence management decisions should not be based only on cost reduction and increasing profits but with a focus on quality of service, maintenance and long term efficiency to the supply chain (Heslop, 2012: 15).

Outsourcing also allows companies to develop and improve their relationships with international partners or suppliers whilst sharing risks and responsibilities (Zutshi *et al*, 2014: 289). The aim is to improve client relationships and increase customer retention rate that will benefit the business in the long term (Rootman *et.al,* 2011: 185). Some of the variables that can influence banks' relationship marketing and customer retention include communication, empowerment, personalisation, fees, ethical behaviour and technology, all of which management need to be aware of (Rootman *et.al*, 2011: 187). In order to tackle some of these issues, Nedbank in 2008 launched a new initiative to assist customers in choosing products that best suit their lifestyle and budget (Nedbank, 2008).

"Relationship marketing approach advocates the development of long-term relationships with profitable customers for the purpose of enhancing business value and strengthening organizational competitiveness" (Mitic, Kapoulas, 2012: 669). Additionally, this approach leads to the development of long-term relationships with profitable customers for the purpose of enhancing business value and strengthening organisational competitiveness (Mitic, Kapoulas, 2012: 669). Outsourcing can offer opportunities to both the bank and its suppliers if implemented effectively (Heslop, 2012: 14). According to Heslop (2012), Rootman *et al.*

(2011: 187) and Zutshi *et al.* (2014) following are some of the questions marketers need to think about in making this decision:

- Is social media in-housed or outsourced to an agency?
- What are the reasons behind this decision?
- What are the competitors doing in this space?
- What part of the strategy should business insource or outsource?
- What are the costs and benefits associated with implementing either strategy?

Companies now expect their outsourcing partners to not only help drive efficiency in business and information technology (IT) operations, but also to aid in large-scale, long-term transformation and innovation that will enable business growth and agility (Sambasivan, 2012: 8). These factors are increasingly becoming important in an emerging market where both price competition and customer expectations are high (Sambasivan, 2012: 8). Furthermore businesses aim to make fewer outsourcing partnerships with an expectation that the partner will share greater level of risk and investment (Sambasivan, 2012: 10).

Companies make the decision of outsourcing with the purpose of cutting costs, increasing profits and focusing on their core businesses (Zutshi *et al*, 2014: 289). On the other hand decision makers need to take note of ethical dimensions, cost of relying on outside expertise and reputation risk in cases of dysfunctional relationships when outsourcing business functions (Zutshi *et al*, 2014: 289). Managers, therefore, need to have contingency plans for scenarios where a supplier may breach the contract conditions (Zutshi *et al*, 2014: 296). Additionally outsourcing leads to concerns of privacy of information when customer and staff data is sent to suppliers (Zutshi *et al*, 2014: 289). In such instances, the legal and ethical conditions agreed upon in the contract need to be imposed (Zutshi *et al*, 2014: 289).

2.9 Conclusion

Brand loyalty can be conceptualised as the final step that symbolises the consumer's ultimate relationship and level of identification with a brand. Organisations therefore need to tailor their brands to gain this exclusive, positive and prominent meaning in the mind of consumers so that they become irresistible and irreplaceable so as to win the loyalty of consumers. This is only possible by engaging with customers, creating trust and aiming to build long term relationships. Data shows that social media is becoming an important component of the marketing strategy and businesses are now seeing the value of creating online brand loyalty in the South African

market. Social media is often used to create brand awareness, visibility with partners and investors, public relations and cost saving, however companies need to have a more long term view when creating a social media strategy. Despite the fears of social media usage in the banking environment, emphasis needs to be put on managing the activities of the bank, its employees and the general public. This can be done by training and educating internal employees and external customers on the policies and procedures implemented by the bank.

Furthermore, integrating social media as part of the overall marketing strategies would help companies create a more unified message that is aligned to company goals and objectives. Social media marketing is different to traditional marketing, but the planning process is no different to any operational marketing plan. Therefore steps of purpose, research, implementation, analysis, strategy building, and execution can be carried out to effectively integrate social media into the marketing strategy. In the implementation stage of the strategy, organisations need to take a critical decision of planning and executing the social media function in-house, or outsourcing it to an agency. Both these strategies have their advantages and disadvantages but should not be based on short-term benefits. Businesses need to evaluate this decision based on the nature and scale of change necessary to achieve the desired business objectives but with a long-term view in mind and without compromising the product price or quality.

2.10 Key issues raised in Chapter 2

Some of the key questions raised in chapter will be used in the marketer's questionnaire in analysing the strategy used by the banks selected for the research. These questions are summarised in Annexure 1.

- Social media is an integral part of the overall marketing strategy that creates many opportunities through different delivery channels but marketers still need to apply techniques and methods that will best fit the brand to the media channel (Mambrino, 2011; Erdomus, Cicek, 2012). Integrating social media as part of the overall marketing strategy helps companies create a more unified message that is aligned to company goals and objectives (Chikandiwa *et al*, 2013). Some objectives that banks can strive for include; cost reduction, increase public relations, create brand awareness and to generate web traffic (Sheahan, Hershberger, 2011: 26).

- There are many advantages and disadvantages of social media usage in the banking environment, but banks need to embrace this changing environment and move past the

fears of control by carefully planning and implementing the marketing strategy (Erdomus, Cicek, 2012; MHP Communication, 2011; Chikandiwa *et al,* 2013).

- In the strategy implementation stage, organisations need to take a critical decision of implementing social media function in-house or outsourcing it to an agency (Reece, 2010; Heslop, 2012). Banks therefore need to evaluate this decision based on the nature and scale of change necessary to achieve the desired business objectives but with a long-term view in mind (Heslop, 2012: 14).

- Marketers need to understand that brand loyalty is the final step in the relationship between the company and its customers, but this is only achieved by putting time and effort into the process (Erdomus, Cicek, 2012: 1360). Once achieved, the brand can benefit from increased sales, increased revenue, increased profits and growth in the company and the market share (Erdomus, Cicek, 2012: 1360).

- Furthermore brand loyalty can be created and maintained on social media by effectively planning a market strategy that has the components of purpose, research, analysis, implementation, strategy development, and execution (Reece, 2010: 254).

- In general social media has been adopted by South Africa banks with the aim of creating brand awareness and being able to gain a competitive advantage over their competitors (Erdomus, Cicek, 2012; MHP Communication, 2011; Chikandiwa *et al*, 2013). A well planned strategy will aim to add value to all the stakeholders of the business (Erdomus, Cicek, 2012; MHP Communication, 2011; Chikandiwa *et al*, 2013).

Chapter 3 - Defining Functional, Social and Brand values and their linkage to Marketing strategies

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This chapter defines the concepts of functional, social and brand values and how these are linked to the marketing strategies in the banking environment. Furthermore, value creation from both the business and the customer perspective is analysed to determine how these affect the relationship between the bank and the customer. The integration of these values within a marketing strategy is also discussed.

3.1 Introduction

Recently a growing interest in relationship marketing has made marketers re-assess customer value creation and delivery as the most important task of marketing strategy (Ivanauskienė, 2012: 75). "This value creation and delivering to the customer in the financial markets has been viewed as a competitive priority and a key component of an organization's long term success" (Ivanauskienė, 2012: 75). According to Cant *et al* (2006: 61) "values are the deep-seated motivations instilled from culture". Values exist mainly at an individual level but when it is shared through a society, it becomes a cultural value (Cant *et al*, 2006: 61). Therefore, value in itself is not a single entity but a blend of different components such as social, brand, economic and cultural components (Nicholls, 2006: 393). Each of these components provides a way for the organisation to tell a story about the product or service through different viewpoints (Nicholls, 2006: 65). These conversations about value with different stakeholders constitute this relationship which is used to change the perception of customers, investors, government and regulators (Nicholls, 2006: 65). For this reason, FNB is most active in mainstream platforms like Facebook, Twitter, YouTube and LinkedIn to ensure that customer complaints, comments and feedback is carefully managed (Seggie, 2012).

3.2 Value creation from the Business and the Customer perspective.

In the current environment, business's real value lies outside the firm, in the minds of potential buyers or suppliers (Kapferer, 1992 cited in Shamah, 2012: 357). Successful organisations understand the need to create value for various stakeholders of the business that include customers, employees, investors and suppliers, as the interests of these diverse groups are inter-linked (Shamah, 2012: 357). Management therefore need to understand the value proposition and translate this into an actionable strategy that will influence the business's activities (Viet Ngo, O' Cass, 2010: 500).

For many organisations, value and value creation are the central elements of business strategy and success can be achieved for companies that can get this right (Viet Ngo, O' Cass, 2010: 497). For example, companies such as Google, Sony and Samsung aim to create superior value offerings for their customers through unique service offerings (Viet Ngo, O' Cass, 2010: 497). Sony's gaming platform is one of the most popular platforms in the world, Google is an

internet search engine giant that provides customers with fast, accurate and easy-to-use services and Samsung is leading in hand held devices (Viet Ngo, O' Cass, 2010: 497).

Innovation is an important differentiating strategy for companies that aim to tackle competition (Desai, 2010 cited Shamah, 2012: 358). Businesses that want to stay ahead of the competition need to think more widely about product and service innovation (Shamah, 2012: 358). According to Seggie (2012), FNB strongly believe in this approach of innovation and technology, aligned with social media to create a unique customers experience.

However this strategy is only achievable through a culture that holds the belief in innovation, new ideas and customer oriented marketing (Viet Ngo, O' Cass, 2010: 500; Mroz, 2013; Allden, Harris, 2013: 42). Culture becomes an essential component for customers as it moderates the effect of switching barriers on customer retention, customers' preferences for personalised services and their perceptions of the business (Chan *et al*, 2010: 49). The impact of culture on attitudes and behaviour is particularly observable for services with medium and high levels of customer contact, especially for financial service organisations such as banks (Chan *et al*, 2010: 49; Viet Ngo, O' Cass, 2010: 502).

Culture however still needs to be structured to guide decision making in achieving business objectives (Mroz, 2013). Leadership and management intervention is therefore crucial in steering the culture driven values in the direction that is beneficial to achieving the organisational goal as customers prefer leadership that empowers them (Chan *et al*, 2010: 53). When FNB's banking system went down in 2012, chief executive officer (CEO) Michael Jordaan informed customers on the problem through social media, which brought people together, rather than pushed them away (Seggie, 2012). This openness and transparency by FNB's leadership created reason and understanding for customers (Seggie, 2012). However customers also react unfavourably to lack of voice in decision making when their cultural norms and perceived values are violated (Chan *et al*, 2010: 53).

Nonetheless, core values can only become a unifying factor when it is explicitly defined and all employees are aligned in achieving them (Mroz, 2013). Frontline staff play an important role in ensuring that customers are satisfied and get the best possible service, as through them information and the value offering is communicated (Allden, Harris, 2013: 41; Ivanauskienė, 2012: 85). Therefore hiring qualified and emotionally adept staff forms an important component of the strategy (Titko, Lance, 2012: 1037). According to Titko and Lance (2012: 1037) "the key factors that affect customers' decision about suspending their existing

relationships with their banks are increased service fees, bad service and operational errors by employees". Thus businesses need to effectively manage the service delivery process and customers' perceptions that are based on these interactions (Titko, Lance, 2012: 1037). For example, FNB manage customer expectations on their various channels by having a quick response rate and feedback process (Seggie, 2012). This strategy has created opportunities for positive interactions and future relationships (Seggie, 2012).

According to Mroz (2013); Viet Ngo, O' Cass (2010); Ivanauskienė (2012); Ofori and Sackey (2010); Chan *et al* (2010); Accenture Report (2011) and Chikandiwa *et al* (2013) some general values that organisations should strive for are:

- Product and service quality – Customers look for products that deliver offerings they are seeking such as quality, innovative performance features, personal preferences and beneficial pricing (Viet Ngo, O' Cass, 2010: 505). In meeting these customer requirements, banks need to pay more attention to service quality and the competences of the contact personnel (Ivanauskienė, 2012: 85).

- Trust creation – Customers connect with each other and businesses based on trust (Ofori and Sackey, 2010: 73). Trust, understanding, connection and sense of membership are values that accumulate over time that business needs to put time and effort towards (Ofori and Sackey, 2010: 73). These values become embedded in groups within and outside the organisation based on the trust created (Ofori and Sackey, 2010: 73).

- Friendly and enjoyable culture – Every interaction between employees and customers represents an opportunity to create relational values for both parties (Chan *et al*, 2010: 52). Thus business needs to focus on creating a culture that is friendly and enjoyable for both the parties involved (Chan *et al*, 2010: 52). A friendly and enjoyable interpersonal relationship adds value for the customer, which in turn enhances customer satisfaction and interaction with the business leading to long term loyalty (Chan *et al*, 2010: 52).

- Empowering leadership – Customers prefer to engage with businesses that have a strong leadership structure and empower them through cultural norms (Chan *et al*, 2010: 51). Businesses that can express this vision and passion to customers are more likely to benefit in relationship creation (Accenture Report, 2011: 7).

- Continuous process improvement - Banks need to encourage innovative ideas and continuously improve both internal processes and external customer experience

(Accenture Report, 2011: 10). Business needs to create an environment that will encourage people to speak openly, listen to employee views and consider customer opinions (Chikandiwa *et al*, 2013).

- Improve service delivery - Nicholls (2006: 67) believes that offering additional service channels will improve service delivery and allow customers to participate in a wider supply chain. Organisations therefore need to manage this service delivery process and customers' perceptions through the use of social media (Titko, Lance, 2012: 1037).

According to Viet Ngo and O' Cass (2010: 501), strategic alignment with business objectives is important in pursuing competitive advantage in the context of creating customer value. It is through this value proposition that organisations are able to identify core business priorities and activities that require management attention (Mroz, 2013). Only once value is incorporated and aligned to the organisation's core business process, are new and existing opportunities realised (Allden, Harris, 2013: 42).

Organisations therefore need to work towards value creating activities through innovative ways (Viet Ngo, O' Cass, 2010: 503). From a business perspective value needs to be seen from both a practical and theoretical view by taking into account multiple parties in the value creation process (Viet Ngo, O' Cass, 2010: 497). This relates to what companies build into their products and services to create superior customer offerings (Viet Ngo, O' Cass, 2010: 497). FNB was the first bank to offer smartphones and tablets in October 2011 that offered clients services that changed the way banking transactions are conducted today (FNB, 2014). "Understanding value with respect to both firm (value-in-offering) and customer (value-in-use) perspectives is of paramount importance in helping the firm to get a richer (and fuller) picture of what customers say they value and what managers want to create for customers" (Viet Ngo, O' Cass, 2010: 498). For example, the FNB Banking App was developed in-house with the purpose of creating a vibrant system, aimed at adding value to clients (FNB, 2014).

According to Chan *et al* (2010: 48) customers are fundamentally changing the dynamics of the marketplace and the way value is created in the market. However, simply being customer oriented is not enough in making an impact on the value proposition in a changing marketplace (Chan *et al*, 2010: 48). Companies need to take a more collaborative approach with customers in creating value that meets their individual and dynamic needs (Prahalad and Ramaswamy, 2000 cited in Chan *et al*, 2010: 48). It is companies that are effectively able to encourage customer participation (CP) who are likely to have a competitive edge in the marketplace (Chan

et al, 2010: 48). This is a major shift in strategy approach from being goods-centred to service-centred marketing where customers are viewed as proactive co-creators rather than passive receivers of value and companies are viewed as facilitators of the value rather than producers of standardised value (Chan *et al*, 2010: 48). Ford Motor Company is a good example that supports this notion of value co-creation between buyers and suppliers in developing new vehicles for their customers (Chan *et al*, 2010: 50).

According to Viet Ngo and O' Cass (2010: 499) value creation process needs to be understood from three perspectives:

- Creating value for customers;
- Value in offering and;
- Value-in-use.

Value is defined by customers based on their subjective judgement of the trade-off between 'what was received' and 'what was given' (Viet Ngo, O' Cass, 2010: 497). This dimension of emotional (affective) value is based on the reliability and transaction security, friendly staff and the interaction process (Ivanauskienė, 2012: 75). Customers form this evaluative opinion or feelings about their experience based on their use of these products or services (Viet Ngo, O' Cass, 2010: 506). "Customer value and value offering are two different concepts that are interrelated" (Viet Ngo, O' Cass, 2010: 506). Value offering is the value that is built in a product and customer value represents the assessments of the value offering through the eyes of customers (Viet Ngo, O' Cass, 2010: 506). A product is simply something that is made by a company but a brand is what gets bought by a customer (Viet Ngo, O' Cass, 2010: 507; Kathuria, Jit, 2009: 122). A brand becomes equity when customers can easily identify the brand (through awareness) and are willing to buy the offered brand at a given price (Viet Ngo, O' Cass, 2010: 507). It is this combination of brand awareness and willingness-to-buy that creates future purchases leading to a concept of brand loyalty (Viet Ngo, O' Cass, 2010: 508).

According to Smith (2007 cited in Titko, Lance, 2012: 1034) customer satisfaction is based on three psychological elements; cognitive (thinking and evaluation), affective (emotional, like and dislike) and behavioural (current and future actions). Cognitive refers to the active participation by customers in events or activities, leading to the accumulation of knowledge or skill (Nasermoadeli *et al,* 2013: 131). Affective and process based approaches are about emotions and sensations as opposed to thinking (Nasermoadeli *et al,* 2013: 131). However

experience is what creates customer sensory, emotional, cognitive, behavioural and relational values that replace functional values (Schmitt, 1999: 26 cited in Nasermoadeli *et al*, 2013: 131). Thus businesses need to aim at appealing to these elements of customer experience through the product and service offering (Nasermoadeli *et al*, 2013: 131). According to Rostamy (2009 cited in Titko, Lance, 2012: 1034) there are five components that make up total customer satisfaction and these are as follows:

- Access – this is making the product and service available through physical and virtual channels.
- Service – this includes the actual appearance of the bank branch, service waiting time, information access points and service process duration.
- Personnel – these are the frontline employees that interact with the customers on the basis of knowledge, responsiveness, communication and friendliness.
- Product – this is the variety in product offering, refund policy, special service and cost related components.
- Image – this is the products' credibility component, technological excellence and ability of the organisation to satisfy future customer needs.

One way of appealing to customers is by differentiating the product by offering psychological and functional benefits (Ivanauskienė, 2012: 85). This process ensures that the most important customers of the business which are the existing customers are supported through both psychological and functional benefits (Ivanauskienė, 2012: 85; Chan *et al*, 2010: 59). Customers value organisations that show real concern for their satisfaction and well-being (Harris, Dennis, 2002: 319; Tandulwadikar, 2011: 7).

In order to get an insight into customers' views about the bank, short online questionnaires and assessments are cost-effective ways of gathering useful information that can be used to make actionable decisions (Titko, Lance, 2012: 1037). In continually meeting customer needs, marketers need to analyse these needs and provide feedback to staff on the gathered information and sentiment of customers (Accenture Report, 2011: 4; Nasermoadeli *et al*, 2013: 132). For example, Barclays launched a new website just for their customers so that they can share their ideas on how Barclays can improve everyday banking (Nicols, 2013). This approach of customer feedback created customer engagement and enabled people to join in a live discussion with senior Barclays' personnel around topics of interest, such as 'mobile banking' and 'local branches' (Nicols, 2013). According to Viet Ngo and O' Cass (2010: 497); and Titko

and Lance (2012) some of the key questions that marketing managers need to think about in creating value are:

- What value is the organisation creating for customers on social media (functional, brand or social)?
- How is value built into the company products or service (product and service quality; service delivery, friendly and enjoyable staff etc.)?
- How is customer trust and satisfaction created on social media (through access, service, personnel, product, image etc.)?

3.3 Functional values reflected in the Bank's marketing strategy

Functional values are the services offered through the brands' quality, reliability, warranty, added service and the personnel professionalism that make up the construct of the product or service (Ivanauskienė, 2012: 79). Additionally, there are four functional values that banks need to be aware of (Ivanauskienė, 2012: 79):

- functional value of services received
- personnel
- price
- establishment

According to Ivanauskienė (2012: 78) functional value of the service provided is the most important factor when focusing on creating customer loyalty as this is what encourages customers to search for products or services that would satisfy their need and solve their problems. According to Seggie (2012), customers are very informed and can find data on anything, anytime, anywhere through various access points.

According to Ivanauskienė (2012: 78) there are two ways that organisations can add value to their product or service; firstly by adding features to the product that distinguish it from their competitors' product and secondly by providing customer information that will enhance their ability to make better decisions when making purchases. Therefore banks need to strive to enhance the flow of information between the bank and its customers in order to increase customers' positive feelings towards the bank and to better portray the value, the bank is offering to them (Ivanauskienė, 2012: 76 and Titko, Lance, 2012: 1037).

According to Won Kim and Choi Ju (2013: 149) word-of-mouth is one of the most powerful forms of communication that has a great deal of impact on people's behaviour as individuals make decisions based on habit and rationality when making buying decisions. It is through this flow of information and transparency that relationships are built and customer value created (Won Kim, Choi Ju, 2013: 149). For example, Barclays Bank uses a number of different branded Twitter accounts to connect with customers and build relationships (Nicols, 2013). Barclay's wealth and investment management Twitter page has extensive number of followers, and pushes out regular content about financial services to its customers (Nicols, 2013). "These interactions help customers form perceptions about service attributes, such as the reliability of information, availability of the website, and efficiency of transaction execution" (Chu *et al*, 2012: 1274).

Many customers make purchase decisions based on three dimensions of customer value namely, functional, emotional, and social values (Ivanauskienė, 2012: 80). The functional value is the tangibles related to price, service quality, contact personnel, product related benefit and the physical appearance of the bank (Ivanauskienė, 2012: 80). Additionally, social value is the personal beliefs, social integration, as well as opinions from friends and family (Ivanauskienė, 2012: 80). Emotional value on the other hand is the reliability, satisfaction, positive emotions and experience factor that affect the purchase process (Ivanauskienė, 2012: 80).

In order to effectively manage customer value, marketers need to segment customers based on buying behaviour, attitude traits, technology awareness (online activities), lifestyle and level of customer financial awareness (Chikandiwa, 2013; Okazaki, Taylor, 2013). Each of these segment groups will have different levels of expectations that need to be managed differently (Chikandiwa, 2013; Okazaki, Taylor, 2013). These segments can then be targeted with specific offerings or campaigns to improve the overall experience (Tandulwadikar, 2011: 6). For example, Hong Kong and Shanghai Banking Corporation (HSBC) effectively use Facebook to promote their latest campaigns and advertising, whilst LinkedIn is used to push product and service information to professional personnel (Nicols, 2013). Banks can manage these expectations and customer perceived value through employees, processes and technologies (Croxford *et al*., 2005 cited in Titko, Lance, 2012: 1033).

Banks' frontline employees therefore are vital to creating positive impact and making customers feel satisfied with their service offering (Roig *et al*., 2009 cited in Ivanauskienė,

2012: 80). Thus employing qualified individuals that portray these traits is therefore crucial to managing these expectations and customer perceived values (Ivanauskienė, 2012: 80). For example, Nedbank encourage a high level of service delivery through transformation programmes that aim to focus on enabling and empowering staff to deliver world class services (Nedbank, 2008). The transformation programme is aimed at generating new ideas, improving processes and delivering solutions that will improve both client and staff experience (Nedbank, 2008).

Customer satisfaction and service quality are essential in acquiring and retaining customers (Viet Ngo, O' Cass, 2010: 506). Service offerings through easy access, rapid response, and relational nurture help develop this relationship between the company and its customers (Viet Ngo, O' Cass, 2010: 505). It is this relationship that leads to brand growth and increased profitability for the organisation (Titko, Lance, 2012: 1033). However participation can only be encouraged once trust is built and partnerships created, as many customers do not terminate the contract due to high switching costs, contractual obligations, service delivery, lack of alternatives and inertia (Ivanauskienė, 2012: 81). According to Cant *et al.* (2006: 61) some of the key questions that marketing managers need to think about in functional value strategy creation are as follows:

- What are the buying factors that customers value and are attracted to when choosing between our organisation and our competitors (quality, reliability, warranty, price and added service or personnel professionalism)?
- How do customers rate your business performance versus that of competitors?
- What strategy is the organisation using to add functional value to its product or service (employees, processes and technologies)?

3.4 Social values reflected in the Bank's marketing strategy

Social value from the company perspective is the role businesses play in societies and the contributions they make in the environment (Nicholls, 2006: 62). This creates value benefit for people whose urgent and reasonable needs are not being met by any other means (Nicholls, 2006: 56). This is a subjective idea as process of consumption; participation and experience are related to the effect of social value (Oestreicher-Singer, Zalmanson, 2013: 592). The aim is to create both individual and collective values within the target market to attract and retain customers (Harris, Dennis, 2002: 319). For example, Nedbank effectively filled a gap in the youth market by creating a product called 4me 'My Future My Bank' that provide youth with a

cost-effective, simple and fun way to manage their pocket money while encouraging and rewarding a saving culture (Nedbank, 2014).

There is a need for organisations to create customer experience based on shared information and being able to interact with fellow users through different channels (Oestreicher-Singer, Zalmanson, 2013: 592). Therefore organisations that develop and cultivate time into community projects are more likely to sustain and grow their business (Oestreicher-Singer, Zalmanson, 2013: 595). What this seems to be suggesting is that businesses need to take a more user-centric approach than solely focusing on the content or the product of the business (Oestreicher-Singer, Zalmanson, 2013: 592). "For example, the New York Times website (NYTimes.com) includes social computing features that allow users to comment on articles, rate them, and share them via social networking sites" (Oestreicher-Singer, Zalmanson, 2013: 593).

Social value considers more than just the financial transaction and includes but is not limited to happiness, wellbeing, health, inclusion and empowerment factors of the community (Peacock: 2013). Businesses that demonstrate their contribution and impact in the market through voluntary involvement and community projects are likely to receive positive return on investment (Peacock: 2013). Social value is not unique to any one sector but has a more visible footprint in the public sector (Nicholls, 2006: 58). It is therefore the responsibility of the management team to ensure that necessary steps are taken in the ambit of the regulatory requirements to encourage change in customer behaviour through social activities (Harris, Dennis, 2002: 319). These social activities make customers feel part of a social group and therefore satisfy their own ego and perception of brand value (Ivanauskienė, 2012: 78).

Customers view social value differently based on their perception of personal beliefs, social integration, as well as opinion of relatives and/or friends (Ivanauskienė, 2012: 79). Conversely these are viewed as less important over security, comfort, reliability and satisfaction gained from product or service (Ivanauskienė, 2012: 82). According to Nicholls (2006: 62), all value comes from customers through their willingness to spend money on goods and services which are constantly changing. Therefore marketing managers need to be aware of the components that make up the framework for social value (Nicholls, 2006: 66):

- Social added value – this is an organisational focus on the creation of social added value to their intended customer through involvement and participation in the market (Nicholls, 2006: 66). For example, Standard Bank have launched a new reality show

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called 'Think Big' that focuses on growing South African entrepreneurial spirit by guiding and motivating aspirational small businesses owners, to help create economic change (Standard Bank, 2014)

- Empowerment and social change – this is when organisations work towards making a difference in the social or economic environment by adding value to disadvantaged groups of people within the community (Nicholls, 2006: 67). For example, FNB has taken a deeper understanding of supporting and strengthening community initiatives that build social cohesion and promote equality within communities (South Africa - the Good News, 2012). "One such beneficiary is NICRO (National Institute for Crime Prevention and the reintegration of Offenders), which provides services to adults and children in conflict with the law" (South Africa - the Good News, 2012).

- Social innovation – this is social value that allows people to achieve more for less or to solve problems that are otherwise difficult to solve (Nicholls, 2006: 69). For example, FNB's eWallet allows customers to send money to anyone with a valid South African cell phone number, even if they do not have a bank account (FNB: 2014). The money is transferred instantly and can be used to withdraw cash from FNB ATMs, buy prepaid airtime or electricity (FNB: 2014). Such a social innovation is often derived from new technology, applications or a combination of these (Nicholls, 2006: 69).

- Systemic change – this is value that changes the architecture of how things work. For example, Nedbank have taken an initiative in improving education in Swaziland by creating a foundation called UNISWA aimed at providing postgraduate scholarships for students (Nedbank, 2006). This initiative aims to promote entrepreneurship in Swaziland and aspiring Swazis in starting up their own businesses, increasing the level of employment and reducing poverty in Swaziland (Nedbank, 2006).

Based on the nature of the business, capital investment and performance tracking systems, organisations need to implement an approach that best fits their business (Nicholls, 2006: 393). In order to create social value impact in the market, management also need to understand the relationship between spending and results (Nicholls, 2006: 71). Any needs that are not being met in the market should be identified and seized as businesses are in a good position to act upon these through social media (Nicholls, 2006: 72). Additionally encouraging systemic change through education will deepen social values within the changing environment (Cant *et al*, 2006: 69). Only through continuous education, research and infrastructure debates can businesses shape a different social value system (Cant *et al*, 2006: 69).

Following are some of the questions that marketers need to be aware of in creating social values (Harris, Dennis, 2002: 319; Nicholls, 2006: 58; Oestreicher-Singer, Zalmanson, 2013: 592):

- How is the organisation creating individual and collective values within the target market to attract and retain customers? (Harris, Dennis, 2002: 319)?
- How is the organisation creating a visible footprint in the public sector through social activities (Nicholls, 2006: 58)?
- How is the organisation creating good customer experience based on shared information through different social media channels (Oestreicher-Singer, Zalmanson, 2013: 592)?

3.5 Brand values reflected in the Bank's marketing strategy.

According to Mohamed and Daud (2012: 21) many organisations today are focusing on their brand development to compete and survive in the challenging market. The benefits of building a successful brand are numerous and include creating a competitive advantage (Kumar and Ganesh, 1995 cited in Mohamed, Daud 2012: 21), commanding a price premium (Kotler, 2003 cited in Mohamed, Daud 2012: 21) and building long-term customer loyalty and trust (Dowling and Uncles, 1997 cited in Mohamed, Daud 2012: 21). Trust is one of the factors that differentiate customer relationships, whether personal or interpersonal (Mohamed, Daud, 2012: 22). "Personal connections are derived primarily from trust while functional connections are driven by satisfaction, and both contribute significantly to commitment", (Mohamed, Daud, 2012: 22).

"A brand is a name, term, sign, symbol, design or a combination of these which is used to identify the goods and services of an organisation" (Kotler *et al*., 2001: 469 cited in Harris, Dennis, 2002: 132). Only by understanding branding can businesses achieve brand value through brand messages as Apple has done for many years (Solis, 2010: 177). Furthermore Solis (2010: 129) states that a brand is a living entity that has a personality, a rational and emotional content that needs to be displayed and presented across different social media channels. It is not about getting your customers to choose your product or service over the competition but rather to see your product or service as the only solution (Kotler *et al*., 2001: 469 cited in Harris, Dennis, 2002: 132). According to Kotler *et al.* (2001 cited in Harris, Dennis, 2002: 133) a brand delivers up to four levels of meaning for the customers that companies need to be aware of:

1. Attribute – A powerful brand will have certain appealing attributes that attract consumers.

2. Benefit – Consumers do not buy product attributes but rather the benefits and therefore these attributes need to be translated into functional and emotional benefits.

3. Values – A brand also conveys something of the buyer's values, therefore marketers need to align the values of the target market to the brand benefits.

4. Personality – A brand also projects a certain personality that needs to be aligned to a potential buyer.

There is however a shift in the brand marketing approach from creating brand interest to creating customer value (Shamah, 2012: 362). It is understood that customers make brand choices by matching their personality to that of the brand (Solis, 2010: 129). Furthermore Solis (2010: 137) states that organisation culture plays a big role in defining the success of a brand as some organisation cultures are more suited than others in creating the right environment for a healthy brand development. Additionally Harris and Dennis (2002: 106) suggest that the Ansoff Matrix should be used in defining online strategy for brands. The Ansoff Matrix framework was developed by Igor Ansoff in 1957 to generate alternative strategic direction for organisations by considering product market options (Richardson, Evans, 2007: 1). The four strategies suggested in the matrix are geared towards corporate growth by combining new and existing product or services with new and existing markets (Richardson, Evans, 2007: 1). According to Harris and Dennis (2002: 106) the components that make up the matrix are as follows:

- Market penetration – This is where the organisation focuses on selling existing products in existing markets (Harris, Dennis, 2002: 106). The strategy emphasises competitive pricing, effective use of market communication and use of loyalty schemes for existing customers (Richardson, Evans, 2007: 2). For example, FNB's eBucks rewards programme enables existing customer to earn eBucks for doing everyday activities like shopping, filling up fuel and loading airtime (FNB, 2014).

- Market Development – This is where existing products are offered in new markets with the approach of attracting new customers (Harris, Dennis, 2002: 106). Organisations face the challenge of finding a genuine and sustainable market segment that will be profitable (Richardson, Evans, 2007: 2). For example, Standard Bank's BizConnect platform helps entrepreneurs recognise opportunities and pursue it with realistic aims and objectives in mind (Standard Bank, 2014).

- Product Development – "This involves the development of new products to sell in the current market" (Richardson, Evans, 2007: 2). This involves enhancing existing products, creating extensions to the existing product range and product innovation initiatives (Richardson, Evans, 2007: 2). For example, Nedbank have created a Point of Sale solution called PocketPOS (point-of-sale) that enables customers to securely accept debit and credit card payment via smart phones or tablets (Nedbank, 2014).

- Diversification – This involves producing an entirely new product for a new market (Richardson, Evans, 2007: 2). This is the riskiest strategy of the four as the offering needs to meet customer needs but has many opportunities once product is aligned to customer's needs (Harris, Dennis, 2002: 107). FNB managed to achieve this strategy by offering new and existing FNB client's smart devices like smartphone and tablets at reduced rates (FNB, 2014).

According to Knox (2000, cited in Harris, Dennis, 2002: 143), focus of brand trust has shifted from products to people and processes, as many characteristics of the brand can easily be copied. Companies therefore need to aim at differentiating the brand through its people, technology and the process (Knox, 2000 cited in Harris, Dennis, 2002: 143). In addition customers are increasingly expecting the 'complete package' and not the 'one-off' product therefore a complete buying experience needs to be created for customers (Knox, 2000 cited in Harris, Dennis, 2002: 144). For example, when buying a car it's not just about the vehicle but the service elements that form the critical part of the purchase decision, such as regular service plan, courtesy car, insurance and the finance package (Knox, 2000 cited in Harris, Dennis, 2002: 143).

Brands are considered strategic tools and therefore it is not only the task of the marketing departments to promote the brand but rather a holistic company responsibility to focus on building and sustaining the brand (Harris, Dennis, 2002: 144). FNB effectively achieve this holistic strategy by communicating a common message across various social media channels (Seggie, 2012). Corporate branding is important in creating brand reputation as this intangible asset is very difficult to create and substitute (Harris, Dennis, 2002: 145). According to Allden and Harris (2013: 36), to build a strong reputation, the brand must convey the organisations capabilities and commitments through organisational values, people strategies and human resource policies. Reputation is not product or service specific but goes across the complete company portfolio of activities and values (Allden, Harris, 2013).

Following are some of the brand value questions marketing managers need to think about in striving for brand value (Richardson, Evans, 2007: 1; Harris, Dennis, 2002: 106):

- What marketing strategies are implemented on social media to create interaction and engagement with the brand?
- How is brand value expressed on social media (through attributes, benefit, values, personality)?
- What brand strategies are used to express brand values (e.g. market penetration, market development, product development or diversification).

3.6 Values as part of the Marketing Strategy

In creating a comprehensive market strategy banks need to focus on creating values through various service delivery channels (Tandulwadikar, 2011: 6). Harris and Dennis (2002: 124) state that customers are more demanding in the current environment as they demand immediate and effective services through various online technologies. Customers demand multiple products, a range of channels, service offering and advice from a bank they can trust (Harris, Dennis, 2002: 124). According to Mohamed and Daud (2012) buying decisions are made by customers on the basis of promises that go beyond products or services, as emotions play a major role in customer buying behaviour.

As customers are more connected online than ever before, banks can take this opportunity to leverage the power of social media to create much-needed interaction with customers of all age groups (Tandulwadikar, 2011: 3). Customers use social media to share their banking experiences, and banks can benefit from this by listening intently and learning from these customers to improve on product or service delivery (Tandulwadikar, 2011: 3). Thus businesses need to wrap the brand with layers of services that provide the customer with an integrated and complete brand experience (Tandulwadikar, 2011; Viet Ngo, O' Cass, 2010). In the absence of value, customers will buy products or services on the basis of price and conditions (Titko, Lance, 2012: 1037). For value to be meaningful, the customer must perceive it to be meaningful (Cant *et al*, 2006: 12). This however tends to create complexities of coordinating services and managing costs for the organisation (Tandulwadikar, 2011: 4). All that a customer wants is for a company to fulfil their promise of offering quality products or services without constant bombardment of marketing messages (Harris, Dennis, 2002: 166).

"In order to deliver superior value to customers, organisations must become market driven" (Cant *et al*, 2006: 38). Thus value creation of brand within the market strategy is about both internal and external marketing processes (Harris, Dennis, 2002: 160). Internally this is done by creating, developing and maintaining an organisational service culture that is customer driven (Harris, Dennis, 2002: 160). To sustain this internal environment marketers need to focus on providing value added service, employee training, customer help lines, supply chain efficiency and corporate social responsibility activities (He, 2013). Staff training programmes can improve the quality of service offering by ensuring that employees understand both organisation and customer needs (He, 2013: 389). Only through relationship building are existing customers retained and new customers created (Harris, Dennis, 2002: 161). According to Titko and Lance (2012: 1031) it costs much more to attract a new customer than to retain an existing one.

As customers learn to use technology with different devices, buying power is firmly shifted to the hands of the buyer as they can easily seek out and extract values from a brand rather than the other way around (Oestreicher-Singer, Zalmanson, 2013: 593; Titko, Lance, 2012). According to Radebe (2012) when FNB launched their new online banking website, many unhappy customers of the bank raised their opinion over the various social media platforms. Most of these concerns were relating to the usability, design, navigation and functional issues (Radebe, 2012). This lead the bank to revamp their website and make the necessary changes to meet and satisfy their customer needs. Changes were made to the layout and design to make it more user-friendly and intuitive (Radebe, 2012).

In an ever changing economic environment, both the internal (changes in management, changes in processes) and external (competitors' offers, customer reference group influence) components have an impact on the customer perceived value (Ivanauskienė, 2012: 77). Marketers therefore need to continuously analyse customer needs and how customer perceptions change or are likely to change and create a higher value offering than those of competitors (Ivanauskienė, 2012: 77). Organisations need to analyse the market on the basis of strengths and weaknesses of competitors, the economic and technological components affecting the market, and the current customers in the market (Cant *et al*, 2006: 13). Based on the gathered data, organisations can identify the different groups or segments and target these to better provide value (Cant *et al*, 2006: 13).

In order to implement a customer oriented marketing strategy, buy-in from management is essential to the cause (Harris, Dennis, 2002: 160). According to Cant *et al.* (2006: 14) customers change their mind and behaviour all the time therefore the strategy implemented needs to be adaptive in accommodating these changes. In order to achieve higher value, Trammell (2010: 25) suggests that companies should consider speaking to customers by means of surveys, amongst other methods, in order to determine the likely products or services that are appealing to them and acting based on the results. These can be online surveys or physical copies handed to bank's customers standing in a queue at the bank (Titko, Lance, 2012: 1037).

3.7 Conclusion

Marketing managers need to have a deeper understanding of their functional, social and brand values in order to create customer oriented value. Banks therefore need to adapt both cost reduction and benefit creating strategies as value affects every part of the business that customers interact with. Only when value is aligned to the organisation's core business process and is part of the marketing strategy can new and existing opportunities be realised. On the other hand marketing managers also need to understand value from a customer's perspective in order to understand customer buying behaviour and decision making patterns. Therefore creating a customer relationship is important in encouraging brand loyalty as customer emotions play a major role in creating buying behaviour. All that a customer wants is a product or service that meets their needs. Thus organisations need to ensure that customer satisfaction is achieved through frontline staff, technology and technology solutions. Frontline staff plays a key role in ensuring that customers have the correct information so that they are in a better position to make buying decisions. Integration of value creation as part of the marketing strategy is a challenging task for many businesses, but this can be achieved through a culture of innovation.

3.8 Key issues raised in Chapter 3

- When creating strategies marketers need to understand value with respect to both the firm (value-in-offering) and customer (value-in-use) perspectives in order to match what customers say they value and what managers want to create for customers (Viet Ngo, O' Cass, 2010; Mroz, 2013). The various stakeholders of the business that are affected by this value include customers, employees, investors and suppliers (Viet Ngo, O' Cass, 2010: 500). This knowledge will assist marketers to incorporate value within the product and service offering (Viet Ngo, O' Cass, 2010).

- From a business perspective, organisations that want to stay ahead of the competition need to think more broadly about product and service innovation (Shamah, 2012; Viet Ngo, O' Cass, 2010). However this can only be encouraged through a culture that believes in innovation, new ideas and customers oriented marketing (Viet Ngo, O' Cass, 2010).

- Some of the general values organisations need to strive for include; product and service quality; trust creation; empowering leadership and a continually improving culture (Mroz, 2013; Viet Ngo, O' Cass, 2010; Ivanauskienė, 2012; Ofori and Sackey, 2010; Chan *et al*, 2010; Accenture Report, 2011; Chikandiwa *et al,* 2013).

- Customer satisfaction is based on three psychological elements; cognitive (thinking and evaluation), affective (emotional, like and dislike) and behavioural (current and future actions) (Titko, Lance, 2012: 1034). Marketers can use this information to best meet customer needs and create a product or service that is differentiated from competitors (Ivanauskienė, 2012). Furthermore customers value organisations that show real concern for their satisfaction and well-being (Harris, Dennis, 2002: 319; Tandulwadikar, 2011: 7).

- Functional, brand and social value are essential business components that impact brand loyalty as customers search for products and services that satisfy their need and aim to solve their problems (Ivanauskienė, 2012).

- It is essential that banks clearly define the areas they want to focus on for value generation in order to create a comprehensive marketing strategy (Tandulwadikar, 2011: 6). Banks need to wrap the brand with layers of services that provide the customer with an integrated and complete brand experience, so that value is easily visible to customers (Nicholls, 2006). Only once customer problems are solved through technology and technological solutions, will customers perceive this value proposition as meaningful (Cant *et al*, 2006; Viet Ngo, O' Cass, 2010).

- Some of the key questions raised in the different sections of this chapter will be used in the marketer's questionnaire in analysing the value proposition used by the banks selected for the research. The questions raised in this chapter are summarised in Annexure 2.

Chapter 4 - Uses of social media channels within banks in support of building brand loyalty

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This chapter focuses on the uses of social media and how banks can expose their brands through awareness to driver customer interactions. Social media integration as well as concerns of security, privacy and regulatory requirements is also explained. Social media techniques which banks can use to create brand loyalty are discussed to get an understanding of what may or may not work given the high regulatory banking environment.

4.1 Introduction

Social media has the ability to generate more customer engagement than traditional advertising media and presents new opportunities for promotion and brand-building for marketers (Tandulwadikar, 2011: 1). According to Sterne (2010:18), in exposing the brand through advertising, marketing and sales, the first step is being seen and raising an awareness so that the brand is easily recognisable to customers through images, logos, ideas and even sound. Social media is a tool that can achieve this as it creates brand awareness through online exposure and creates a form of investor transparency amongst the different stakeholders (MHP Communication, 2011: 5). Communication on social media is about listening to your customers and building meaningful relationships with them (Lee, 2011: 8). Today, customers want to

interact with businesses via their chosen means of communication, be it Twitter, Facebook or YouTube (Lee, 2011: 8). Thus it is essential that companies react with a strategy that will highlight the company's core brand attributes that are in the interest of the customer (Lee, 2011: 9).

4.2 Exposing the brand through awareness to driver customer interactions.

According to Kelly (2013: 35) "exposure is the measure of the brands' reach". Exposure is about showing the brand to as many people as possible through public relations activities, banners and pay-per-click advertising (Kelly, 2013: 35). The more exposure the brand gets, the more opportunities it creates for sales (Kelly, 2013: 35). Brand awareness is a result of exposure that creates brand-choice probabilities for customers through advertising strategies (Kathuria, Jit, 2009: 125). Brand campaigns need to be created and delivered in a way that will create a thought, feeling or emotion that can then be translated into brand preference (Champoux *et al*, 2012; Kuikka, Laukkanen, 2012; Panchal *et al*, 2012). If the marketing of the product does not create any emotions for the customer than it will simply remain a product rather then become a brand (Champoux *et al*, 2012).

According to Chikandiwa (2013: 146) organisations can use social media channels for advertising, brand management, entertainment, handling customer complaints, knowledge sharing, lead generation, new product development and sales creation. According to Kelly (2011, cited in Lee, 2011: 9) the following are some ways organisations can encourage social media interaction:

- By listening and responding to what people care about.
- Demonstrating behaviours that are compelling, true, authentic and transparent.
- Creating an engaging relationship with individuals by understanding their wants and not what the brand wants.

Even though social media is a good source of information on products, it is less seen as a direct means of communication for many customers (MHP Communication, 2011: 3). Social media still has some of the lowest advertisement response rates according to Gillin (2009: 97), as people use social media to connect with people and not brands. Members are however still more willing to share information on social media sites than any other online forum (Gillin, 2009: 97). With this knowledge, management can create clever brand campaigns on social media platforms so as to promote collaboration, joint learning and speedy exchange of

information among customers (Tandulwadikar, 2011: 4; Purkait, 2012). Marketers thus need to create a brand experience that makes customers feel part of the brand (Panchal *et al*, 2012: 83; Nasermoadeli *et al*, 2013).

In order to create this experience marketers need to understand how customers use social media and what they use it for (Sterne, 2010; Accenture Report, 2011). Brand loyalty can stem strongly from word of mouth especially through Twitter that has the ability to rapidly spread information through retweets and comments (Solis, 2010; Chikandiwa *et al*, 2013: 372; Goldstuck, Wronski, 2014). Loyal customers not only want to use the company website but they want to be associated with the company and tell others about it (Tandulwadikar, 2011: 2; Kathuria, Jit, 2009). The following are some the ways social media is used by customers (Accenture Report, 2011; Chikandiwa, 2013; Sterne, 2010: 151);

- Connecting with people i.e. friend, family and colleagues.
- For entertainment and gaming.
- Knowledge sharing.
- Information gathering.
- Raising complaints and issues.

Customer trust is only achieved by setting expectations and consistently achieving them (Tandulwadikar, 2011; Zutshi *et al*, 2014). Trust is then translated into credibility when businesses continually provide services above customer expectations (Chu *et al*, 2012: 1274; Purkait, 2012: 405). It is this established credibility of the company's social media network that makes people recommend the products and services to their friends and family (Gillin, 2009: 32). According to Hunt (2014) and Lee (2011) in order to effectively plan, manage and implement social media activities, the following need to be managed on the platforms:

- Creating valuable social media content - Valuable content is possibly the most important thing that can encourage online interaction on social media (Hunt, 2014). This can be created by providing useful links and content on product or service that will help customers make an informed decision (Weber, 2007: 83; Hennig-Thurau *et al*, 2013: 320). Any content used on social media, needs to be fun, informative, inspiring or even controversial, so as to enrich customer experience and create future interactions (Hunt, 2014). YouTube is a perfect platform for brands to develop brand loyalty by creating content focused videos that is useful for customers (Gillin, 2009: 126). Due to content focused strategy used by

FNB, they have an average of 15 000 conversations a month with existing and potential customers interacting on social media of which an average of 60% of interactions are positive (Seggie, 2012). These relationships can create goodwill for the bank with a library of valuable information that can be used to further enrich customer experience and future growth (Chikandiwa, 2013; Sterne, 2010: 151).

- Create community interaction on social media - Once a social media community is created, the aim is to build customer relationship and engage conversations by providing something of value (Tandulwadikar, 2011: 7, Lee, 2011). Exciting content on social media will create conversational opportunity which needs to be actioned to create two way dialogue (Hunt, 2014). Companies need to focus on running brand campaigns that are fun and exciting, create positive image in the market and stimulate community discussions (ABA Bank Marketing, 2011: 23; Hunt, 2014). Twitter's instant messaging ability can be used by banks to create two way dialogues and create this personal attention for customers (Gillin, 2009: 127). To ensure that this engagement strategy works well for FNB, they have a 14 hour social media interaction across their various social media channels (Seggie, 2012).

- Target specific social media users – According to Lana (2014) as of mid-2013, about 10 million smartphones have been sold in South Africa. That means one in five mobile phones in use in South Africa is a smartphone (Lana, 2014). Thus of the 52 million people in South Africa 19.2% of the population use smart devices (Lana, 2014; Goldstuck, Wronski, 2014). There are 9, 4 million active Facebook users and 5, 5-million Twitter user in South Africa of which 87% of Facebook users and 85% of Twitter users are accessing social media on their phones (Goldstuck, Wronski, 2014). Based on these facts marketers need to expose their brand through clever brand campaigns and applications (apps) to engage various groups of people (Hunt, 2014).

- Hiring full-time social media experts – Additionally full time experts can be hired to offer advice and provide useful information to community members to enrich conversations and dialogue (Weber, 2007: 83). These experts are called influencers that tend to be users of a social network with many followers (Tandulwadikar, 2011: 3). The categories of influencers include celebrities, technology gurus and experts within their particular field (Tandulwadikar, 2011: 4). The online social media environment should be a place for organisations to provide information, allow for interconnectivity, draw likeminded people and create transactions (Weber, 2007: 85).

- Feedback process - Acquiring customer feedback and understanding their wants and needs is an integral part of meeting customer needs (Lee, 2011: 9). By listening and responding to people on social media through timely feedback can build on relationships (Kelly, 2011, cited in Lee, 2011: 9). This approach improves on delivery of product or service offering and creates loyal customer base (He 2013; Chikandiwa *et al,* 2013).

4.3 Integration of Social media channels within the Banking Environment

In its most simple form all that a bank requires to setup a basic network and social media 'presence' is a computer and an internet connection (KPMG Report, 2012: 10). With this profiles can be created, dialogue can be initiated and sentiment can be tracked on the most basic levels (KPMG Report, 2012: 10). However in order to integrate social media as part of the overall marketing plan, banks need to involve other departments in the process (Chikandiwa *et al,* 2013: 378). This will require banks to breakdown the use of old school communication approaches and become more customer centric (Dickinson cited in KPMG Report, 2012: 13). Thus integration marketing is a cross-functional process of managing brand profitability by bringing people and corporate learning together in achieving organisational goals (Chikandiwa *et al,* 2013: 378; Ivanauskienė, 2012). A brand that practices integrated marketing ensures that values of function, promise, and process are part of the strategy (Titko, Lance, 2012: 1035; Ivanauskienė, 2012). According to Altes (2011:60) social media is an important component that needs to be part of the overall business strategy, especially marketing, public relations and communication strategies. It further needs to be developed to reflect and adapt to market needs (Solis, 2010:9). The aim of this strategy should be to create a community of loyal customers through collaboration (Solis, 2010: 9).

The first step is to identify business goals and to integrate these with the different social media channels accordingly (Altes, 2011:60). For example, a typical goal might be to increase product awareness, customer engagement, improve company reputation or to improve customer retention. Based on these goals, the target audience needs to be identified from the general public (Altes, 2011:60). The choice of social media tools depends on the type of customers a bank is targeting (Chikandiwa *et al,* 2013: 372). For example, if targeting business-to-business, customer's blogs are more preferred; however Twitter and Facebook have a much higher usage among bank's customer (business-to-customer) (Chikandiwa *et al,* 2013: 372; Goldstuck, Wronski, 2014).

The next step is to match this product or service offering with the social media channel(s) that will best provide exposure (Altes, 2011:60). According to Chikandiwa *et al,* (2013: 372) people of all ages find similar value on social media platforms, but the younger generation is more creative and resourceful in unlocking the full potential (Gillin, 2009: 110). Therefore marketers need to look beyond Facebook and Twitter to target different niche markets that fit the customer (Goldstuck, Wronski, 2014; KPMG Report, 2012). Additionally it is important to gain consensus from management and support from different stakeholders of the business in order to create strategy buy-in (Roblek *et al*, 2013: 555; Purkait, 2012: 407). Any strategy that is implemented needs to be measured to ensure that required funding and resources are properly allocated (Tandulwadikar, 2011: 8; Chikandiwa *et al,* 2013: 374).

To create real value through social media integration banks need to target segments of customers, cross sell products, provide customer services and improve customer relationship management (CRM) capabilities (KPMG Report, 2012: 10). All this will require technology solutions, infrastructure development and process creation (KPMG Report, 2012: 10).

According to Chikandiwa (2013: 95) there are different levels of integration and marketers need to be aware of these. The first is integration of social media strategies with marketing strategies and the overall business strategy (Chikandiwa, 2013: 95). The second is integration of technology with the existing media channels and third is integration of functions or departments like call centres with social media, customer relations and human resources (Chikandiwa, 2013: 95). Most banks are structured in silos, meaning customer data is stored on multiple systems and databases (KPMG Report, 2012: 10). For example, mortgage division, retail banking, wealth management and so on (KPMG Report, 2012: 10). Integration of all this data into a single repository is not an easy task for most banks (KPMG Report, 2012: 10). This will require technology upgrades and systems that can manage real time processing (KPMG Report, 2012: 10).

Once integration is achieved then using social media for different market segments becomes an achievable task (KPMG Report, 2012: 10). This transformation process however, will require banks to transform the way they collect, analyse and share data across the enterprise (KPMG Report, 2012: 10; Wilson, *et.al,* 2011: 23). Internally use of social media unlocks communication channels that provide a range of opportunities for banks to share knowledge, lead generation, product development, improve communication processes and to streamline procedures (MHP Communication, 2011: 4; Chikandiwa, 2013: 146). Furthermore the CRM

system will also require management to put rigorous controls, streamline processes and create governance frameworks to ensure that data is properly managed and secured (KPMG Report, 2012: 10).

4.4 Concerns of security, privacy and regulatory requirements

Social media usage without strategies and policies can have an effect on brand image and reputation (Chikandiwa *et al*, 2013: 374). Therefore it is important to identify which networks are important to the brand and the business before engaging the customer (Solis, 2010: 15). According to Roblek *et al.* (2013: 555) social media integration creates fresh new opportunities for organisations but also brings challenges and risks in developing these new communication channels. Only by understanding where the conversations are taking place can customer dialogue be created to reach the appropriate person (Solis, 2010: 15).

Many organisations limit the use of social media due to perceived danger of damage to reputation and the lack of control over online conversations (Harvard Business Review Report, 2010: 7). The reason behind this concern is that, the South African social media industry is very much immature and there are very few experienced and qualified social media experts in the industry (Chikandiwa *et al*, 2013: 375). This could be another reason why banks prefer in-sourcing their social media function rather than outsourcing (Goldstuck, Wronski, 2014).

The banking sector is very strict about customer information on social media platforms and is regulated by strict legal policies that protect both the bank and consumers (Chikandiwa *et al,* 2013: 375). The challenge is to create customer value on social media whilst remaining compliant with privacy laws, governance policies and data management regulations. (KPMG Report, 2012: 11; Chikandiwa *et al,* 2013: 375). The major concern is banks cannot readily give advice as there are policies and processes that need to be followed (Chikandiwa *et al,* 2013: 375). Despite the regulatory policies that are in place, banks still fear the loss of customer information and identity on social network sites (KPMG Report, 2012: 11; Chikandiwa *et al,* 2013: 375). Customers therefore need to be educated on the risk of using social media and made aware of the impact it has on the brand (Gable *et al*, 2008; Chan *et al*, 2010).

Companies therefore focus more and more on creating outsourcing partnerships that drive significant business transformation and yield greater levels of business benefits (Sambasivan, 2012: 10). Furthermore, 'a bring-your-own-device' (BYOD) trend is being encouraged in the workplace to create connectivity and collaboration (He, 2013: 381). "Unfortunately, the

increasing popularity of accessing social media using different devices has attracted the attention of many online criminals" (McAfee, 2012; Shih *et al*, 2008 cited in He, 2013: 382). It is connecting through these devices that compromise company security (He, 2013: 383). This impacts user privacy, financial loss and information theft (He, 2013: 382).

According to He (2013: 382) and Chikandiwa *et al.* (2013: 375) social media sites are more vulnerable to malware than other delivery channels especially through mobile devices due to their weak defence capabilities. Additionally some customers disclose their personal information on social networks risking their identity which may have a negative impact on the bank if this information is exposed (Chikandiwa *et al,* 2013: 375). Companies therefore need to continually educate their customers and inform them on the potential damages caused on social networks (Chikandiwa *et al,* 2013: 375). Company data is more widely distributed across different devices than ever before thus information technology (IT) departments constantly need to work towards securing this corporate data (He, 2013: 383).

Due to high levels of mobility of devices and various access points it is very difficult for the IT department to obtain a comprehensive audit trail on different interactions (He, 2013: 383). For example, IBM has banned its employees from using Apple's latest iPhone feature called 'Siri' over fears that Siri will send sensitive business information to Apple headquarters (He, 2013: 384). Organisations need to find ways to mitigate the security risk by analysing the social media access points and identifying consequences of data breaches such as identity theft, financial fraud and information loss (Butler, 2007: 524). Variety of security attacks or risks associated in using social media occur through mobile devices and third party applications (apps) (He, 2013: 388). For example, there are many infected applications that are found on the official Android market that users are unaware of and can affect user security (Lookout, 2011 cited in He, 2013: 388).

Phishing scams are another form of risk through which malicious links on social networks are sent in the form of fake social media accounts, repackaged applications (apps), fake antivirus software, fake survey and fake friendship invitation by attackers (He, 2013: 388). Phishers typically pose as legitimate organisations in sending deceptive messages to online users (Butler, 2007: 517). These spam, scams and malicious adverts on social media sites use sensational stories, information on hot topics and shortened uniform resource locator (URLs) to trick users into visiting malicious websites (He, 2013: 388). According to Harvard University research phishing attacks are successful due to the lack of user knowledge regarding phishing

threats (Butler, 2007: 520). This is done in the form of visual deceptions, lack of awareness of security features and absence of security indicators (Butler, 2007: 520). Furthermore Purkait (2012: 384) suggest the following phishing countermeasures that can be deployed to prevent threats:

- Stop phishing scams at the e-mail level through monitoring tools.
- Enforce using security and password management toolbars.
- Visually differentiate phishing sites from original web sites.
- Implement multi-channel and user authentication process.
- Provide anti-phishing training and legal solutions for employees.

Another form of risk is 'targeted attacks' where online criminals gather user information through social media and mobile data profiling in order to create specific malicious content catered to individuals' personality or interests (Zhang, 2011 cited in He, 2013: 388). Targeted emails with a web link are sent out to these users with the aim of gaining personal information (Butler, 2007: 526). Once this information is gathered, it is then used to scam the individual through identity theft and financial losses (Butler, 2007: 517). "More than monetary loss users may lose their confidence in the system and in their banks if they fall victim" (Purkait, 2012: 384).

Botnet is another method that is used by attackers to steal personal data, harm business operations, attack online services in the network and perform other harmful acts (He, 2013: 388). This is where mobile devices are used as bots in the bot networks to perform these malicious actions (He, 2013: 388). These create concerns of privacy invasion through the use of social media and social applications (He, 2013: 388). For example, the "find friends" feature of the Twitter mobile app did not inform users that their address book information is being downloaded when they use this feature (Arkin, 2012 cited in He, 2013: 388). This threat can be prevented through the use of anti-phishing browser toolbar, firewalls and anti-virus software that determines whether a site is safe by using a variety of technologies, including a database of known phishing sites (Butler, 2007: 527).

In order to effectively use social media in the banking environment, banks need to have a security and protection policy with a cost analysis function in place (He, 2013: 389). This policy should clearly state which devices and access points will be allowed access to the corporate network and corporate data (He, 2013: 389). Furthermore a social media usage policy

needs to be available on all company media sites (Butler, 2007: 526). This will effectively highlight consequences of not following the policy and the guidelines for organisation's security (Butler, 2007: 526). In addition, employees should also sign a service agreement document to pledge compliance to these policies (He, 2013: 389). For example, Intel asked their employees to sign a service agreement before they were allowed to use their personal devices at work (He, 2013: 389). Security policies can only be enforced by continually monitoring and auditing usage and access points of social media interactions (He, 2013: 389). According to He (2013: 389) the weakest link in a security chain is the human aspect. Therefore proper user education and training programs need to be set up to help employees understand social media usage policy and the need for employee service agreement (He, 2013: 389).

4.5 Social media techniques banks can use to create brand loyalty.

Generating online loyalty is about understanding the psychology and sociology of the customer, as the same values that make us loyal to one another also make us loyal to a brand (Kathuria, Jit, 2009: 123; Liu *et al,* 2011). Cant *et al* (2006: 155) states that customers try different brands and low-cost items in the absence of prior knowledge. However they learn buying behaviour through trial and error process, as buying one product may result in a more favourable outcome than from another (Cant *et al*, 2006: 155). Therefore the key marketing task is to encourage people to buy or consume products while ensuring this will lead to some form of reward (Cant *et al*, 2006: 155). For example, coupons, free samples, point of purchase display and price reduction are often used to encourage trial behaviour (Cant *et al,* 2006: 155).

People prefer to be part of different social media networks as they like to belong to certain communities (Weber: 2007:198). Furthermore social media make building relationships easier, faster and cheaper (Benamati, Serva, 2007; Harvard Business Review Report, 2010: 2). Timing is however different for different customers as trust is built at different levels and at a different pace (Benamati, Serva, 2007: 162). Banks, through business activities, need to convince their customers that they are acting in their best interest, as customers have reasons both to trust and distrust organisations that deal with their money, especially through the use of technologies (Benamati, Serva, 2007: 162).

There are a number of different ways that loyalty programs can be designed to reward loyal or incrementally spending customers (Gable *et al*, 2008: 34). These are usually developed by focusing on target groups of customers whose continued support is critical to bottom line performance (Gable *et al*, 2008: 34). Additionally these loyalty programs do not merely focus

on efforts to increase sales revenue but are intended to increase customer retention, which would then improve financial results and profit margins (Gable *et al*, 2008: 34). Organisations that spend the time in building relationship with their customers can create long-term relationships and build brand loyalty (Gable *et al*, 2008: 34).

These programs can be structured with a range of 'hard' and 'soft' benefits so as to encourage frequent buying and increase purchases as well as create repeat buyers (Gable *et al*, 2008: 36). Hard benefits are generally economic benefits, for example, providing special discounts, coupons or rebates for past purchases and money saving options on future purchases (Gable *et al*, 2008: 36). Whereas the soft benefits or reward are not generally of an economic nature, although they can be highly valued by customers (Gable *et al*, 2008: 36). These are benefits that go beyond the financial component and focus on special conveniences or information that facilitates the business transaction between customers and the organisation (e.g. special invitations, exclusive 'after-hours' shopping times, use of privileged information and many others) (Gable *et al*, 2008: 36). According to Gable *et al* (2008: 36) soft rewards are much more successful as they provide a more personal product experience. The key to a successful reward system it to ensure that the program is highly desirable to customers and difficult for competitors to copy (Gable *et al*, 2008: 36). For example, FNB's eBucks and Standard Bank's UCount rewards programme encourages existing customer to earn reward points for doing everyday things like shopping, filling up fuel and loading airtime (FNB, 2014; Standard Bank, 2014).

According to Erdomus and Cicek (2012: 1355), these loyalty programs (reward schemes) can be used on social media channels to encourage interest and create brand loyalty. For example, both Pepsi and Coca-Cola use this strategy effectively to engage their customers on social media (Erdomus, Cicek, 2012: 1355). Furthermore, participation can be encouraged by incorporating rewards in the form of participation points, web comment rating and some form of online recognition (Wilson, *et.al,* 2011: 23). By creating an incentive for customers to engage with the company, continuous two-way dialogue is stimulated which is beneficial in gaining customer views and gathering customer data (Gable *et al*, 2008: 34; Erdomus, Cicek, 2012). The aim of these programs should be to enhance product, service and customer experience through information and advice from experts (Gable *et al*, 2008: 40).

According to the KPMG Report (2012), Accenture Report (2011), Gable *et al*, (2008), Rootman *et.al* (2011), Tandulwadikar (2011); Mitic and Kapoulas (2012) and Hennig-Thurau

et al (2013) following are some of the loyalty marketing strategies that can be implemented to develop effective communications, improve processes, target product development and meet the needs of key customers:

- Target marketing – This is the use of direct marketing mediums to target different customer segments of the population (Hennig-Thurau *et al*, 2013). This approach however needs to be based on customer segments (Accenture Report, 2011: 7). "For example, strategies for student loan customers may vary widely from those designed for private wealth management clients" (Accenture Report, 2011: 7).

- Database marketing – Social media has also enabled organisations to collect rich data about communities and customer segments that allows development of more effective communications and marketing strategies (KPMG Report, 2012: 14). Furthermore valuable process improvements and targeted product development can be established to meet future customer needs (KPMG Report, 2012: 14).

- Frequency marketing – This is the use of awards and benefits to reward customers who purchase frequently (Gable *et al*, 2008). This approach creates frequent customers who are not high-valued due to the incentive and therefore does not build customer relationship (Gable *et al*, 2008: 36).

- Retention marketing – This approach uses advertising and public relations to remind customers about the product or service and the value of using them (Rootman *et.al,* 2011: 185). For example, FNB achieve this strategy through the Steve adverts and Nedbank through the Eugene advert that focus on marketing the various banking products available to the customers (FNB, 2014; Nedbank, 2014)

- Brand marketing – Brand marketing is about using advertising to build value and image for customers that they can be part of (Accenture Report, 2011: 7; Tandulwadikar, 2011: 1). For example, FNB use this strategy effectively by delivering 'always on' channel strategy that focuses on meeting customer needs across marketing, sales and support through its various social media channels (KPMG Report, 2012: 14).

- Relationship marketing – "This approach advocates development of long-term relationships with profitable customers for the purpose of enhancing business value and strengthening organisational competitiveness" (Mitic, Kapoulas, 2012: 699). For example, FNB managed to create value in the market by offering new and existing FNB client's smart devices like smartphone and tablets at reduced rates (FNB, 2014). Whiles Nedbank created a point of Sale solution called PocketPOS (point-of-sale) that enables

customers to securely accept debit and credit card payment via smart phones or tablets (Nedbank, 2014).

Relationship marketing is a tough task as customers are not desperate to form emotional bonds with brands but they do so selectively and only after trust and respect have been proven (Rootman *et.al,* 2011). Despite this, in an online environment loyalty can be boosted by providing personalisation and customisation features that are integrated with service offering (Rootman *et.al,* 2011: 189). Bruno-Britz (2008 cited in Rootman *et.al,* 2011: 189) suggests that customised banking products and services increase customer retention. Personalisation is necessary to satisfy the needs of the different client groups as this has a positive effect on the banks' ability to create relationships (Rootman *et.al,* 2011: 189). The key to providing personalised products or service is to collect customer data through different social media analytical tools and to convert this raw data into knowledge (Accenture Report, 2011: 9; KPMG Report, 2012: 16; Mambrino, 2011; 17).

This information will assist banks to tailor products and services based on customer profiles, for example; they vary their interest rates based on customer's potential profitability and value (KPMG Report, 2012: 26). The right question banks need to be asking is 'how can personalisation technology be used to add value for customers' (KPMG Report, 2012; Rootman *et.al,* 2011: 189; Accenture Report, 2011). Just as different customers have different needs and wants, different people have different levels of tolerance and sensitivity to privacy (KPMG Report, 2012; Rootman *et.al,* 2011). Personalisation is important on the social media websites but needs to be integrated without invading the customer's privacy (Champoux *et al,* 2012: 24; KPMG Report, 2012; Rootman *et.al,* 2011: 200). Strategy plans should not conflict with individual privacy protection as relationship building is about creating trust with customers (Champoux *et al,* 2012: 24; KPMG Report, 2012; Rootman *et.al,* 2011: 200; Tandulwadikar, 2011: 2).

In an online environment trust is difficult to create as it is based on a previous experience of a successful transaction with a predictable outcome (Tandulwadikar, 2011: 3; Viet Ngo, O' Cass, 2010: 505). Only through genuine engagement and constructive dialogue can customer trust be created online over time (Gillin, 2009: 32). Furthermore, employees' ability to conduct tasks on their own also influence bank's client relationships and customer loyalty levels (Ackermann, Van Ravesteyn 2005 cited in Rootman *et.al,* 2011: 189). Therefore a combination of reward schemes and web personalisation can be a powerful tool to drive customer brand loyalty (Gable

et al, 2008; Rootman *et.al,* 2011: 189). Short term brand loyalty can be achieved through discounts and free delivery whereas long-term loyalty takes time as companies have to earn trust by proving value, dependability and respect (Gable *et al*, 2008: 38; Viet Ngo, O' Cass, 2010). For example, FNB deliver their customer's bank cards for free so as to encourage loyalty amongst their customers (FNB, 2014)

In addition Ochman (2009, cited in Gillin, 2009: 32) also states that incorporating social media is about creating communities and nurturing the relationship over time to create value for the future. Below are some of the questions that marketing managers need to think about in creating online brand loyalty (KPMG Report 2012, Accenture Report, 2011, Gable *et al*, 2008, Rootman *et.al*, 2011; Tandulwadikar, 2011; Mitic and Kapoulas, 2012; Hennig-Thurau *et al*, 2013):

- How is the organisation using social media channels to create loyalty?
- Are loyalty programs and reward schemes used in relation to social media channels?
- How is online interaction and customer engagement encouraged on social media channels?
- What social media loyalty marketing strategies are implemented on social media?

4.6 Conclusion

In conclusion, marketing managers need to expose the brand through cleaver brand campaigns to create awareness in the market place. These brand campaigns need to be created and delivered in a way that will create a thought, feeling or emotion for the customer. Social media is a great tool that marketers can use for collaboration, joint learning and speedy exchange of information among customers. The key to creating interaction is by listening to customers, demonstrating value and engaging in constructive dialogues. In order to achieve this on social media, activities need to be planned, managed and implemented. Component of social media content, community engagement, target marketing and social media experts need to be considered.

Internally integration can be achieved by using a customer centric approach with cross-functional process of managing brand profitability. The aim is to identify business objectives and matching this to social media channel(s) that will best provide exposure. Management therefore need buy in to the idea and allocate resources accordingly. Social media integration however creates many opportunities and challenges for business. Many companies fear damage to business reputation and the lack of control on social media. Due to this concern security,

privacy and regulatory process need to be put in place to protect both the bank and the consumers. The implication of loss of user privacy and financial loss can be damaging to business reputation. Companies therefore need to continually educate their customers and inform them on the potential damages caused on social networks.

People learn buying behaviour through trial and error process but interaction created needs to be rewarded in the form of coupons, free samples, point of purchase display and price reduction. Loyalty programs can be created in the form of 'hard' and 'soft' benefits in order to encourage frequent buying, increase purchases and create repeat buyer. Loyalty marketing strategies of target marketing, database marketing, frequent marketing, retention marketing, brand marketing or relationship marketing can be implemented based on the business objectives and needs of customers.

4.7 Key issues raised in Chapter 4

- The chapter identifies the need for marketers to create campaigns that will create a thought, feeling or emotion that can then be translated into brand preference (Champoux *et al,* 2012; Kuikka, Laukkanen, 2012; Panchal *et al,* 2012).

- According to Chikandiwa (2013: 146) social media channels can be used for advertising, brand management, entertainment, handling customer complaints, knowledge sharing, lead generation, new product development and sales creation from a business perspective.

- Customers use social media to connecting with people (i.e. friend, family and, colleagues); entertainment and gaming; knowledge sharing; information gathering and for complains and issues.

- In order to effectively plan, manage and implement social media activities marketers need to create valuable content, engage communities, target users, hire social media experts and provide timely feedback (Hunt, 2014).

- In order to effectively integrate social media within the banking environment, banks need to involve other departments in the process (Chikandiwa *et al,* 2013: 378). Thus an integration marketing approach can be used which involves people from cross-functional departments in achieving organisational goals (Chikandiwa *et al,* 2013: 378; Ivanauskienė, 2012). Additionally it is important to gain consensus from management

and support from different stakeholders of the business in order to create strategy buy-in (Roblek *et al*, 2013: 555; Purkait, 2012: 407).

- To create real value through social media integration, banks need to target segments of customers, cross sell products, provide customer services and improve customer relationship management (CRM) capabilities (KPMG Report, 2012: 10). All this will require technology solutions, infrastructure development and process creation (KPMG Report, 2012: 10).

- Use of social media creates opportunities, challenges and risks in developing these new communication channels (Roblek *et al*, 2013). Thus companies continuously need to mitigate the security risk and threats through the use of anti-phishing browser toolbar, firewalls and anti-virus software (Butler, 2007; He, 2013). Educating and training both internal employees and external customers therefore becomes an essential part of the process (He, 2013: 389).

- Banks can use a range of 'hard' and 'soft' benefits on social media in order to encourage interaction and purchase behaviour as building relationships on social media is easier, faster and cheaper (Gable *et al*, 2008: 36; Benamati, Serva, 2007; Harvard Business Review Report, 2010: 2).

- According to the KPMG Report (2012), Accenture Report (2011), Gable *et al*, (2008), Rootman *et.al* (2011), Tandulwadikar (2011); Mitic and Kapoulas (2012) and Hennig-Thurau *et al* (2013) some of the loyalty marketing strategies that can be used include; target marketing, database marketing, frequency marketing, retention marketing, brand marketing and relationship marketing.

- Some of the key questions raised in the different sections of this chapter will be used in the marketer's questionnaire in analysing the uses of social media in the banking environment in support of building brand loyalty. All the questions raised in this chapter are summarised in Annexure 3.

Chapter 5 - Frameworks and matrices used to measure brand loyalty

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This chapter focuses on identifying and investigating the different frameworks and matrices that can be used in measuring brand loyalty on social media. In doing so the different components that make up brand loyalty are discussed and how these can be used to measure brand loyalty.

5.1 Introduction

In measuring brand loyalty marketers need to remember that social media is an online tool that facilitates conversation, collaboration and interaction with customers (Solis, 2010; Hunt, 2014). Through social media, companies can now directly speak to their consumers whilst customers can raise their views and engage in conversations relating to the product or service (Mitic, Kapoulas, 2012: 670; Radebe, 2012; Trammell, 2010: 25). Marketers therefore need to differentiate between brand components and social media components that influence customer brand loyalty (Punniyamoorthy, Raj, 2007; Lord 2014; Oestreicher-Singer, Zalmanson 2013). According to Punniyamoorthy and Raj (2007: 222); Ivanauskienė (2012) and Kathuria and Jit, (2009) brand components that can influence loyalty include; involvement, functional value, price worthiness factor, emotional value, social value, brand trust, customer satisfaction, commitment and repeat purchase pattern. In building relationships and maintaining brand loyalty on social media, marketers also need to understand social media components that include; registration, frequency, conversation, advocacy, and reward to ensure that customers stay loyal (Lord 2014; Oestreicher-Singer, Zalmanson 2013; Rootman *et.al*, 2011: 185). Once these are known and understood, data extraction tools like HootSuite, Lithium and Google Analytics can be used to gather data and analysis the results (Kelly, 2013: 232).

5.2 Factors that influence customer brand loyalty

"Brands play an important role in the purchasing decision of a product", (Kathuria, Jit, 2009: 122). Customer's subjective and intangible assessment of brands beyond its objectively perceived value is known as brand equity (Kathuria, Jit, 2009: 122). According to Severi and Ling (2013: 125) brand equity is evaluated according to market value of a company's asset and customer's reaction to the brand name. It is this positive perception between the organisation and the customer that encourages brand loyalty (Kathuria, Jit, 2009: 122; Rootman *et.al,* 2011). Aaker (1996 cited in Rios, Riquelme, 2008: 721) states that loyalty is a driver of brand equity rather than an outcome. Additionally customer loyalty is believed to be the foundation of brand equity (Aaker and Joachimsthaler, 2000; Clarke, 2001 cited in Rios, Riquelme, 2008: 724).

Brand loyalty involves both behavioural and attitudinal components (Punniyamoorthy, Raj, 2007: 222; Rios, Riquelme, 2008: 724). The former is measured by repeat purchase and the latter by the positive attitude created by the brand through word-of-mouth in the market environment (Clarke, 2001 cited in Rios, Riquelme, 2008: 724). Twitter is an optimal platform that can encourage word-of-mouth whether it is a customer reaching out to a company or a company sharing information with its customer (Lee, 2011, Gillin, 2009: 127, Solis, 2010). FNB constantly use this platform to interact with their customers to provide information and deal with operational issues (Seggie, 2012). This constant interaction and feedback process with their customers builds on trust and long term loyalty (Seggie, 2012; Benamati, Serva, 2007: 162).

On the other hand Kathuria and Jit (2009: 123) state that behavioural response expressed over time is a function of psychological decision-making and evaluative processes. Brand loyalty is viewed in marketing as a special case where customers have a psychological attachment to the brand entity consumed and therefore customer behaviour can be induced by situational factors such as the lack of available alternatives, high switching cost or a tendency towards inertia (Punniyamoorthy, Raj, 2007: 223). Behavioural indicators are more reliable indicators of measure as it can be represented by data on what the consumer has purchased, but is unclear on which psychological commitment is driving this behaviour of loyalty towards a brand (Severi, Ling, 2013; Nasermoadeli *et al*, 2013). According to Punniyamoorthy and Raj (2007: 222); Ivanauskienė (2012) and Kathuria and Jit, (2009) some of the major influences of brand loyalty are:

- Involvement,

- Functional value,

- Price worthiness factor,

- Emotional value,

- Social value,

- Brand trust,

- Customer satisfaction,

- Commitment and

- Repeat purchase pattern.

In relation to these components of brand loyalty, Aaker (1996 cited in Rios, Riquelme, 2008: 723) states there is a high correlation between perceived value and perceived quantity as a source of brand loyalty. People have different norms, values and beliefs and they respond to a brand that reflects these beliefs (Punniyamoorthy, Raj, 2007: 222). Consequently it is important for brands to engage customers and to deliver something that satisfies and gives them an incentive to be loyal (Punniyamoorthy, Raj, 2007: 222). According to Kumar and Rakshit (2003: 57) consumer purchase behaviour happens in stages such that; a need is created, then information is sourced, alternatives are then considered and finally purchase and post purchase decisions are taken. Thus the online attributes discussed by Rios and Riquelme (2008: 721) are important in meeting these customer needs.

By being aware of relationship marketing banks are better able to meet customer needs and variables that influence their relationship building (Rootman *et.al,* 2011: 185). By understanding components that make up brand loyalty, organisations can adopt the required strategy to ensure that brand loyalty is created and maintained (Rootman *et.al,* 2011: 185). The following are some of the components that influence customer brand loyalty that marketers need to be aware of when creating social media strategies (Punniyamoorthy, Raj, 2007: 224; Rios, Riquelme, 2008: 723):

5.2.1 Involvement

According to Solis (2010: 135) only through brand involvement are brand qualities and characteristics established in the market. "Product involvement is an on-going commitment on the part of the consumer with regard to thoughts, feelings and behavioural response to a product category", (Punniyamoorthy, Raj, 2007: 225). Whereas customer involvement is based on a need, value and interest towards a particular brand that can satisfy their needs (Brakus *et al*, 2009: 53). For a product that is not extensively marketed and exposed, customers may classify

this product as acceptable or unacceptable based on their experience (Brakus *et al*, 2009: 54). If however more than one brand is acceptable, an individual might be exhibiting loyalty to a group of brands rather than to a single brand (Brakus *et al*, 2009: 54). Involvement is therefore an unobservable state of motivation; arousal or interest toward a brand (Punniyamoorthy, Raj, 2007: 225).

5.2.2 Functional Value

As discussed in chapter three, functional values make up the main construct of the product or service (Ivanauskienė, 2012: 79). These are tangibles related to price, service quality, contact personnel, and the value gained from the physical components of the bank (Ivanauskienė, 2012: 80). According to Punniyamoorthy and Raj (2007: 225) functional value is created by attributes such as reliability and durability. Companies that fail to retain customers on the basis of functional benefits will be unable to sustain brand loyalty and retain customers in the long-term (Panchal *et al*: 2012: 83). According to Corporate Social Review (2012) Standard Bank provides functional value by providing many large and small businesses various banking services, thereby facilitating job creation and economic growth. FNB on the other hand aims to satisfy the retail market sector through its innovative and social change strategies (BusinessTech; 2013; Standard Bank, 2012; FNB, 2014). Whilst Nedbank (2014), focus on delivering functional value through product development and retention marketing strategy by getting involved in community projects.

5.2.3 Price worthiness factor

According to Kathuria and Jit (2009: 123) the most common loyalty components in an online product are quality, price and image. Price and cost are key factors for customers in determining a buying decision for a product or service (Ivanauskienė, 2012: 78). Firms selling brands with a high rate of loyal consumers, therefore have a competitive advantage over other firms (Kathuria, Jit, 2009: 123). Thus brand loyal consumers reduce the marketing costs of the company, as the cost of attracting new customers is much higher than retaining old ones (Kathuria, Jit, 2009: 123). Brand's likelihood of using price promotions also increases as the number of competing brands in a product category increases (Kathuria, Jit, 2009: 125). Hence it is important to understand the relationship between consumer brand loyalty and price to encourage desirable purchase behaviour (Kathuria, Jit, 2009: 125). Muller (2012) states that, low banking fees, innovative banking and a rich reward programme have a major impact on customer retention. For example, FNB has adopted this strategy to retain its customers through

its smart account service that allows customers to select a pricing option to suit their banking needs, budget and lifestyle (FNB, 2014; Muller, 2012).

5.2.4 Emotional Value

The utility derived from the feelings or affective states that a product generates, is called emotional value and it plays a big part in customer purchase decisions (Punniyamoorthy, Raj, 2007: 225). According to Ivanauskienė (2012: 81) organisations in the service industry need to aim at developing emotional value, as it is very important in managing customer involvement and perceptions. If organisations are able to create a strong emotional experience with customers, it can be very effective in encouraging future purchases (Fournier, 1998 cited in Nasermoadeli *et al*, 2013: 132). Oliver (1997 cited in Nasermoadeli *et al*, 2013: 132) states that emotion is able to affect customer experience, long-term intention and shape customer's product consumption. Thus successful brand loyalty is only possible when individuals establish an emotional connection with the brand (Solis, 2010: 274). FNB managed to change transacting in October 2011 by offering discounted smart phones, tablets, free data, eBucks and slow lounges services linked to customer's monthly banking costs (FNB, 2014; Muller, 2012). This social innovation strategy adopted by the bank is aimed at influencing customer behaviour and emotions by solving problems that are otherwise difficult to solve (FNB: 2014; Nicholls, 2006).

5.2.5 Social Value

As discussed in chapter three social value creates benefit for people whose urgent and reasonable needs are not being met by any other means (Nicholls, 2006: 56). Additionally it is the utility derived from the product's ability to enhance social self-concept (Punniyamoorthy, Raj, 2007: 225). It is this social effect that determines product reach as customers interact with friends and family through word of mouth (Solis, 2010: 149). These personal beliefs, social integration, as well as opinion from friends and family are what create customer perception of the brand (Ivanauskienė, 2012: 80). Marketers should therefore aim to create social experiences for customers through social networks and community initiatives (Oestreicher-Singer, Zalmanson, 2013: 592). These social activities need to be customer focused, making customers feel part of a social group and therefore influencing their perception of brand value (Ivanauskienė, 2012: 78). For example, Nedbank continuously aim to fill this gap in the market by focusing on environmental awareness campaigns like Green Affinity Programme, education programs for students and customer assistance initiatives that benefit their customers and the community (Nedbank, 2006; Nedbank, 2014).

5.2.6 Brand Trust

According to Brink and Berndt (2005: 30) trust is the willingness to rely on an exchange partner in whom one has confidence. Brand trust is therefore the central construct for any long-term relationship with customers, which is based on confidence in the brand's reliability and intentions (Punniyamoorthy, Raj, 2007: 224). Customers that have higher levels of trust in a brand are likely to be more loyal than those that do not (Punniyamoorthy, Raj, 2007: 225). Only through relationship building, is trust created over time (Ivanauskienė, 2012: 81). In the banking environment many customers focus on the security and the trust factor when choosing a service provider (Ivanauskienė, 2012: 81). Marketers therefore need to be aware that a long-term relationship in a banking environment is based on this emotional factor rather than functional benefits provided by the service provider (Ivanauskienė, 2012: 81). For example, a company may be trusted on the basis of quality but may not be trusted to deliver this on time (Brink, Berndt, 2005: 30). According to 'Ask Afrika Trust Barometer Survey', Standard Bank Group has been acknowledged as the most trusted company in South Africa, due to its commitment to sustainability and innovations in financing renewable energy efficiency programmes (Standard Bank, 2014). This acknowledgement builds on customer confidence and trust which is essential for long-term transformation (Sambasivan, 2012; Standard Bank, 2014).

5.2.7 Customer satisfaction

The ultimate aim of organisations is to ensure that customers that buy their products or services are satisfied (Brink, Berndt, 2005: 48). Customer satisfaction is therefore the degree to which the organisation's product or service matches up with the expectations of the customer (Brink, Berndt, 2005: 48). This is something that is developed over time through personal experience and is associated with standard of delivery (Brink, Berndt, 2005: 30). High levels of service need to be present in the service delivery process to ensure that customers receive what they require and when they require it (Brink, Berndt, 2005: 30). Thus banks need to focus on providing unique banking services through relationship marketing that focuses on customer satisfaction and service quality components (Ivanauskienė, 2012: 81). It is through prior experience, post-purchase behaviour, word of mouth and purchase intention that customers mediate customer satisfaction (Punniyamoorthy, Raj, 2007: 225). Hence, satisfaction over time will reinforce levels of reliability and in effect increase trust (Brink, Berndt, 2005: 30). According to BusinessTech (2013) and Seggie (2012) FNB has the most satisfied customers, based on their ability to provide quality products and services to their customers.

5.2.8 Commitment

Commitment is connected to the notion of trust as this is the desire to maintain a valued partnership with the service provider (Brink, Berndt, 2005: 30). Commitment requires both parties to be loyal, reliable and show stability in the relationship in achieving their individual goals (Brink, Berndt, 2005: 30). This is an attitudinal construct for a customer that deals with customer feelings towards a brand (Punniyamoorthy, Raj, 2007: 226). It is this creation of a mature relationship that encourages this commitment toward a product or a service (Brink, Berndt, 2005: 30). Commitment is one of the necessary conditions in achieving brand loyalty as customers go through a sequential psychological process to become loyal participants (Punniyamoorthy, Raj, 2007: 224). Trust facilitates commitment towards a relationship as perceived risk is reduced over time (Brink, Berndt, 2005: 30). For example, Standard Bank aims to ensure commitment in the market by supporting small and medium farming enterprises through credit financing (Corporate Social Review, 2012).

5.2.9 Repeat purchase behaviour

Repeat purchase refers to the extent to which consumers re-purchase the same brand in any equal-length period of time (Punniyamoorthy, Raj, 2007: 226). Customers who are satisfied with their experience and product or service they purchase, are likely to re-purchase (Brink, Berndt, 2005: 32). On the other hand repeat purchase may also occur due to inertia as customers are not prepared to spend effort and time to search for another brand (Brink, Berndt, 2005: 40). It is by providing customers' satisfactory products and services that repeat purchase behaviour is encouraged and ultimately loyalty achieved (Brink, Berndt, 2005: 90). Figure 1 below displays the discussed components that make up the customer brand loyalty.
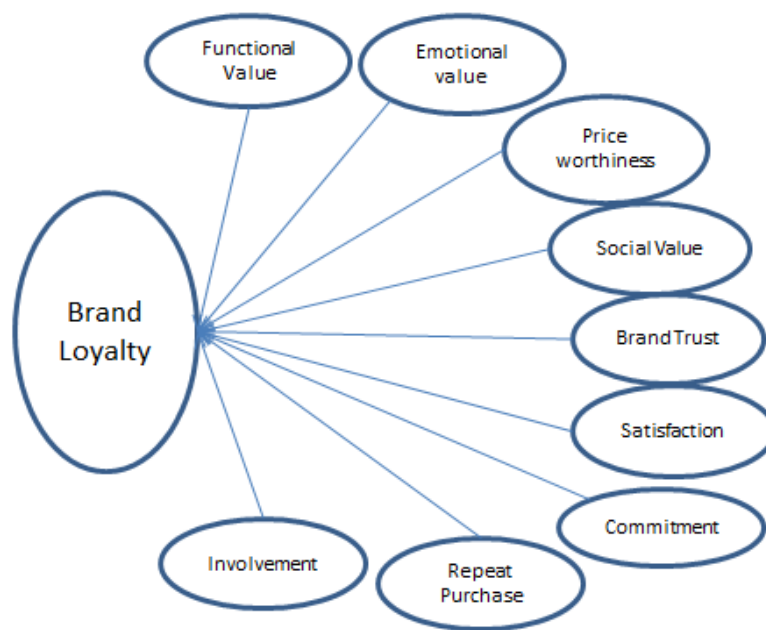
Figure 1: Framework for measuring brand loyalty (Punniyamoorthy, Raj, 2007: 226)

Research by Punniyamoorthy and Raj (2007: 229); and Rios and Riquelme (2008: 727) discuss brand loyalty component questions that can be used by marketers to better understand brand loyalty. These questions in *Annexure 5* consist of brand loyalty elements which include; functional value, price worthiness, emotional value, social value, brand value, satisfaction, commitment and repeat purchase. Additionally, general questions relating to gender, nationality, age and educational levels of respondents are essential in understanding demographic information of customers that interact with the bank (Chikandiwa, 2013: 161; Severi, Ling, 2013: 129; Rios, Riquelme, 2008: 728).

Situational factors such as physical, social, environmental, time and context have been the key explanatory elements to understand consumer purchase behaviour (Punniyamoorthy, Raj, 2007: 224; Rios, Riquelme, 2008). It is these 'time' and 'situation' factors that create this context for analysing brand loyalty (Rios, Riquelme, 2008: 724; Rootman *et.al,* 2011: 189). If analysis of loyalty is important then the loyalty over time is as important (Corsi *et al,* 2011: 111). It is over a period of time that consumers display repeat purchases and exhibit their brand loyalty or dis-loyalty (Rios, Riquelme, 2008: 724; Corsi *et al,* 2011: 111). Therefore developing a measurable situational scale that represents the usage of bank's products and services is vital to the framework (Rios, Riquelme, 2008; Corsi *et al,* 2011). Situational context can be created

based on the social environment and consumer purchase behaviour (MHP Communication, 2011: 4; Hsieh, 2012: 312). Social environment refers to the direct and indirect interaction with the bank or its component (corporate website and social media) whilst consumer purchase behaviour refers to the frequency of use of this product or service over a period of time (Nasermoadeli *et al*, 2013: 131; Roblek *et al,* 2013; Hsieh, 2012). So some key questions that marketers need to be asking are (Nasermoadeli *et al,* 2013; Roblek *et al,* 2013; Hsieh, 2012; Corsi *et al,* 2011):

- What bank would consumers choose when discussing the bank amongst friends and family? Would they pick their bank or make another choice?
- What do consumers do when they realise their bank no longer meets their requirements? Do they switch to another bank or look for value within their trusted bank?

Many companies spend a great deal of effort, time and money in creating new customers but few take the same approach in retaining existing ones (Brink, Berndt, 2005: 33). Companies therefore need to understand the relationship between customer retention and profitability (Brink, Berndt, 2005: 34). According to Kumar and Rakshit (2003: 54) only 10% of buyers of frequently purchased consumer goods are 100% loyal to the brand (Kumar, Rakshit, 2003: 54). Therefore loyalty programmes need to consider the percentage of consumers buying the brand, the number of purchases per buyer, the number of repeat buyers, consumers who are 100% loyal and the number of consumers who are loyal towards multiple brands (Kumar, Rakshit, 2003: 54). Only by understating loyalty component and managing customer expectation carefully can marketers understand what makes customers loyal to their brand (Kumar, Rakshit, 2003: 56; Punniyamoorthy, Raj, 2007).

5.3 Social media components that influence brand loyalty

On the internet, consumer's main interaction points are the various company websites which need to create a positive experience for customers as it has an influence on the consumer's perception of the company (Rios, Riquelme, 2008: 722). As customers do not perceive the website as a separate entity from the business behind it, understanding web/social media components becomes an important task for marketers (Li *et al.,* 2006 cited in Rios, Riquelme, 2008: 722). High levels of awareness and familiarity with brands play a major role in creating brand equity and loyalty (Keller, 2003: 102 cited in Rios, Riquelme, 2008: 721). Brand loyalty, whether online or offline, cannot be created unless consumers recognise and recall the brand, forming associations in their minds (Rios, Riquelme, 2008: 723). Thus marketers need to put

the same level of effort in social media brand promotion that they put in physical stores (Rios, Riquelme, 2008: 723).

According to Punniyamoorthy and Raj (2007: 222) 75% of customers' purchase decisions are based on their attitude and emotion (Punniyamoorthy, Raj, 2007: 224). "Consumers' inability to trust websites has been one of the main deterrents to conducting online transactions", (Rios, Riquelme, 2008: 723). This lack of trust emanates from security/ privacy, electronic fraud and disreputable web pages (Rios, Riquelme, 2008: 724). Customers are primarily concerned about the improper use of their personal data that companies collect and use for marketing purposes (Rios, Riquelme, 2008: 724). There is therefore a need for organisations to create a level of comfort through user education (Rios, Riquelme, 2008; Tandulwadikar, 2011; Shamah, 2012: 357).

Rios and Riquelme (2008: 721) state that any model for brand equity that works for offline products and services will also work for online products and services. Trust and satisfaction become essential components for creating social media loyalty due to the absence of physical stores and physical interactions with company staff (Rios, Riquelme, 2008: 725). It is important to create online brand association for customers in order to build on trust and satisfaction (Rios, Riquelme, 2008). According to Entrepreneur Media SA (2013, cited Standard Bank, 2014) when people read compelling content from a trusted website, they are more likely to share that content and spread the word. Taking these factors in to consideration marketers need to analyse and measure initial customer interaction steps on social media that include; registration, frequency, conversation, advocacy, and reward components (Lord 2014; Oestreicher-Singer, Zalmanson 2013):

Registration/Membership – This is the subscription decision taken by users to join a community or loyalty program (Oestreicher-Singer, Zalmanson, 2013: 611). For example, Standard Bank's UCount and FNB's EBucks reward schemes allow customers to collect rewards points every time they shop with a specific organisation, but registration is required before activation (FNB, 2014; Standard Bank, 2014). The big question for marketers at this stage is; how will the business make customers participate more (Lord, 2014; Oestreicher-Singer, Zalmanson, 2013: 611)? At this stage personalisation of user experience is critical but it is impossible without valuable content as discussed in the previous chapter (Lord, 2014). This step can acquire user behaviour, engagement, and demographic data which can be

analysed and used to create brand loyalty. According to Lord (2014) the following are ways that registration can be driven on social media:

- Creating social media community programs.
- Creating social media loyalty programs.
- Promotions and email campaigns that provide brand information.

Frequency – This is the next level of participation where users revisit the website to engage with the site, content, brand, and more (Lord, 2014). The big question at this stage is; how often do customers come back after registration (Lord, 2014)? Constant engagement is essential for purchase behaviour and ultimately brand loyalty (Podoshen, Andrzejewski, 2012: 323). According to BusinessTech, (2013) and Lord (2014) banks in South Africa are able to generate online customers, but are not able to engage with them, which is essential in creating frequency. In addition engagement period can also be tracked in order to gauge how loyal customers are towards a brand (Lord, 2014). Some ways that frequency can be encouraged (Lord, 2014):

- Reward frequent visitors
- Leverage game mechanics
- Create fresh new content

Conversation – As discussed in the previous chapter the importance of two way dialogue and relationship building is essential for brand loyalty (Hunt, 2014; Weber, 2007). The big question at this stage is; how are conversations driven and stimulated (Lord, 2014)? According to Kelly (2013) sentiment analysis can be used to determine the conversation and the state (positive, negative or neutral) of the tone. According to Goldstuck and Wronski (2012) "only 72% of corporate brands in South Africa measure social media effectiveness based on comments and mentions, while only 40% consider Sentiment Analysis, i.e. evaluating the positive or negative tone of the comments". Furthermore Goldstuck and Wronski (2012) state that understanding these comments may be the key to working out trends and customer preferences. Additionally simple tools like Google Alerts and Buzzlogic are useful in identifying keyword mentions on social networks (Kelly, 2013). Following are some ways to increase purchase-based and engagement-based conversations (Lord, 2014):

- Create clearly defined social media sites.
- Highlight both value and features.
- Agree on priorities and aim to accomplish these through the media tool.

Advocacy – Brand advocacy is achieved when customers publicly vouch for a brand through content sharing, referrals and word-of-mouth (Lord, 2014; Won Kim, Choi Ju, 2013: 149). This approach has increased brand awareness through social networks, reaching new audiences and communities (Lord, 2014). This component can be measured through customer impression, engagement, site visits, conversation and share of voice (Kelly, 2013: 79). Below are some ways to increase customer advocacy (Lord, 2014):

- Provide ways to share content and information on behalf of the company.
- Reward users that share and support campaigns.
- Launch a referral program

Reward/Incentive – As discussed in the previous chapter loyalty programs can be designed to reward loyal or incrementally spending customers (Gable *et al*, 2008: 34). These can be in the form of 'hard' or 'soft' benefits so as to encourage frequency (Gable *et al,* 2008: 34). This step can also be measured by taking account of the number of times a customer is both offered rewards and how this reward its used by the customer (Lord, 2014). Below are some ways to increase participation through rewards (Lord, 2014):

- Make rewards relevant and special.
- Make reward redemption easy and seamless.
- Communicate clearly all the necessary steps required to complete the process.

Below is a diagram that highlights the discussed steps of initial interaction with social media that marketers can use to measure loyalty (Lord, 2014).
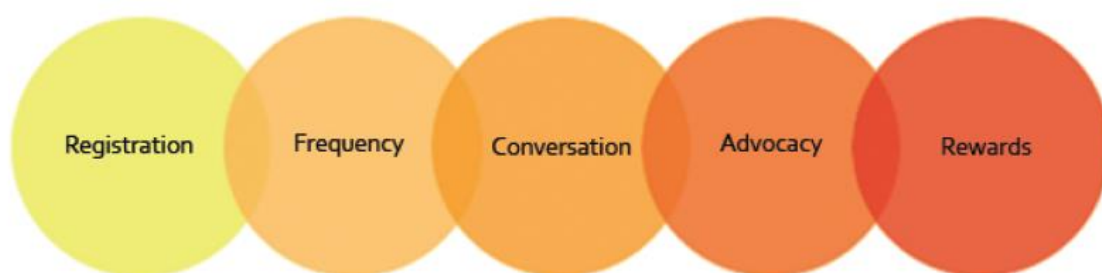
Figure 2: Factors that influence customer brand loyalty on social media

5.4 Framework for measuring brand loyalty

Any form of measurement without context is merely a number, but when compared with company expectations and competitor efforts, it becomes a metric (Sterne, 2010:4). This measurement will then have analytical value, importance and an effect on results (Sterne, 2010:4). Therefore if the metric is central to the well-being of the organisation, it might be considered a 'key performance indicator' (KPI) (Sterne, 2010:4). To be a KPI, it must indicate how well the organisation's goals are being met (Sterne, 2010:4). Therefore without context and specific business goals, the measurements and metrics are meaningless (Sterne, 2010:4). For example, if the goal is awareness, the number of online followers can be measured (Reece, 2010: 241).

5.4.1 Measuring brand loyalty components

In measuring brand loyalty components as discussed, marketers need to figure out ways to analyse data from companies using web analytics software, customer relationship management (CRM) software, online marketing software, social media engagement platforms and the company's reporting system/data warehouse (Kelly, 2013). Most companies already have 85% of the components in place but need to get around the complexity of dealing with multiple systems and platforms (Kelly, 2013).

In measuring brand loyalty components, feedback from both internal staff and external customers need to be collated and analysed (Punniyamoorthy, Raj, 2007; Tandulwadikar, 2011: 4). Sterne (2010:5) states there are only three true business goals and these are; raising revenue, lowering costs and improving customer satisfaction in order to increase sales. Marketing managers therefore need to focus on innovative ways to increase profits and lower expenses (Sterne, 2010:7). Moreover they need to focus on correlating social media's impact on these three key goals so that executives can easily understand contribution to the overall health of the business (Kelly, 2013: 232). Executives measure the success of a strategy based on the financial health of the company that is derived from the return on investment (ROI) assessment (Kelly, 2013: 232). Marketing managers that can demonstrate their ability to solve business problems, implement strategies and successfully measure these strategies will create long-term value for the business (Kelly, 2013: 233).

5.4.2 Measuring social media components

In measuring social media components as discussed above, various measuring matrices can be applied based on the key performance indicator (KPI) being measured (Kelly, 2013; Sterne,

2010: 166). According to Kelly (2013: 79), the core set of metricises that can be used across all social media channels to measure social media components is impression, engagement, site visits, conversation and share of voice. For example, the awareness campaigns can be measured by their ability to increase exposure, which increases engagement and drives conversations (Kelly, 2013: 78). There are no hard and fast rules for measuring brand exposure but there are social signals that can track these through website traffic, search data from branded keywords, video views, number of followers and number of blogs (Bendror, 2013).

Furthermore a sentiment analysis method of analysing text and extracting subjective information can also be used to measure social media brand components (Sterne, 2010: 100). This is used to determine the attitude of the speaker or writer with respect to the topic discussed or the overall context of the text (Sterne, 2010). This approach can be used as a measure of social conversations about the brand in comparison to the competitor (Bendror, 2013). According to Kelly (2013: 60) by understanding brand sentiments, competitor sentiments and industry conversations, customer's thinking process behind purchase decisions can be understood.

Tools such as HootSuite and Google Analytics can also be used by marketers to gather data and do some form of analysis (Kelly, 2013: 232). According to Averkamp (2013), HootSuite, TweetDeck and Spout Social are amongst the top three currently available tools for managing multiple social media profiles or accounts. Administrators can view the feeds; assess status updates and follower replies from different social media platforms within one interface (Averkamp, 2013). Furthermore feeds can be scheduled to be posted on different platforms for future date and time through one centralised platform (Averkamp, 2013). Additionally multiple social media profiles on multiple devices such as web-based applications, mobile applications and desktop programs can be monitored thorough a single interface (Averkamp, 2013).

5.4 Conclusion

In order to effectively measure brand loyalty marketers need to understand factors that influence customer brand loyalty and components that influence loyalty on social media. Brand components that influence loyalty include; involvement, functional value, price worthiness factor, emotional value, social value, brand trust, customer satisfaction, commitment and repeat purchase pattern. Components on social media that influence retention of customers includes; registration, frequency, conversation, advocacy, and reward components as customers do not perceive the website as a separate entity from the business behind it. Due to the absence of

physical stores and physical interactions with company staff, creating trust and satisfaction become important components of loyalty on social media. Customers who are satisfied with their experience and product or service they purchase, are likely to re-purchase, spread positive feedback by word of mouth and be loyal.

In measuring brand loyalty components, data needs to be gathered from the company web analytics software, customer relationship management (CRM) software, online marketing software, social media engagement platforms and the company's reporting system/data warehouse. Social media component can be measured through sentiment analysis tools, HootSuite, Google Analytics, TweetDeck and Spout Social. Information on customer engagement, site visits, online conversations, share of voice, website traffic, search results from branded keywords, video views, number of followers and number of blogs can be collected and analysed through these tools.

5.5 Key issues raised in Chapter 5

- Chapter 5 identifies the need for marketers to understand factors that influence customer brand loyalty and components that influence loyalty on social media (Punniyamoorthy, Raj, 2007; Rios, Riquelme, 2008; Rootman *et.al,* 2011; Lord 2014; Oestreicher-Singer, Zalmanson 2013). It is essential that business objectives are aligned to social media channels and measured accordingly (Reece, 2010: 241).

- Brand components that influence loyalty include; involvement, functional value, price worthiness factor, emotional value, social value, brand trust, customer satisfaction, commitment and repeat purchase pattern (Punniyamoorthy, Raj, 2007: 224; Rios, Riquelme, 2008: 723).

- Components on social media that influence retention of customers includes; registration, frequency, conversation, advocacy, and reward components as customers do not perceive the website as a separate entity from the business behind it (Lord 2014; Oestreicher-Singer, Zalmanson 2013). These online attributes create brand association which builds on trust and satisfaction (Rios, Riquelme, 2008: 722).

- Due to the absence of physical stores and physical interactions with company staff, creating trust and satisfaction become an important component of loyalty on social media (Rios, Riquelme, 2008; Punniyamoorthy, Raj, 2007; Severi, Ling, 2013). It is though brand equity that customers create this subjective perception of the brand (Kathuria, Jit, 2009: 122). Customers' personal beliefs, social integration, as well as

opinion from friends and family are what create this customer perception of the brand (Ivanauskienė, 2012: 80). This created perception is what encourages brand loyalty for customers (Kathuria, Jit, 2009: 122; Rootman *et.al,* 2011).

- Loyalty involves both behavioural and attitudinal components (Punniyamoorthy, Raj, 2007: 222; Rios, Riquelme, 2008: 724). The former is measured by repeat purchase and the latter by the positive attitude created by the brand through word-of-mouth (Clarke, 2001 cited in Rios, Riquelme, 2008: 724). Only by understanding this psychological process of decision making can marketers understand customer buying behaviour (Kathuria, Jit, 2009; Punniyamoorthy, Raj, 2007).

- These customer decisions are based on emotional connection, online experience, responsive service and fulfilment of tasks (Christodoulides *et al.*, 2006 cited in Rios, Riquelme, 2008: 721). In addition situational factors such as physical, social, environmental, time and context also affect consumer purchase behaviour (Punniyamoorthy, Raj, 2007: 224; Rios, Riquelme, 2008).

- Customers will only engage with organisations that deliver something of value and provide incentive to be loyal (Punniyamoorthy, Raj, 2007: 222).

- In creating a brand measure framework it is important to have context, meaningful measure and specific business goals (Sterne, 2010:4). The core goals that business should focus on are raising revenue, lowering costs and improving customer satisfaction to increase sales volume (Sterne, 2010:5).

- The financial health of the company is derived from the return on investment (ROI) assessment which marketers need to manage by analysing various data from the company web analytics software, customer relationship management (CRM) software, online marketing software, social media engagement platform and the company's reporting system/data warehouse (Kelly, 2013).

- Social media component can be measured through sentiment analysis tools, HootSuite, Google Analytics, TweetDeck and Spout Social (Averkamp, 2013; Kelly, 2013: 232). Information on customer engagement, site visits, conversations, share of voice, website traffic, search results from branded keywords, video views, number of followers and number of blogs can be collected and analysed through these tools (Kelly, 2013).

- Some of the key questions raised in this chapter will be used in creating both the marketer's (*Annexure 4*) and the customer's (*Annexure 4*) questionnaires (Punniyamoorthy, Raj, 2007; Rios, Riquelme, 2008).

Chapter 6 - Proposed Conceptual Framework of Brand Loyalty creation on Social Media

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This chapter aims to propose a conceptual framework based on the literature from chapters two, three, four and five. The conceptual framework identifies the components that affect brand loyalty and uses these to measure customer brand loyalty by developing questions for online

customers. The framework also proposes effective marketing steps that marketing personnel need to take in effectively, integrating social media as part of the overall marketing strategy in achieving brand loyalty on social media. The questions for marketing managers are based on the marketing steps identified through the framework.

6.1 Introduction

The literature review identifies a need for an integrated marketing strategy (chapter 2), value creation for customers (chapter 3), use of social media channels in support of creating and maintaining brand loyalty (chapter 4) and understanding matrices - that influence brand loyalty (chapter 5).

This chapter presents a theoretical framework for creating and maintaining brand loyalty on social media. The framework provides guidelines to market strategy creation, customer value creation and uses of social media in support of creating and maintaining brand loyalty. Finally, hypotheses and measures relating to social media brand loyalty are defined.

6.2 Need for Banks to create social media marketing strategy (Chapter 2)

As discussed in chapter 2, the KPMG Report, (2012: 11) states that social media is becoming an important component of the marketing strategy and companies are now seeing the value of creating online brand loyalty in the South African market. The following characteristics need to be present if the use of a social media marketing strategy is to be perceived as successful:

- Companies need to have a social media strategy aligned to core business objectives to create value (Erdomus, Cicek, 2012).

- Social media needs to be used for building brand awareness, investor interactions and for public relations (PR) activities to strengthen customer relationships (Erdomus, Cicek, 2012; MHP Communication, 2011: 5).

- Superior operational services need to be provided through social media by managing customer enquiries and customer sentiments (MHP Communication, 2011, 5).

- Use social media to create online communities by providing timely responses with instant support (Erdomus, Cicek, 2012: 1355; Champoux *et al*, 2012; Seggie, 2012).

- Create transparency by allowing customers to voice their concerns about the product/service and dealing with these issues timely and proactively (Champoux *et al*, 2012: 27).

- Online dialogues provide companies with a cost effective way to increase brand awareness, boost brand recognition and increase brand loyalty (Erdomus, Cicek, 2012: 1355). This is done through networking, conversation building and community engagements (Erdomus, Cicek, 2012: 1355).

- Social media creates opportunities for banks to reconnect with their customers and manage brand publicity through a feedback process (Chikandiwa *et al*, 2013: 376).

- Benefits of social media usage include; brand recognition, community engagement, create repeat exposure, create brand authority, influence opportunities creation, generate web traffic and promote sales (Khan, Karodia, 2013: 10).

- Use a PRAISE framework approach that consists of purpose, research, analyse, implementation, strategy development, and execution to implement a social media market strategy (Reece, 2010: 254).

- Managing activities conducted by the bank, its customer and internal staff is essential in ensuring compliance to regulation and policies (Pry, 2010; Reece, 2010: 259).

- In order to succeed in implementation of social media investment; time needs to be spent listening to customers, developing content, monitoring feedback, researching competitor trends, engaging in conversations, building customer relationships and measuring results (Reece, 2010: 255).

- In the strategy implementation stage, organisations need to decide on keeping the social media function in-house or to outsource it to an agency (Reece, 2010: 259).

6.3 Characteristic of creating customer value in driving loyalty (Chapter 3)

Marketers need to create customer value in order to create an organisation's long term success (Ivanauskienė, 2012: 75). The following guidelines should be used to successfully create value in order to drive customer loyalty:

- Align value to organisation's core business process to realise new and existing opportunities in the market (Allden, Harris, 2013: 42).

- Value creation should be aimed at all the stakeholders of the business that include customers, employees, investors and suppliers (Shamah, 2012: 357).

- Encourage culture of innovation, new ideas and customer oriented marketing to drive future product/service growth (Viet Ngo, O' Cass, 2010: 500; Mroz, 2013; Allden, Harris, 2013).

- Hire qualified and emotionally adept staff that can create positive customer interactions and future relationships (Seggie, 2012; Titko, Lance, 2012: 1037).

- According to Mroz (2013); Viet Ngo, O' Cass (2010); Ivanauskienė (2012); Ofori and Sackey (2010); Chan *et al* (2010); Accenture Report (2011) and Chikandiwa *et al* (2013) some general values that organisations should strive for include; product and service quality, trust creation, an enjoyable culture, empowering leadership, continuous process improvement and improved service delivery process.

- Companies need to take a more collaborative approach with customers in creating value that meets their individual and dynamic needs (Prahalad and Ramaswamy, 2000 cited in Chan *et al,* 2010: 48).

- Create emotional (affective) value through product/service reliability, transaction security, friendly staff and positive interaction process (Ivanauskienė, 2012: 75).

- Customer satisfaction needs to be created through; access points, service delivery, frontline staff, technology and technology solutions (Rostamy 2009 cited in Titko, Lance, 2012: 1034; Cant *et al,* 2006; Viet Ngo, O' Cass, 2010).

- Create functional value through the brands' quality, reliability, warranty, added service and the personnel professionalism that make up the construct of the product or service (Ivanauskienė, 2012: 79).

- Segment customers based on buying behaviour, attitude traits, technology awareness (online activities), lifestyle and level of customer financial awareness (Chikandiwa, 2013; Okazaki, Taylor, 2013).

- Create superior service offerings through easy access points, rapid response, and relational nurture between the company and its customers (Viet Ngo, O' Cass, 2010: 505).

- Create social value through social added value, social change, social innovation and systematic change (Nicholls, 2006: 66).

- Create brand value through its attributes, benefits, value and its personality (Kotler *et al* 2001 cited in Harris, Dennis, 2002: 133).

- In sustaining value; staff training programmes, customer help lines, supply chain efficiency and corporate social responsibility activities are essential (He, 2013).

- Creating customer relationships is important in encouraging brand loyalty as customers' emotions play a major role in creating buying behaviour (Mohamed, Daud, 2012).

6.4 Uses of Social Media to drive brand loyalty (Chapter 4)

The following guidelines should be followed in successfully using social media to create brand loyalty:

- Create a goal for a product or service offering and match this to social media channel(s) that best achieve the goal (Altes, 2011:60; Chikandiwa *et al*, 2013).

- Create brand awareness and exposure through brand images, ideas, logos and even sound (Sterne, 2010:18).

- Use social media for advertising, brand management, entertainment, handling customer complaints, knowledge sharing, lead generation, new product development and sales creation (Chikandiwa, 2013: 146).

- Listen and respond to people in a true, authentic and transparent manner that will create engaging relationships with individuals (Kelly, 2011 cited in Lee, 2011: 9).

- Use social media campaigns to promote collaboration, joint learning and speedy exchange of information among customers (Tandulwadikar, 2011: 4; Purkait, 2012).

- Understand customers, as they use social media to connect with people (friends, family and colleagues), for entertainment, knowledge sharing, gathering information and raising complaints (Accenture Report, 2011; Chikandiwa, 2013; Sterne, 2010: 151).

- Social media content, community interaction process, user profiling, social media experts and feedback process are all essential in effectively planning, managing and implementing social media activities (Hunt, 2014; Lee, 2011).

- Create social media usage policies to protect the brand, internal staff and the customers (Chikandiwa *et al,* 2013, 375).

- Make use of online training and education programs for both customers and employees (He, 2013: 389).

- Reward loyal or incrementally spending customers through coupons, free samples, point of purchase display and price reduction (Cant *et al*, 2006: 155; Gable *et al*, 2008: 34).

- Create loyalty programs or reward schemes with 'hard' and 'soft' benefits to encourage frequent buying and increased purchases (Erdomus, Cicek, 2012: 1355; Gable *et al,* 2008: 36).

- Improve customer experience through information and expert advice (Gable *et al,* 2008: 40).

- Use target marketing, database marketing, frequency marketing, retention marketing, brand marketing or relationship marketing strategy to meet business objectives.

6.5 Uses of Social Media to drive brand loyalty (Chapter 5)

The following guidelines should be followed in successfully measuring customer brand loyalty:

- Use social media as an online tool to facilitate conversation, collaboration and interaction with customers (Solis, 2010; Hunt, 2014).

- Brand components that can influence loyalty include; involvement, functional value, price worthiness factor, emotional value, social value, brand trust, customer satisfaction, commitment and repeat purchase pattern (Punniyamoorthy, Raj, 2007: 222; Ivanauskienė, 2012; Kathuria, Jit, 2009).

- Social media components that influence customer loyalty include; registration, frequency, conversation, advocacy, and reward (Lord 2014; Oestreicher-Singer, Zalmanson 2013; Rootman *et.al,* 2011: 185).

- Use data extraction tools like HootSuite, Lithium and Google Analytics to gather and analyse social media data (Kelly, 2013: 232).

6.6 Summary of Brand Loyalty Measure

Based on the above sections (6.2 – 6.5), the following characteristics of perceived measure for creating and maintaining brand loyalty have been identified (table 1). This evaluated summary

from a business perspective will be used as a measure for creating and maintaining brand loyalty in the framework (see figure 3):

Creating Brand Loyalty				
Components	**Explanations**	**Chapters**	**References**	**Framework - question number**
Creation a social media strategy	Align social media strategy to core business objectives	Chapter 2	Erdomus and Cicek, (2012).	1
Create Brand Awareness	Through investor interactions and public relations (PR) activities on social media. Create exposure through brand images, ideas, logos and sound.	Chapter 2, Chapter 4	Erdomus and Cicek, (2012); MHP Communication, (2011: 5)	2
Provide operational services	Managing customer enquiries, customer sentiments and creating customer relationships.	Chapter 2	Champoux *et al*, (2012); MHP Communication, (2011: 5)	3
Create brand transparency	Allow customers to voice their concerns and create two way dialogues.	Chapter 2	Champoux *et al*, (2012: 27); Erdomus and Cicek, (2012: 1355)	6
Provide feedback	Manage customer complaints and concerns through constructive feedback process.	Chapter 2	Chikandiwa *et al*, (2013: 376)	6
Maintaining Brand Loyalty				
Components	**Explanations**	**Chapters**	**References**	**Framework - question numbers**
Align values	Align value to core business process.	Chapter 3	Allden and Harris (2013: 42)	1
Create a driven culture	Encourage a culture of innovation and new ideas to grow the product/service.	Chapter 3	Viet Ngo and O' Cass, (2010: 500); Mroz, (2013); Allden and Harris (2013)	3
Customer segmentation	Segment customers based on buying behaviour, attitude traits, technology awareness (online activities), lifestyle and level of customer financial awareness.	Chapter 3	Chikandiwa, (2013); Okazaki and Taylor (2013).	5
Service delivery	Easy access points, rapid response, feedback process and relational nurture help develop relationship.	Chapter 3	Viet Ngo and O' Cass, (2010: 505); Hunt (2014); Lee (2011)	4
Use Social media	Use social media for advertising, brand management, entertainment, handling customer complaints, knowledge sharing, lead generation, new product development and sales creation.	Chapter 4	Chikandiwa (2013: 146)	4
Engage customers	Respond to people in a true, authentic and transparent manner.	Chapter 4	Kelly (2011 cited in Lee, 2011: 9)	6
Create exciting campaigns	Promote collaboration, joint learning and speedy exchange of information among customers.	Chapter 4	Tandulwadikar, (2011: 4); Purkait (2012)	2

Brand and social media loyalty components	Understand brand and social media loyalty components.	Chapter 5	He (2013: 389)	7
Reward programs	Reward loyal or incrementally spending customers through coupons, free samples, point of purchase display and price reduction.	Chapter 4	Cant *et al,* (2006: 155); Gable *et al,* (2008: 34)	8
Create customer experience	Create customer experience through information and advice from experts.	Chapter 4	Gable *et al, (*2008: 40)	9
Measure loyalty	Use data extraction tools like HootSuite, Lithium and Google Analytics to gather and analyse social media data.	Chapter 5	Kelly (2013: 232)	10

Table 1: Perceived measure for creating and maintaining brand loyalty

6.7 Components that influence brand loyalty (Chapter 5)

In chapter 5, components that influence brand loyalty were discussed and these are summarised below in table 2:

Brand Loyalty Components		
Components that influence Brand Loyalty	**Explanations**	**References**
Involvement	Product involvement is an on-going commitment on the part of the consumer with regard to thoughts, feelings and behavioural response to a product category.	Ivanauskienė (2012: 80); Punniyamoorthy and Raj (2007: 225)
Functional value	These are tangibles related to price, service quality, contact personnel, and the value gained from the physical components of the bank.	Ivanauskienė (2012: 80); Punniyamoorthy and Raj (2007);
Price worthiness factor	Price and cost are key factors for customers in determining a buying decision for a product or service.	Ivanauskienė (2012: 80); Kathuria and Jit (2009)
Emotional value	The utility derived from the feelings or affective state that a product generates has an impact on customer purchase decisions.	Punniyamoorthy and Raj (2007: 225)
Social value	This is the value created for the benefit of people whose urgent and reasonable needs are not being met by any other means. Social values make customers feel part of a social group and therefore influencing their loyalty.	Nicholls (2006); Solis, (2010); Punniyamoorthy and Raj (2007); Ivanauskienė (2012: 78)

Brand trust	Brand trust is a central construct for any long-term relationship with customers, which is based on confidence in the brand's reliability and intentions.	Punniyamoorthy and Raj (2007: 224)
Customer satisfaction	Customer satisfaction is the degree to which the organisation's product or service matches up with the expectations of the customer. It is through prior experience, post-purchase behaviour, word of mouth; in relation to their competitors and purchase intention that customers mediate customer satisfaction.	Brink and Berndt, (2005: 48); Punniyamoorthy and Raj (2007: 225)
Commitment	Commitment is connected to the notion of trust as this is the desire to maintain a valued partnership with the service provider.	Brink and Berndt, (2005: 30); Punniyamoorthy and Raj (2007: 225)
Repeat purchase behaviour	Customers who are satisfied with their experience and product or service offering, are likely to re-purchase.	Brink and Berndt, (2005: 30); Punniyamoorthy and Raj (2007: 226)

Table 2: Components that influence Brand Loyalty

6.8 Theoretical Framework for perceived measure of Brand Loyalty

According to Weston and Gore (2006) and Severi and Ling, (2013) independent variables (presumed cause) are variables that are varied or manipulated by the researcher, and the dependent variables (presumed effect) are the response that is measured. The brand loyalty components and the key guidelines for banks (independent variables) in this study are tested from both the customer's and bank's perspective to understand brand loyalty creation and maintenance (dependent variable):
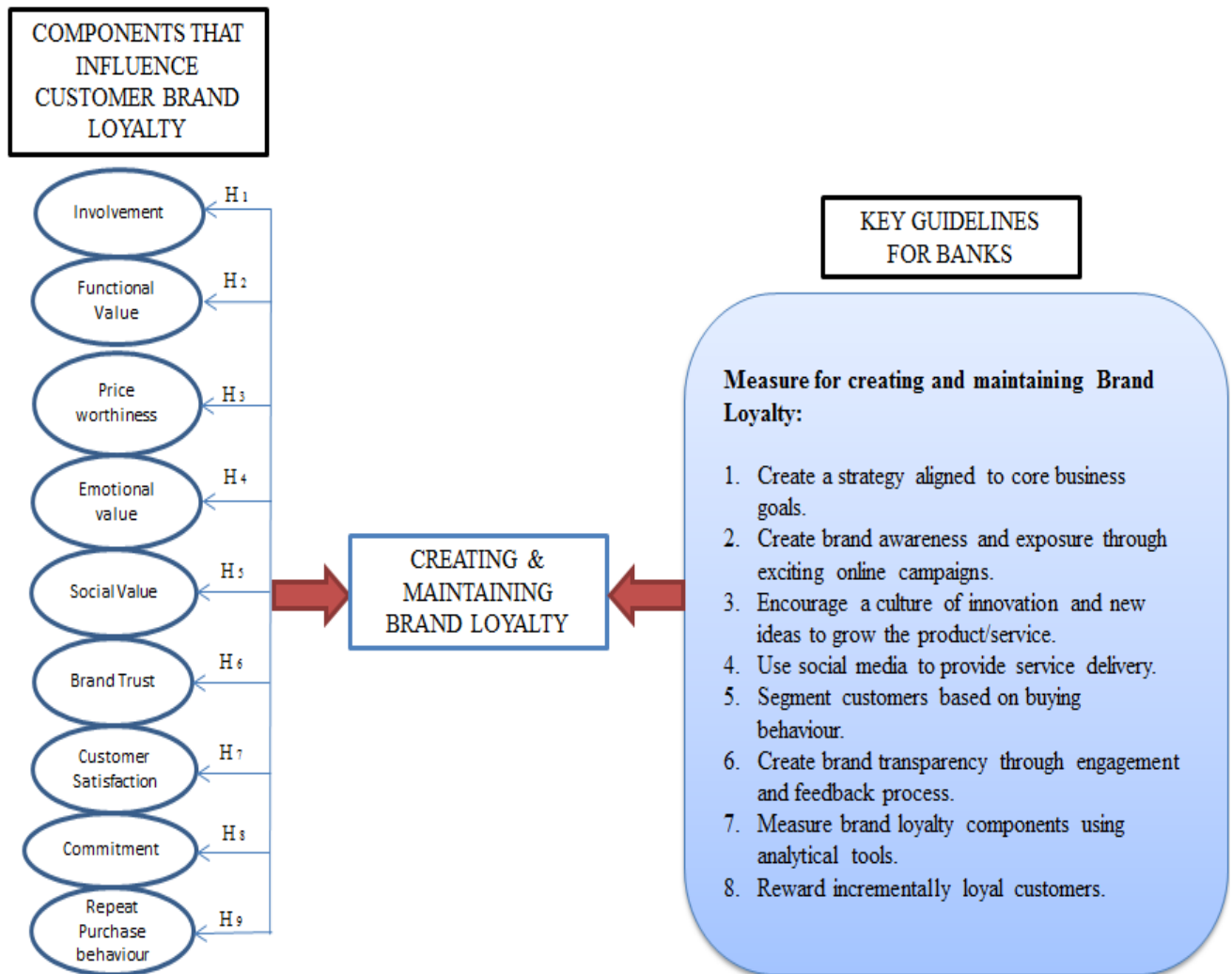
Figure 3: Theoretical Framework for perceived measure of Brand Loyalty

The brand loyalty components $H1_1$ to $H1_9$ represent the factors that influence customer brand loyalty. These will be used to measure the customer's level of loyalty toward a bank's product/service. On the other hand from a business perspective, guidelines on ways to create and maintain brand loyalty have been proposed based on the summary in table 1 (measure for creating and maintaining brand loyalty). This measure will be used in relation to the brand loyalty hypotheses to identify the link between bank's loyalty creation process and the created customer loyalty.

6.8.1 Detailed Hypotheses

Below are details of the hypotheses represented in the diagram above:

Hypothesis 1: Involvement

- **$H0_1$:** Brand involvement will not lead to brand loyalty.

- **H1$_1$:** Brand involvement will lead to brand loyalty.

Hypothesis 2: Functional Value

- **H0$_2$:** Functional value will not lead to brand loyalty.
- **H1$_2$:** Functional value will lead to brand loyalty.

Hypothesis 3: Price worthiness

- **H0$_3$:** Price worthiness will not lead to brand loyalty.
- **H1$_3$:** Price worthiness will lead to brand loyalty.

Hypothesis 4: Emotional value

- **H0$_4$:** Emotional value will not lead to brand loyalty.
- **H1$_4$:** Emotional value will lead to brand loyalty.

Hypothesis 5: Social value

- **H0$_5$:** Social value will not lead to brand loyalty.
- **H1$_5$:** Social value will lead to brand loyalty.

Hypothesis 6: Brand trust

- **H0$_6$:** Brand trust will not lead to brand loyalty.
- **H1$_6$:** Brand trust will lead to brand loyalty.

Hypothesis 7: Customer satisfaction

- **H0$_7$:** Customer satisfaction will not lead to brand loyalty.
- **H1$_7$:** Customer satisfaction will lead to brand loyalty.

Hypothesis 8: Commitment

- **H0$_8$:** Commitment will not lead to brand loyalty.
- **H1$_8$:** Commitment will lead to brand loyalty.

Hypothesis 8: Repeat purchase behaviour

- **H0$_9$:** Repeat purchase behaviour will not lead to brand loyalty.
- **H1$_9$**: Repeat purchase behaviour will lead to brand loyalty.

6.9 Summary of Hypotheses

The components that influence brand loyalty were identified in the previous chapter, form the basis of the theoretical development in creating and maintaining brand loyalty. These factors are now converted into a series of hypotheses that are tested in the questionnaires.

Summary of Hypotheses	
H₁:	Product involvement activities in the market have perceived influence on brand loyalty.
H₂:	Functional value has perceived influence on brand loyalty.
H₃:	Price/cost has perceived influence on brand loyalty.
H₄:	Emotional value has perceived influence on brand loyalty.
H₅:	Social value created by the brand has perceived influence on brand loyalty.
H₆:	Brand trust has perceived influence on brand loyalty.
H₇:	Customer satisfaction has perceived influence on brand loyalty.
H₈:	Commitment has perceived influence on brand loyalty.
H₉:	Repeat purchase has perceived influence on brand loyalty.

Table 3: Summary of Hypotheses

6.10 Questionnaire formulation for marketers and customers

The questionnaires for the marketing managers and the customer have been created from the proposed framework and the various questions that have been raised in the literature review (Annexures 6 and 7). An online survey will be created for both the questionnaires through an online survey tool called Ration Survey.

6.10.1 Social Media Marketing Survey for Marketing Managers

The aim of this questionnaire is to investigate marketing strategies used by marketing managers and the effectiveness of these strategies in creating value for customers on social media. Additionally, marketers' understanding of brand loyalty and loyalty creation on social media from a business perspective will also be analysed and evaluated through the various questions. Furthermore, demographic information will also be collected in order to gain a better understanding of participant's responses in relation to the discussed framework (Chikandiwa, 2013). Furthermore, tools and techniques used in measuring brand loyalty will also be analysed. The questionnaire for the marketing mangers is shown in Annexure 6. Summary of the questionnaire layout is shown below in table 4.

Summarised questionnaire for Bank's marketing personnel

Questions 1 - 3	
Demographic Information	
Questions 4 - 14	
Marketing strategies used by banks	
Questions 15 - 18	
Value created by banks	
Questions 19 - 22	
Use of social media channels in support of building brand loyalty	
Questions 23 - 27	
Matrices used to measure brand loyalty	

Table 4: Summary of marketers' questionnaire

Below is a detailed questionnaire representation in relation to the proposed framework. The question number column represents the actual question number in the marketer's questionnaire (Annexure 6) and the second column represents the number from the proposed framework (measure for creating and maintaining brand loyalty).

Detailed questionnaire for bank's marketing personnel	
Questionnaire Numbers	**Bank's Measure Number (Framework)**
1-3	Demographic questions
4	2
5	2
6	1
7	1
8	1
9	3
10	3
11	3
12	4
13	4
14	4
15	3
16	6
17	6
18	6
19	4
20	5 & 8
21	8
22	5 & 7
23	7
24	7
25	7
26	7
27	General question

Table 5: Detailed questionnaire breakdown

6.10.2 Brand Loyalty Survey for customers

The aim of the customer's questionnaire is to identify how brand and social media components of loyalty impact customers' buying behaviour and interaction on bank's social media channels. Additionally, survey questions also aim to identify key components of trust and satisfaction creation on social media. The survey begins with a section on general demographic information followed by questions that are directly related to brand and social media components of loyalty. The questionnaire for the customer is presented in Annexure 7. Table 6 below shows a summary of the customer's questionnaire layout.

Questionnaire for Bank's customers
Questions 1 - 5
Demographic Information
Questions 6 - 11
Value creation linked to Marketing strategies
Questions 12 - 15
Uses of social media channels in support of building brand
Question 16
Matrices used to measure brand loyalty

Table 6: Summarised bank's customers' questionnaire

The table below details the relationship between the identified hypotheses (brand loyalty components) in the framework and the questions that will be asked in the customer's questionnaire (see question 16 in Annexure 7).

Hypothesis Number	Questions	Hypothesis Component
H₁:	My bank's involvement in community projects/programs impacts my buying behaviour.	Involvement
H₁:	My bank's involvement on social media impacts my buying behaviour.	Involvement
H₂:	My bank's functional value (banking services etc.) has an impact on my loyalty.	Functional Value
H₂:	Service and interaction I receive from my bank (depositing of money, withdrawals, loan options and internet banking) impacts my future interactions.	Functional Value
H₃:	Banking fees, reward programs and incentives play a role in my bank selection.	Price worthiness factor
H₃:	Bank costs and pricing impact my banking decision.	Price worthiness factor
H₄:	My bank makes me feel good and satisfied using various interaction channels (online banking, physical branches, website etc.)	Emotional Value
H₄:	Whenever I need to use my bank, I enjoy the process.	Emotional Value
H₅:	I feel proud of being a customer of my bank due to its social involvement in the community.	Social Value

H₅:	My bank's social value activity has an impact on my perception of the bank.	Social Value
H₆:	My bank is honest and sincere with me and therefore I trust my bank.	Brand Trust
H₆:	I believe my bank meets my expectations and does not disappoint me.	Brand Trust
H₇:	Overall I am satisfied with the products/services offered by my bank.	Customer satisfaction
H₇:	My satisfaction increases my loyalty towards the bank over time.	Customer satisfaction
H₈:	I am committed to using my current bank due to my relationship with the bank.	Commitment
H₈:	Changing my current bank would require major rethinking.	Commitment
H₉:	I will recommend my bank to friends and relatives.	Repeat purchase behaviour
H₉:	I consider myself to be loyal towards my bank.	Repeat purchase behaviour

Table 7: Relationship between created hypotheses and the questions

6.11 Conclusion

Various guidelines on social media strategy creation, customer value creation and uses of social media that drive loyalty have been proposed in this chapter. Based on these characteristics, a measure for creating and maintaining brand loyalty has been proposed to explain the relationship between these guidelines and components that influence brand loyalty. Hypotheses based on the theoretical framework were also identified. The next chapter will discuss the findings of the results from the collected data.

Chapter 7 - Research Methodology

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This chapter focuses on the research methodology used to validate the framework proposed by the researcher in chapter 6. The chapter covers research methods, sampling approach and the analysis techniques that are used in collecting and compiling the research data.

7.1 Introduction

The previous chapter described the conceptual framework from both the business and the customer's perspective in understanding brand loyalty. This chapter discusses the research methodology by addressing how the research was designed; type of survey methodology used, type of questionnaires design technique used and how data collection was carried out from both the customers and marketing managers of the bank.

7.2 Research Paradigm

According to MHP Communication research (2011: 2), "social media is a relatively new concept for banks and one that poses numerous challenges". Whilst technology has been a key driver for banks to ensure competitiveness, creating an effective social media strategy has been a challenge (MHP Communication, 2011: 3). As a result of this, the banking industry seems to have fallen behind in its approach to using this new media channel to create value for customers (MHP Communication, 2011: 3). What is important for banks now is to create a strategic guidance process and an understanding of how to navigate this complex landscape of social media, what rules to follow and where to prioritise time and resources (MHP Communication, 2011: 3).

In answering some of these questions, the MHP Communication research (2011: 2), suggests the use of a qualitative approach (use of surveys). Furthermore other sources such as the South African media Landscape 2014 report (Goldstuck, Wronski, 2014); MHP Communication research (2011) and the Accenture Report (2011: 5) highlight the need for banks to analyse consumer conversations and turn information into insights that impact the bottom line. However the KPMG report (2012: 4) argues the need for banks to understand social media from risk, information technology integration; customer value creation and compliance challenges. In doing so it is essential to use social media data to enhance the customer experience and develop new products and services that are of value to customers (KPMG Report, 2012).

Against this background, the present study was conducted within a qualitative paradigm. This research was conducted using the positivist research paradigm (Broadbent, Unerman, 2011: 7). Positivism research is closely associated with the idea of fact-based investigation through questionnaires and surveys, but not excluding the use of qualitative strategies (Broadbent, Unerman, 2011: 7). By utilising a qualitative approach an attempt was made to understand social media uses in the banking environment, market strategy creation process and how customers interact with banks on an online social media platform. Ultimately this will provide empirical evidence on the components that affect brand loyalty and influence customer buying behaviour.

7.3 Research Design

A research design is a plan or blueprint of how the research is going to be conducted (Mouton, 2001: 55). Banks in South Africa are still in the early stages of adopting social media and this

is largely due to the fact that the field is new to the South African banking industry (Chikandiwa *et al*, 2013: 374). Owing to this, research on social media is still in the infancy stage (Chikandiwa, 2013: 50). Thus an exploratory research approach was proposed in achieving the goals of the study (Chikandiwa, 2013: 50; Chikandiwa *et al*, 2013). Due to the nature of questions addressed in this research, both a qualitative and quantitative approach was proposed. Thus, mixed method research approach was adopted by the researcher with two levels of analysis (Chikandiwa, 2013: 50; Mouton, 2001: 152).

The first phase consisted of a qualitative exploratory analysis that discussed the use of social media marketing strategies within banks; functional, social and brand values that impact the marketing strategy; uses of various social media channels within the banking environment and the factors that influence brand loyalty on social media. Thus in this phase, the research was conducted using various journals, academic publications, articles, books, online reports and electronic resources in gaining an understanding of social media uses within the South African banking sector. The second phase of analysis required the researcher to conduct surveys in order to gather information that answered key questions addressed in the study from both marketers' and customers' perspective. This is the phase at which the two surveys discussed in the previous chapter were administered in gathering the information.

The first questionnaire (annexure 6) was used to identify and explore the marketing strategies used by the banks, the need for marketers to create functional, social and brand values on social media; the role of social media within the marketing strategy and the use of social media channels in support of brand loyalty. Additionally, the survey focused on identifying metricises that were being used by banks in measuring brand loyalty. The second questionnaire (annexure 7) was used to identify components that influence brand loyalty from a customer's perspective.

The theoretical background on brand loyalty, social media, multichannel systems and online customers provided a background to the research questions. The literature review consists of four main objectives of the research (chapters 2-5) that were discussed using academic journals, books and online examples (Mouton, 2001: 49). Based on insight gained from the literature review, chapter six proposes a theoretical framework derived by the researcher. The literature review and the proposed framework were used to design the survey questionnaires which were then used as an instrument for data collection. The instrument that was used for both questionnaires is detailed in tables 5 (detailed marketers questionnaire) and table 7 (relationship between hypotheses and the customer's questions) in chapter six.

The interview questions in annexure 8 were derived from annexures 1 to 4. These questions were used in the initial interview discussion with the marketing managers in gaining an insight into how social media activities were being conducted within the bank. Furthermore, the information gathered through the two surveys was used to discuss both the brand loyalty components and the measure components. A conclusion was then drawn based on the findings and areas of future research suggested.

7.4 Hypothesis, key variables and concepts

According to the PricewaterhouseCoopers Report (PwC Report, 2013: 4) banks continue to focus on cost reduction and innovative strategies to improve service offering. Technology however is seen as one of the key enablers of innovation and efficiency (PwC, 2013: 4). To increase internal systems efficiency, process implementation and technology solutions are essential to this strategy (PwC, 2013: 4). Furthermore these projects need to be optimised with competent staff and new technologies (PwC, 2013: 4). Only by understanding this relationship between the bank and its customers can marketers understand what drives brand loyalty and how banks can achieve their return on investment (Kelly, 2013: 233).

Against the above understanding, the research aimed to focus on how relationships are created and maintained on a social media channels so as to allow marketers to better create brand awareness, plan social media campaigns and encourage customer interactions on social media. A relationship marketing strategy to this effect would result in lower marketing costs, enhanced customer satisfaction; create customer loyalty and increase customer retention levels for the banks (Rootman *et.al,* 2011: 186).

The hypotheses and the measure of creating and maintaining brand loyalty discussed in chapter six are summarised as follows:

Summary of Hypotheses		
	Components that Influence Brand Loyalty	**Measure for creating and maintaining Brand Loyalty**
H₁:	Product involvement activities in the market have perceived influence on brand loyalty.	1. Create a strategy aligned to core business goals.
H₂:	Functional value has perceived influence on brand loyalty.	2. Create brand awareness and exposure through exciting online campaigns.
H₃:	Price/cost has perceived influence on brand loyalty.	3. Encourage a culture of innovation and new ideas to grow the product/service.
H₄:	Emotional value has perceived influence on brand loyalty.	4. Use social media to provide service delivery.

H₅:	Social value created by the brand has perceived influence on brand loyalty.	5. Segment customers based on buying behaviour.
H₆:	Brand trust has perceived influence on brand loyalty.	6. Create brand transparency through engagement and feedback process.
H₇:	Customer satisfaction has perceived influence on brand loyalty.	7. Measure brand loyalty components using analytical tools.
H₈:	Commitment has perceived influence on brand loyalty.	8. Reward incrementally loyal customers.
H₉:	Repeat purchase has perceived influence on brand loyalty.	

Table 8: Summary of hypotheses and measure of brand loyalty

The derived conceptual framework discusses the important concepts and variables from both the bank and customer's viewpoint. These identified components were embedded in the two survey questionnaires and were used in testing and evaluating the hypotheses (Mouton, 2001).

7.5 Research methods and techniques

The information in the literature review was gained through online journals, books, social media reports and academically creditable online resources (Chikandiwa, 2013: 52; Mouton, 2001: 49). Various banking examples used in literature were extracted from banking websites and marketing business websites.

According to Wu *et al. (*2013), interviews are alternative ways of collecting data that is aimed at examining the reliability and validity of one-time questionnaires. This approach is usually used to examine longitudinal variations in mixed method research approach (Wu *et al*, 2013). On the basis of this understanding, the researcher first met with the head/lead social media marketing personnel within the banks (social media marketing manager or social media expert) to discuss the research. In the initial interview meeting with the head/lead social media personnel, the context of the study and the content of the surveys were discussed before surveys were conducted. Approval on the distribution of the survey (marketing manager's survey) was requested from authorised personnel (social media marketing manager or social media expert) within the bank (annexure 9). Only once approval was gained, was the survey sent to the social media marketing personnel within each of the banks.

Additionally the customer's survey was administered to select groups of people within the researcher's organisation and social groups that met the study criteria of having a bank account and accessibility to social media through the internet. Additionally people within the selected banks who were not marketing personnel and meet the study criteria were also administered the customer survey. Participants that the survey was administered to were informed in the

email on the context of the study and the content of the surveys in order to have a high response rate. In order to save time and money only customers who met the study criteria and accepted taking the survey were sent the surveys.

7.5.1 Survey Methodology

"A survey is a systematic way of collecting data by obtaining opinions, attitudes, behaviours, beliefs or answers from selected respondents in order to understand the group or population represented" (Grinnell, 1997; Fowler, 2009 cited in Chikandiwa, 2013: 52). As stated above the two surveys were created from the various questions raised within the literature review and the proposed framework. According to Mouton (2001: 153) there are two types of surveys that can be used in relation to behaviourist or positivist approach study. These include:

- Longitudinal survey – These are surveys that are used to gather data over a period of time (Wu *et al*, 2013). In this approach the research may analyse population behaviour and attempt to explain the change in behaviour based on the results (Wu *et al*, 2013).
- Cross-sectional survey – These surveys are used to gather data on a target population at a single point in time (Wu *et al*, 2013).

According to Mouton (2001: 153) surveys can either be theory-driven (aim to test hypothesis) or inductive (exploratory studies based on pilot surveys). As discussed earlier in the chapter, due to the nature of the study and the hypothesis presented in chapter six the researcher used the cross-sectional survey method to gather data from target samples. However, the MHP Communication research (2011) and the KPMG report (2012: 20) highlight the need for banks to use a longitudinal survey approach in reality, to gather information on a regular basis from their customers in understanding trends and buying behaviour. This approach enables banks to capture customer demands and suggestions that can be analysed to develop customer centric products and services (KPMG Report, 2012: 20).

7.5.2 Questionnaire Design

Researchers can either use existing questionnaires or design their own instruments based on the study (McBurney, 2001: 238). According to McBurney (2001: 238) and Mouton (2001: 103) designing a questionnaire is a complex procedure that requires researchers to consider some of the construction issues:

- Pre-testing and pilot study – perform a pre-test of the questionnaire on a sample group (Mouton, 2001: 103).

- Determine the purpose of the questionnaire – design and administer a questionnaire that aim to measure research questions (McBurney, 2001: 238).

- Avoid using vague or ambiguous items – use short and simple questions (Mouton, 2001: 103).

- Question ordering - ordering and sequence of questions may affect response accuracy and response rate (Mouton, 2001: 103).

- Length of the survey – length of the questionnaire may have a direct impact on the quality of the responses (Mouton, 2001: 104).

Furthermore some of the basic principles of questionnaire construction are as follows (McBurney, 2001: 238):

- Both open and close-ended questions need to be used with care in extracting user information (McBurney, 2001: 239).

- Address single issues and views per question to avoid confusion (McBurney, 2001: 239).

- Write questions in a way that will not bias the results (McBurney, 2001: 239).

- Make alternatives clear (mutually exclusive conditions), (McBurney, 2001: 240).

- Determine format of the item based on the type of question being asked (true/false, multiple choice, Likert scale or rating questions), (McBurney, 2001: 241).

Against the above understanding, the questionnaires were not borrowed but adapted from the concepts presented in the literature review that focus on answering the main questions of the study. All the questions were created in English with the assumption that marketers, customers of the banks as well as the researcher would be able to communicate freely and easily (Chikandiwa, 2013: 59).

The questionnaire was formatted and designed carefully to ensure that administration, questionnaire completed by customers and analysis done by the researcher was completed without errors (McBurney, 2001; Mouton, 2001). The format of the questionnaire was as follows (annexure 6 and 7):

- The questionnaire began by introducing the topic and the aim of the research study.

- Instruction on the number of questions and the approximate time that would be taken to answer the questions is stated.

- Instructions on how to answer the questions were also stated. Respondents were further reassured that their responses would be treated confidentially and results used for the research study.

- The introduction ended with a courteous note, thanking respondents for their participation.

- Sections A in both the questionnaires focused on gathering demographic and personal information regarding the participants.

- Sections B to E in the marketing questionnaire covered core questions raised in the four chapters of the literature review (chapter 2-5).

- Sections B to C in the customer's questionnaire covered questions relating to customers of the bank. Questions were extracted from chapters 3 and 5 that mainly focus on the customers' perspective in value creation and identify factors that influence customer brand loyalty.

According to Polonsky and Waller (2011: 152) open-ended questions are a means of getting the respondents' view, opinions and descriptions of experience. Whereas, close-ended questions limit respondents' choice to pre-determine answers that is created by the designer of the questionnaire (McBurney, 2001: 238). Researchers organise semi-structured interviews in order to cover a range of questions relevant to the topic, mainly using open-ended questions (Polonsky, Waller, 2011: 153). Both open and close ended questions were used in this questionnaire to gather in-depth data in order to test the framework presented in the previous chapter (Polonsky, Waller, 2011: 153). This approach allowed the researcher to probe arising issues and pursue unexpected findings (Polonsky, Waller, 2011: 153).

Based on the above understanding the two questionnaires consisted of various question type answers in gathering information from the participants. In using open-ended questions, following question types were used in the surveys (McBurney, 2001; Mouton, 2001):

- Single Textbox
- Multiple Textboxes

In using close-ended questions, following question types were used in the surveys (McBurney, 2001; Mouton, 2001):

- Multiple choice (only one answer allowed)
- Multiple choice (multiple answers allowed)

- Rating question (Likert scale)

- Ranking questions

- Matrix of choices (only one answer per row)

- Matrix of choices (multiple answers per row)

- Matrix of drop-down menus

7.6 Data collection procedure

According to Polonsky and Waller (2011: 127), care needs to be taken in choosing the data collecting methodology as it can incur the biggest cost (time and money) of the research. There are various methods such as content analysis, surveys, focus groups or observations that can be used based on the research study undertaken (Polonsky, Waller, 2011: 127; Liu *et al,* 2011). The researcher chose the best possible method of data collection that answered the research question/objectives within the limitations of cost, time and ability (Polonsky, Waller, 2011: 127).

There were two sources of data that were used by the researcher in this study (primary and secondary data), (Mouton, 2001: 144; Chikandiwa, 2013: 58). The primary (new) data was gathered from interviews (annexure 8), administrated questionnaires (annexure 6 and 7) and any supporting documents from the bank (Mouton, 2001: 144; Chikandiwa, 2013: 58). Annexure 8 defines the steps that were taken in conducting the interview. Additionally, consent was gained (annexure 9) from authorised personnel of that bank before any data was collected. Due to the exploratory nature of the research and the known limitation, not all banks or marketing personnel within the banks were willing to take the online survey; thus information was then extracted through focus groups (Polonsky, Waller, 2011: 94). This approach is often used when the researcher does not have enough information on a topic and wants the flexibility to explore key issues (Polonsky, Waller, 2011: 94). A focus group is a qualitative tool that aims to uncover insights to questions, from a small group of individuals who are guided on a topic by a researcher (Polonsky, Waller, 2011). The secondary (existing) data is the data from the empirical evidence presented in the literature review and the proposed framework that was used to compare against the collected data (Mouton, 2001: 144).

An advantage of using web surveys is that they can easily be distributed to a large population with an appropriate sample design (Mouton, 2001: 153). Additionally there is high measurement reliability and high construction validity through this approach (Mouton, 2001: 153). However, the researcher still needed to be aware of the disadvantages such as; lack of in-

depth information acquired, technical glitches that may occur on the web and high non-responsive rate due to perception of spam (Mouton, 2001: 153; Wu *et al*, 2013). On the basis of this understanding both the questionnaires were distributed via email using an online survey tool called Rational Surveys that allowed the researcher to create, manage and gather results from the submitted surveys. The following data collection techniques were used for this phase of the study:

7.6.1 Interviews

Introductory interviews were set up with marketing personnel of the bank to discuss the research study. This study utilised topical interviews, where the researcher focused on the details of the subject that the interviewer has chosen (annexure 8), involving active questioning and rapid exchange of ideas with the focus on the facts (Rubin and Rubin, 1995: 195 cited in Mouton, 2001: 197). This approach allowed the researcher to engage with the marketing personnel in getting in-depth information regarding the questions. Comprehensive notes were documented on the answers to the questions asked in the interview. Additionally approval on the survey distribution was requested upon which the marketing surveys were distributed to the selected marketing personnel. The URL (Uniform resource locator) link with brief instructions on the survey was then sent via email to the participants that agreed to take part in the study. The results were presented in an excel spread sheet and the researcher tracked and followed up with the interviewed marketing personnel for more participants if required.

The customers' questionnaire was also discussed with the marketing personnel and permission to place the questionnaire on their social media platforms was requested. Based on the response from the authorised personnel, sample groups were created that took part in the customers' survey. Like the marketers' survey, emails contained a URL with brief instructions on the study and the survey process. All the data was collected with a marketer's approval and without disclosure of identification of any participants. Both the questionnaires assured participants on the strict confidentiality that was followed in use of the given information.

In relation to individual interviews, focus group interviews were also requested in order to obtain opinions or attitudes at another level (e.g. group consensus or disagreement on relevant issues regarding use of social media), (Mouton, 2001: 197). This approach revealed diversity in views and opinions that allowed the researcher to validate issues that were raised in the individual interviews and the literature review (Mouton, 2001: 197).

7.6.2 Observation

In order to control the survey administration process, observation and evaluation was used to identify and select target groups of people that were administered to, using both the marketer's and the customer's survey (Mouton, 2001: 196). In order to save on time and resources, this approach was considered for this stage of the study.

7.6.3 Use of Documentation

Documentation such as social media policy documents, financial reports and strategy documents were requested from the marketing personnel to integrate with the collected data, in an attempt to add any other value that may reside in these resources (Mouton, 2001: 198). The documentary sources were compared with the gathered data and added as new information to the present study (Mouton, 2001: 198). The data from all the available sources that was utilised during the research process was integrated and collected, to conclude the data collection stage (Mouton, 2001: 198).

7.7 Pilot Study

According to Severi and Ling (2013: 129), pilot studies were carried out with the purpose of ensuring that the reliability of the instrument being used and the quality of questions in questionnaires are valid and reliable. Based on this understanding, the questionnaires were also requested to be verified by the head/lead marketing personnel at the banks to ensure that questions were clear and address the research study. Before the actual surveys were conducted, a pilot test was carried out for both the surveys (Severi, Ling, 2013: 129). The head/lead marketing personnel from each of the selected banks (4 participants) were emailed both the surveys. They were then asked to go through both the surveys and provide feedback before these were administered. Once feedback was received from the pilot study, a final set of questionnaires were produced (Severi, Ling, 2013: 129).

7.8 Population and Sample

According to Polonsky and Waller (2011: 139) there are two main types of sampling techniques and these are; nonprobability sampling and probability sampling. Nonprobability sampling is a technique that does not use chance selection procedure but rather relies on the personal judgement of the researcher to decide who will be included in the sample (Polonsky, Waller, 2011: 140). Below are some of the nonprobability sampling techniques (Polonsky, Waller, 2011: 140):

- Convenience sampling – attempts to obtain a sample of convenient respondents.

- Judgemental sampling – is a technique where sample members are selected based on the judgement of the researcher whom they feel would fit the research target population.

- Quota sampling – is a technique that consists of developing a control category or quota of the population that would be used for the study. For example, using quota of 20 respondents aged in their 20s, 20 aged in their 30s and so on.

- Snowball sampling – is a technique in which an initial group of respondents were selected randomly and then subsequent respondents were identified based on the referrals provided by the initial respondents.

On the other hand the probability sampling technique gives each individual equal chance of being selected from the population. Below are some of the probability sampling techniques (Polonsky, Waller, 2011: 140):

- Simple random sampling – is a technique in which each member of the population has a known and equal probability of selection. Samples were drawn by a random selection procedure from a sample framework.

- Systematic sampling – is a technique whereby samples were chosen by selecting a random starting point and then picking every nth element in succession from the sampling framework.

- Stratifies sampling – is a technique in which population is partitioned into sub-groups and strata from which elements were selected through a random selection process.

- Cluster sampling – is a technique where the target population is divided into mutually exclusive sub-groups called clusters. Thereafter a random cluster was selected based on a probability sampling technique of random sampling.

Based on this knowledge of sampling techniques, the researcher applied nonprobability sampling due to its advantage of convenience, flexibility and control over the sample group (Polonsky, Waller, 2011: 141). Most of the methods highlighted in the nonprobability technique were applied in the pre-test as well as the primary data collection process. The two sets of sample groups included the customer of the bank and the marketing personnel who implement these marketing strategies.

According to Weston and Gore (2006: 734) 10 to 20 participants would result in sufficient sample. However Polonsky and Waller (2011: 128) state that a minimum of 30 participants

would be sufficient for a sample group. Based on these recommendations, the researcher had aimed to use between 20-30 participants per bank. The surveys were only administered to participants that met the requirements of a sample group as they needed to have access to electronic mail (email), some form of connecting device and have a bank account with the chosen banks.

7.8.1 Judgmental Sampling: marketing personnel at the Banks

Judgemental sampling was used in selecting participants that are in the best position to provide the information (Sekaran & Bougie, 2010 cited in Chikandiwa, 2013: 55). However it was anticipated that due to the nature of the study and the information required in answering the questions, banks may not be comfortable in discussing confidential information relating to social media strategies (Chikandiwa, 2013: 50). The reason for this is that banks are competing for the same customers in the market and therefore would prefer to keep their strategies confidential (MHP Communication, 2011: 5; Chikandiwa, 2013: 55). Taking this into consideration, the researcher interacted with available marketing personnel from the bank who were willing and had the necessary facts and information to answer the questions without compromising the integrity of the bank. Written assurance from the researcher was provided and the study met Rhodes University ethical criteria. The research had aimed to use a minimum of 5 social media marketing participants per bank in conducting the marketer's survey (Weston, Gore, 2006: 734). This approach was taken to ensure that a minimum of 20 participants were achieved in order to satisfy the sample size research requirements (Weston, Gore, 2006: 734).

7.8.2 Convenience Sampling: Customer

Based on the above literature, convenience sampling was used in selecting customers for the customer's survey. Only once participants had provided feedback on whether or not they wish to participate in the survey, was the survey administered to them. Based on the response rate, the sample group was adjusted to meet the sample requirements. The researcher had aimed to use social media channels as a tool to attract additional participants who were willing and interested in taking the survey. This approach would reduce survey administrative costs and increase response rate (McBurney, 2001: 246; Chikandiwa, 2013: 56). Based on the sample size recommendations above, the researcher had aimed to use between a minimum of 10 participants per bank. This approach was taken to ensure that a minimum of 20 participants was achieved in order to satisfy the sample size research requirements (Weston, Gore, 2006: 734).

7.9 Data Analysis

According to Ghauri and Groonhaug, (2005 cited in Chikandiwa, 2013: 64) data analysis consists of techniques to conceptualise and analyse data so that they result in theories and findings. However according to Mouton (2001: 198), data analysis begins whilst pre-testing and interviews are being carried out. This preliminary analysis would tell the researcher, how to redesign questions to focus on the central themes of the study as the researcher continued with the initial steps of data collection (Mouton, 2001: 198). Once the pre-testing and interviews were complete, a more detailed and fine-grained analysis of the conversation was conducted (Mouton, 2001: 198). Through this approach, additional themes and concepts were realised, that were used in building an overall explanation (Mouton, 2001: 198). The goal was to integrate themes and concepts raised from interviews, focus groups and questionnaires to formulate theories that offer an accurate and detailed interpretation of the collected data (Mouton, 2001: 198).

The above approach was used in relation to available computer-aided software such as Statistical Product and Service Solution (SPSS), Microsoft Excel, Microsoft PowerPoint and Microsoft Visio (Mouton, 2001: 198). These tools were used to store, retrieve and analyse data based on the functions offered by the solution package (Mouton, 2001: 199). Furthermore descriptive statistics was used to present summaries of findings in the form of pie charts, bar graphs, frequency tables and numeric measures (Chikandiwa, 2013: 65; McBurney, 2001: 382). Descriptive statistics allows researchers to summarise a set of data and describe the degree of relationship between variables (McBurney, 2001: 382). This approach would make raw data readable and understandable (Chikandiwa, 2013: 64).

A measure of central tendency would be used in analysing the collected data (McBurney, 2001: 382). Central tendency is a single number that is used to represent the average score in a distribution and the three most commonly used measure of central tendency are; the mode, the median and the mean (McBurney, 2001: 382). These measures were used to analyse the results from both the questionnaires. A method of structural equation modelling (SEM) technique was also applied to the customer's survey (question 16), to identify the strength of correlation and the levels of significance amongst variables (Polonsky, Waller, 2011: 185). This was done in the SPSS software solution using a correlation matrix approach.

Additionally a statistical method called factor analysis was used to analyse the brand loyalty hypotheses identified in the customers' survey (Moutinho, Hutcheson, 2011: 117). This method

allowed the researchers to group variables together so as to identify any underlying relationship that may exist and aggregate these variables into a new composite variable group so as to explain the relationship that may exist (Polonsky, Waller, 2011: 184; Moutinho, Hutcheson, 2011: 117). As part of this technique Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, Bartlett's test of sphericity and correlation matrix was used to test the hypothesis identified (Polonsky, Waller, 2011). A correlation matrix was used to identify the key brand loyalty components through principal component analysis (PCA) and test the null hypothesis for the identified components (McBurney, 2001: 402; Polonsky, Waller, 2011).

The data analysis process also made use of another method called content analysis which is an observational research method that allowed the researcher to systematically evaluate the content of all forms of communication (text or word document) (Chikandiwa, 2013: 65). This method allowed the researcher to analyse information from the various interviews with the marketing managers and categorise the collected documents, concepts from focus groups and the answers from the questionnaires (Chikandiwa, 2013: 65; McBurney, 2001: 228). This approach aided the researcher in identifying relationships between variables and allows comparison between the various variables (Chikandiwa, 2013: 65; McBurney, 2001: 228). In addition statistical techniques that were applied in answering the research questions are as follows (Polonsky, Waller, 2011: 172):

Statistical terms and Analytical Techniques			
Test/Statistic	Number of Variables	Number of Groups being compared	Purpose
Mean	1	N/A	Description of the central tendency of a data set
Variance	1	N/A	Description of dispersion within a data set
Standard deviation	1	N/A	Description of dispersion within a data set
Confidence interval	1	N/A	Estimate of the range within which a statistic (e.g., mean, variance, and standard deviation) should fall.
Frequency distribution	1	N/A	Description of the number of times a data item occurs
Cross-tabulation	2	2 or more	Description of the relationship between two categorical variables.

Table 9: Analytical Techniques

7.10 Reliability and Validity of the Instrument

According to McBurney (2001: 127) for a measure to be of any use in science it must have both reliability and validity. A pilot study was therefore conducted with a lead/head marketing personnel to test this. Both the questionnaires were discussed with knowledgeable marketers within the banks to identify the reliability and validity of the questions (Chikandiwa, 2013: 66; McBurney, 2001: 127). Based on the initial discussions with the various marketers and focus groups, the researcher had a better understanding of the concepts and variables that were being tested (Chikandiwa, 2013: 66; McBurney, 2001: 127). This approach helped the researcher in identifying both the dependent and independent variables and how these were related (McBurney, 2001: 127). Furthermore a statistical method of Cronbach's alpha was used to measure the internal consistency and reliability of dependent components (Schumacker, Lomax, 2012: 47). Cronbach alpha reliability coefficient of 0.70 or higher is considered "acceptable" in most social science research studies (Schumacker, Lomax, 2012: 47).

On the basis of the above understanding, the validity in this study was measured through the questionnaires that were derived from the literature review, which was based on the research questions. To ensure validity of the questionnaires, questions were created from credible academic resources. Additionally the questionnaires were also reviewed by head/lead marketers (social media expert) of the banks so as to check the validity of the questionnaires.

7.11 Ethical consideration

The researcher abided by the ethical guidelines set out by the Rhodes University Ethics Committee in creating and administering the questionnaires. In addition, permission to conduct the research study was requested from the relevant marketers at the chosen banks before any fieldwork was conducted (annexure 9). During the pilot study, respondents were told about the purpose of the study and what was to be expected of them. Voluntary participation was encouraged in the pilot study and the primary data collection process. All collected information was treated confidentially and results used only for the research study. Both the questionnaires contained adequate information about the research study and process of taking the survey. Banks that participated in the study were referred to as Banks A, B, C and D in the research results chapter to avoid their specific identification. These references were also used in the data analysis and conclusion step.

7.12 Conclusion

This chapter discussed the research methodology that was used by the researcher in addressing the role of social media in banks and the components that impact customer brand loyalty on social media. The researcher also proposed an exploratory research approach due to the nature of the study and the need for collecting data through online questionnaires in answering the research questions. Various data collection and data analysis techniques were adapted in gathering and analysing the results. Chapter 8 that follows will present an analysis on the collected information and use the various methods, techniques and software solutions to derive the conclusion and make recommendations.

Chapter 8 - Research Results

This chapter analyses the data gathered from both the questionnaires and interprets the results using statistical methods discussed in Chapter 7. A detailed analysis of the hypothesis testing is provided based on the collected data.

8.1 Introduction

The previous chapter outlines in detail the data collection process, analysis techniques and statistical methods that will be used to interpret the collected data. A pre-test and pilot study was conducted for both the questionnaires and where necessary questions were modified on the basis of feedback from the various groups of participants. The marketer's questionnaire was analysed qualitatively due to an inadequate number of participants that took the marketer's survey (a known limitation of the study). However adequate data was collected through interviews with the three lead/head social media marketing personnel and focus groups at the banks. Information gathered through the surveys, interviews and focus groups allowed the researcher to formulate theories that offer an accurate and detailed interpretation of the collected data (section 7.9) (Mouton, 2001: 198).

On the other hand quantitative analysis was performed on the customer's survey data through statistical methods that were discussed in chapter 7. Graphs, charts, diagrams and visual aids were used to represent analysed data through the use of Statistical Product and Service Solution (SPSS), Microsoft Excel, Microsoft PowerPoint and Microsoft Visio (Mouton, 2001: 198). The

key hypothesis of brand loyalty and the measure of creating brand loyalty will be discussed in this chapter.

8.2 Pilot Study Outcome

Based on the pilot study completed by the three head social media marketers and the researcher, the following changes (see table below), were made to the survey questions. The changes made to the pilot study were taken into account before the questionnaires were made available online. A full copy of the online questionnaire can be found in Annexure 6 and 7.

Questionnaire Type	Question Number	Initial Value	New Value	Reason for changes
Marketer's Survey	11	2 - 4 years	1 - 2 years and 3-4 years	1-2 years was added as an option and 2-4 years was changed to 3-4 years to improve the accuracy of the collected data.
Marketer's Survey	13	What reporting and analysis done in measuring social media activities?	How is reporting and analysis done in measuring social media activities?	This was changed to grammatically improve the meaning of the question.
Marketer's Survey	12 - 15	Not Sure	Don't know	This change was made to standardise this answer for all the questions.
Marketer's Survey	17	Interation Process	Interaction Process	Spelling mistake was corrected on this question.
Customer's Survey	2	Which bank do you bank with?	Which bank do you primarily bank with?	This question was changed as some people may bank with more than one bank

				but have one primary bank.
Customer's Survey	4	Questions answers: Black, White, Coloured, Indian and Other	Questions answers: Black African, White, Coloured, Indian or Asian and Other/Unspecified	This was done in accordance to the South African census ethnic categories.

Table 10: Pilot study changes to questionnaires

8.3 Marketer's Survey Analysis

A total of 3 lead/head social media marketing personnel participated in the interview process, 14 marketing personnel participated in the online survey and another 4 participated in a focus group. As mentioned in the data collection procedure, section 7.6 on page 123, researchers often use focus groups when there is not enough information on a topic and they want the flexibility to explore key issues (Polonsky, Waller, 2011: 94). Various themes and concepts raised in the interviews, focus group and the survey were used to analyse the gathered data (Mouton, 2001: 198). Below are the analysed results from the various qualitative methods that were applied:

8.3.1 Interviews and Focus Groups

Below is a summary of answers from the respondents that participated in the interview and the focus group:

Interview Results	
Interview questions	Question results
1. What social media tools are used by the organisation and what is the purpose of using these?	Facebook, Twitter, YouTube, Instagram, Mxit and LinkedIn
2. What is used to monitor and analyse the social media channels (comments, views, actions, re-tweets, followers, links, leads, media mentions or something else)?	For listening to customers - Radeon 6 and for engaging customers - Hootsuite and Brandseye Social Monitoring software.
3. Is there a customer feedback process through surveys or any other methods?	This is only done through social media channels used by the bank. No surveys are used, but some banks post customer related questions to drive customer interaction.

4. In what way is the organisation engaging customers on social media in creating interactions and relationships?	Taking part in discussion with customers, speak about sponsorship, pro-active and reactive communication. Also drive engagement through content.
5. What value is the organisation creating for customers on social media (functional, brand or social)?	Customer service, customer education, helping people make their money go further through banking information.
6. How is the organisation creating a visible footprint in the public sector through social activities?	By encouraging staff to do good deeds on a regular basis on individual and community levels. Also through marketing campaigns that benefit the general public e.g. charity work and community programs.
7. What social media marketing strategies are implemented on social media channels (e.g. brand awareness, exposure, loyalty creation)?	Primary focus is on managing bank's reputation, education and communication, brand awareness and creating brand exposure through the various social media used by the bank.
8. Are there social media policy documents in place to guide the users and the internal staff?	Internal social media usage policy is in place for staff but use the social media policies provided by the service provider for external participants, e.g. Facebook policies and Twitter policies.
9. What measures are in place to deal with security, privacy and regulatory concerns on social media?	Educate users on the social media usage policy and use emails as a secure channels to communicate with users. Firewall and internal security is also in place to prevent software threats.
10. What social media components influence brand loyalty (e.g. registration, content, conversation etc.)?	Trust towards the brand and conversation. Content and two way dialogues. Keep promises, be transparent, be honest, and be authentic. Make it simple for customers to see value.
11. How is business measuring the value of social media?	Manage engagement, tone of customer's conversations (sentiment analysis), size of the community, track traffic on the social media websites. Lead generation opportunities.
12. What reporting and analytical tools are being used to measure social media activities?	Combination of both internal and external third party tools. Sentiment analysis tools that assist in analysis reports.
13. How is the organisation using social media channels to create loyalty?	Through education, engagement, trust creation and listening to people.
14. How is customer brand loyalty on social media measured?	Done through information and reporting technology (IBM Analytics, Brandseye Social Monitoring software and Radeon 6).

Table 11: Interview and focus group results

8.3.2 Survey Questions

Demographic questions (Questions 1 – 3)

The marketing professionals in the bank were made up of 42.9% male and 57.1% females. The majority of females were between the ages of 26-30 years whilst the males were fairly evenly distributed from different ranges as shown in the frequency tables below.

Gender Analysis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	8	57.1	57.1	57.1
	Male	6	42.9	42.9	100.0
	Total	14	100.0	100.0	

Table 12: Gender Analysis

Age & Gender Analysis

			Frequency	Percent	Valid Percent	Cumulative Percent
Female	Valid	20- 25 years	1	12.5	12.5	12.5
		26- 30 years	4	50.0	50.0	62.5
		36- 40 years	2	25.0	25.0	87.5
		46 years and older	1	12.5	12.5	100.0
		Total	8	100.0	100.0	
Male	Valid	20- 25 years	1	16.7	16.7	16.7
		26- 30 years	1	16.7	16.7	33.3
		31- 35 years	2	33.3	33.3	66.7
		36- 40 years	1	16.7	16.7	83.3
		46 years and older	1	16.7	16.7	100.0
		Total	6	100.0	100.0	

Table 13: Age and gender Analysis (relating to Question 1 and 2)

The majority of marketers have 2 to 3 years and more than 10 years of marketing experience (35.7% each). Results show balanced levels of marketing experience in the banking environment.

Marketing Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 - 3 years	5	35.7	35.7	35.7
	4 - 5 years	1	7.1	7.1	42.9
	Less than a year	3	21.4	21.4	64.3
	More than 10 years	5	35.7	35.7	100.0
	Total	14	100.0	100.0	

Table 14: Marketers marketing experience (relating to Question 3)

Create brand awareness - Measure 2 (Questions 4 and 5)

In creating brand awareness and exposure, the selected banks are extensively using Facebook (19.2%), LinkedIn (19.2%) and Twitter (19.2%).This is again aligned with the literature review data that Facebook, LinkedIn and Twitter are extensively used in the South African marketing environment for marketing purposes (Goldstuck, Wronski, 2014). YouTube and Pinterest have a lower usage frequency as the interviews and the literature shows that Facebook and Twitter are mainly used for dealing with operational issues while YouTube is used for mass marketing

of product information (section 2.4.1 on page 34) (Seggie, 2012). Banks also use other social media channels such as; Mxit, Wikipedia, Instagram, Blogs, Google plus and WhatsApp to engage and interact with customers.

Social media usage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Facebook	14	19.2	19.2	19.2
	LinkedIn	14	19.2	19.2	38.4
	Pinterest	9	12.3	12.3	50.7
	Twitter	14	19.2	19.2	69.1
	YouTube	12	16.4	16.4	86.3
	Other: Please Specify	10	13.7	13.7	100.0
	Total	73	100.0	100.0	

Table 15: Social Media Usage in Banks (relating to Question 4)
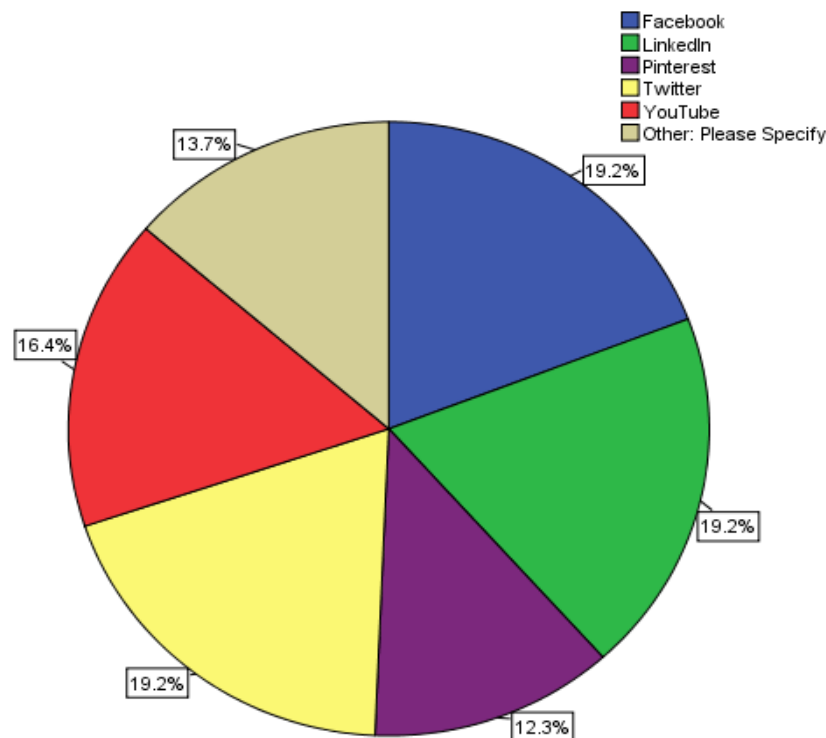
Figure 4: Use of Social Media channels (relating to Question 4)

Question 5 looks at the purpose of using these social media channels in the banking environment. The majority of the banks aim to use social media for community engagement (15.7%) as seen in the table below. Furthermore there is equal distribution for creating web traffic and social media marketing at 14.6%. As addressed in section 2.3 of the literature review, community engagement is essential in understanding customer challenges and addressing these through continuous dialogues (Khan, Karodia, 2013: 10).

Purpose of using social media

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Brand recognition (advertising)	12	13.5	13.5	13.5
	Community engagement	14	15.7	15.7	29.2
	Create exposure (public relations)	12	13.5	13.5	42.7
	Creating web traffic	13	14.6	14.6	57.3
	Influence customer behaviour (direct marketing)	12	13.5	13.5	70.8
	Sale promotion	10	11.2	11.2	82.0
	Social media marketing	13	14.6	14.6	96.6
	Other: Please Specify	3	3.4	3.4	100.0
	Total	89	100.0	100.0	

Table 16: Purpose of using social media channels (relating to Question 5)

Having business objectives - Measure 1 (Questions 6 - 8)

Based on the literature in chapter 2, aligning company goals and objectives with social media is essential for guiding marketing strategy and creating competitive advantage in the market (Chikandiwa *et al,* 2013: 376; Sheahan, Hershberger, 2011; Viet Ngo, O' Cass, 2010: 497). Results in Figure 5 shows that banks primarily use social media to create brand awareness (28.6%), increase public relations (24.5%), increase sales (14.3%) and generate web traffic (14.3%) in order of importance.
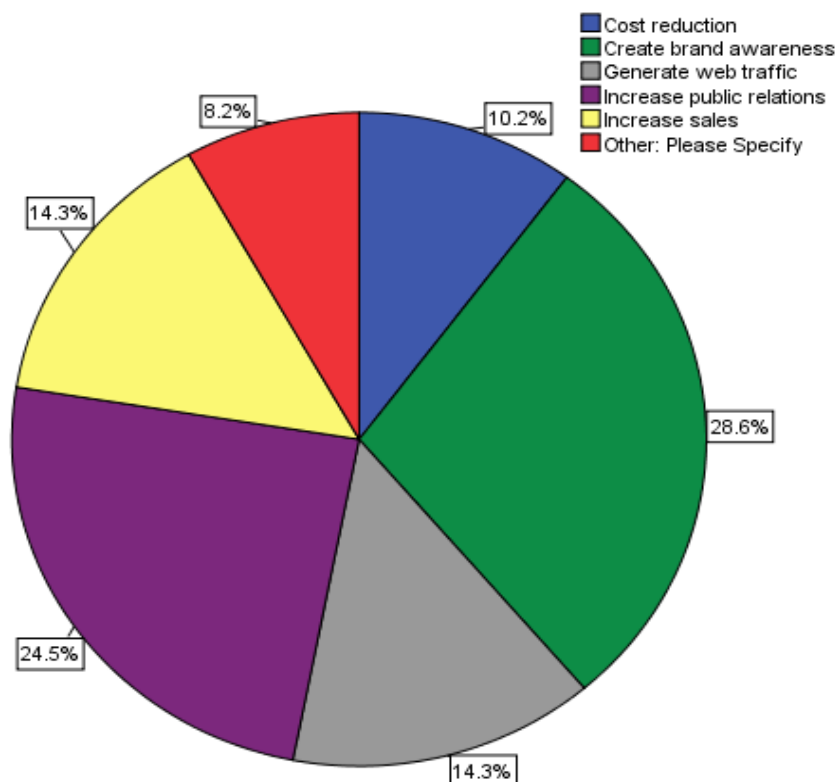

Figure 5: Business objectives (relating to Question 6)

Disregarding the 'other', cost reduction is the lowest (10.2%) of the other factors. Some of the other responses included reputation management, building the brand and driving campaign attendance as opposed to sales.

Question 7 aimed to identify the priorities of business objectives to the organisation identified in the literature in section 2.5 on page 38. To identify key business objectives used by banks on social media, marketers were asked to prioritise objectives from a list of cost reduction, increase public relations, creating brand awareness, increasing sales and generating web traffic (Sheahan, Hershberger, 2011: 26). Based on the responses shown in Figure 6 below, in order of highest to lowest priorities, the following responses have been represented; creating brand awareness, increase public relations, cost reduction, generate web traffic and increase sales.
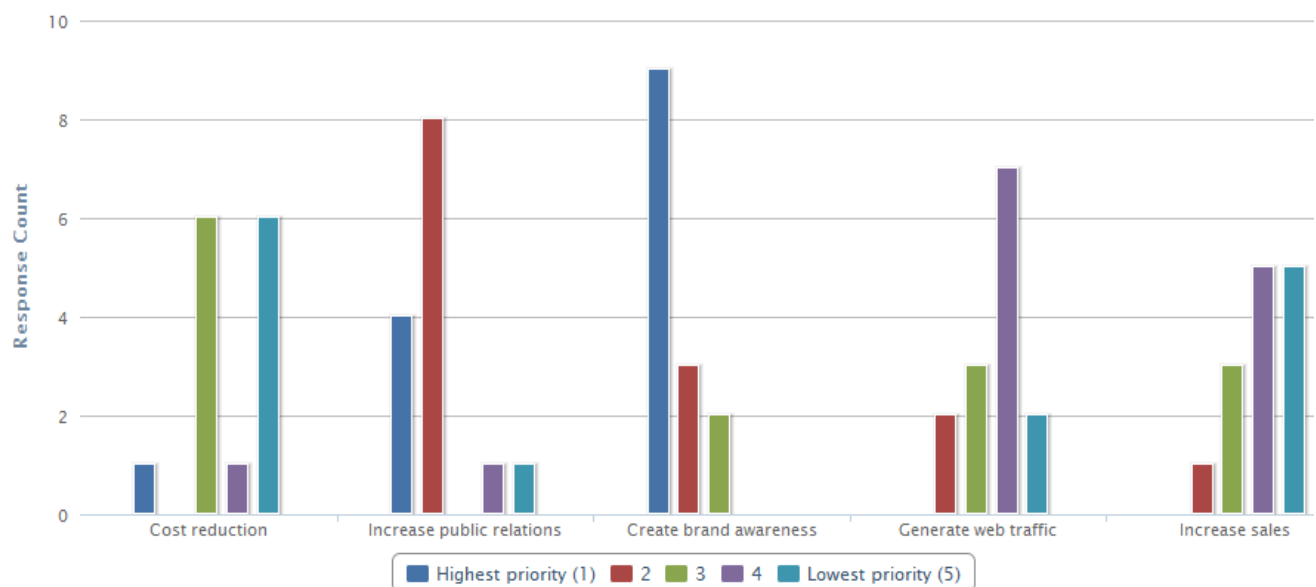
Figure 6: Business objective priorities (relating to Question 7)

Question 8 aims to identify the effectiveness of using social media tools (Facebook, Twitter, LinkedIn, YouTube and Pinterest) in the marketing strategy in achieving business objectives. Based on the graph below, marketers in the bank believe that Facebook is the most effective with 71.4% followed by Twitter (64.3%) and LinkedIn (50.0%). YouTube and Pinterest are relatively low on the effectiveness rating.
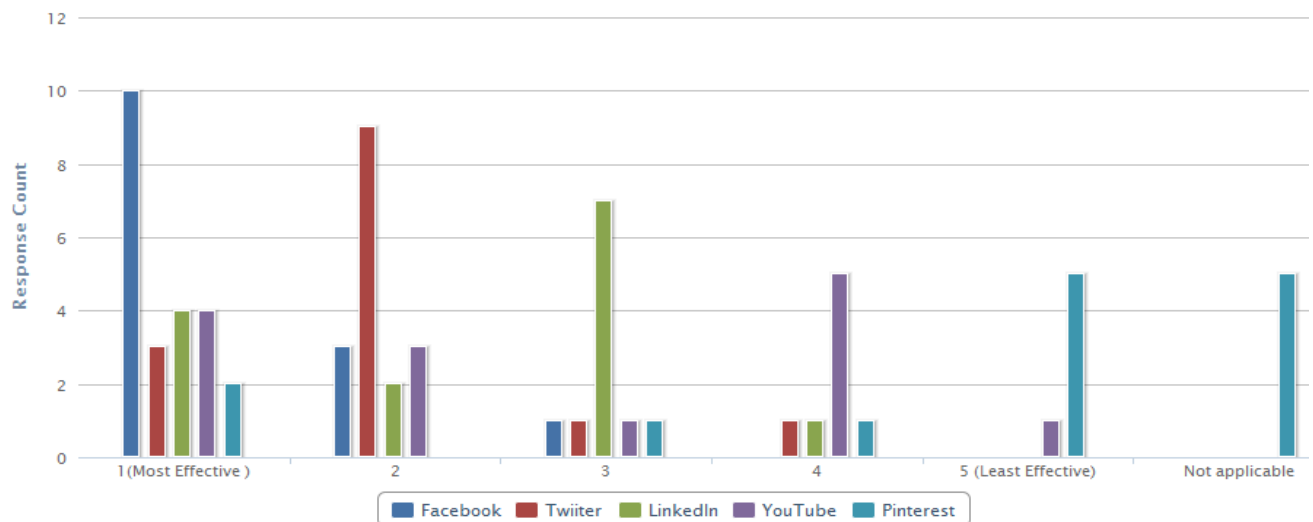
Figure 7: Effectiveness of social media tools (relating to Question 8)

Encourage a culture of innovation and new ideas - Measure 3 (Questions 9 - 11)

Based on the literature in section 3.2 on page 48 a culture that encourages innovation and new ideas will grow the product/service and achieve relational values for both parties (Chan *et al,* 2010: 52; Viet Ngo, O' Cass, 2010: 500; Mroz, 2013; Allden, Harris, 2013: 42). The graph below shows that the majority of the banks use a combination of in-house and outsourced (64.3%) social media function. As discussed in the literature review, the social media function may be done in-house to get closer to their customers or fans and take charge of their social media activities, while outsourcing may be adopted to reduce costs and boost profitability (section 2.8 on page 41) (Chikandiwa *et al,* 2013: 375; FNB, 2014; Zutshi *et al,* 2014: 289).
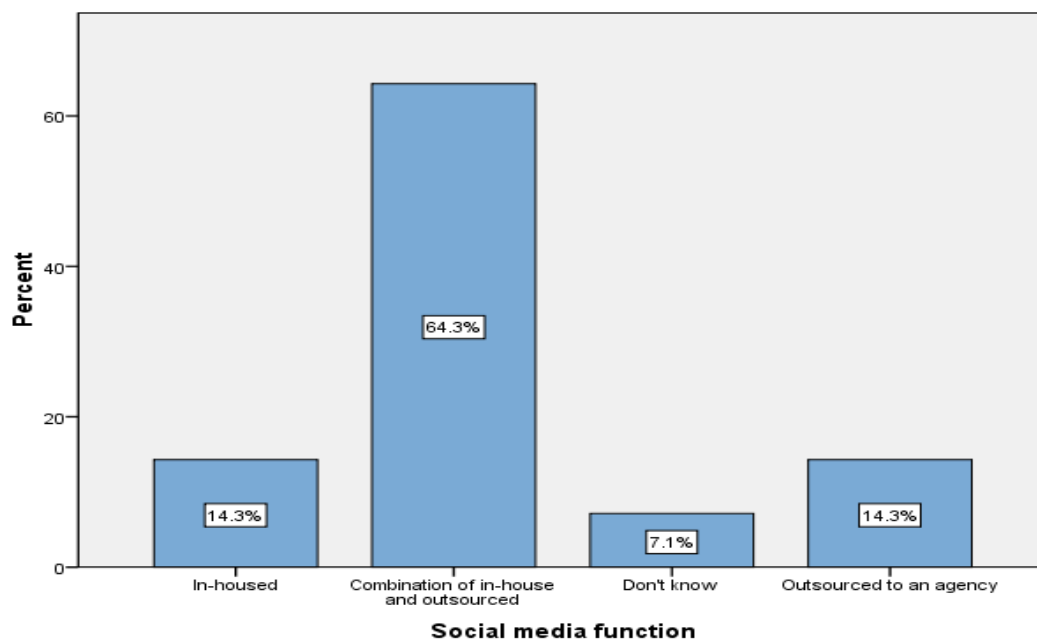
Figure 8: Social Media function (relating to Question 9)

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Question 10 aims to identify reasons behind the decision of in-sourcing or outsourcing made by banks. The majority state that reducing costs is a major factor for using a combination of in-house and outsourced option. Furthermore, marketers also believe that lack of social media experts and adequate tools in the market allows them to follow a combined approach where specialised services are outsourced while strategic functions are in-housed. One of the respondents also stated that "there are specialists in the field that have in-depth knowledge about social media trends" they prefer to use. Another respondent stated that "a combined approach allows banks to focus on resolving customer issues and maintain strategic direction". Marketers also acknowledge the need for managing bank's data and privacy of client information on social media.

Question 11 gathers data on the bank's social media experience and social media usage. From the frequency table below, the majority of banks have been using social media for more than 5 years (57.1%). Whilst 28.6% do not know the answer, another 2 respondents believe they have been using it for 3 to 4 years.

Use of Social Media

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 - 4 years	2	14.3	14.3	14.3
	Don't know	4	28.6	28.6	42.9
	More than 5 years	8	57.1	57.1	100.0
	Total	14	100.0	100.0	

Table 17: Social media experience (relating to Question 11)

Provide service delivery through social media - Measure 4 (Questions 12 - 14)

As discussed in the literature review (section 3.2 on page 49) businesses need to effectively manage service delivery process and customers' perceptions when aiming to add value through social media (Titko, Lance, 2012:1037). In order to create online value for customers, activities on social media need to be measured and analysed (Kelly, 2013; Sterne, 2010). Question 12 aims to identify which activities such as actions (e.g. tweets, likes, comments, video views etc.), feedback, followers and leads (content discussions) are measured on social media. Bar graph below shows that actions and followers have the highest response followed by feedback and leads. The majority of banks use Facebook, Twitter and LinkedIn to measure these social media activities. YouTube and Pinterest are infrequently used to measure these activities compared to the other three social media channels.
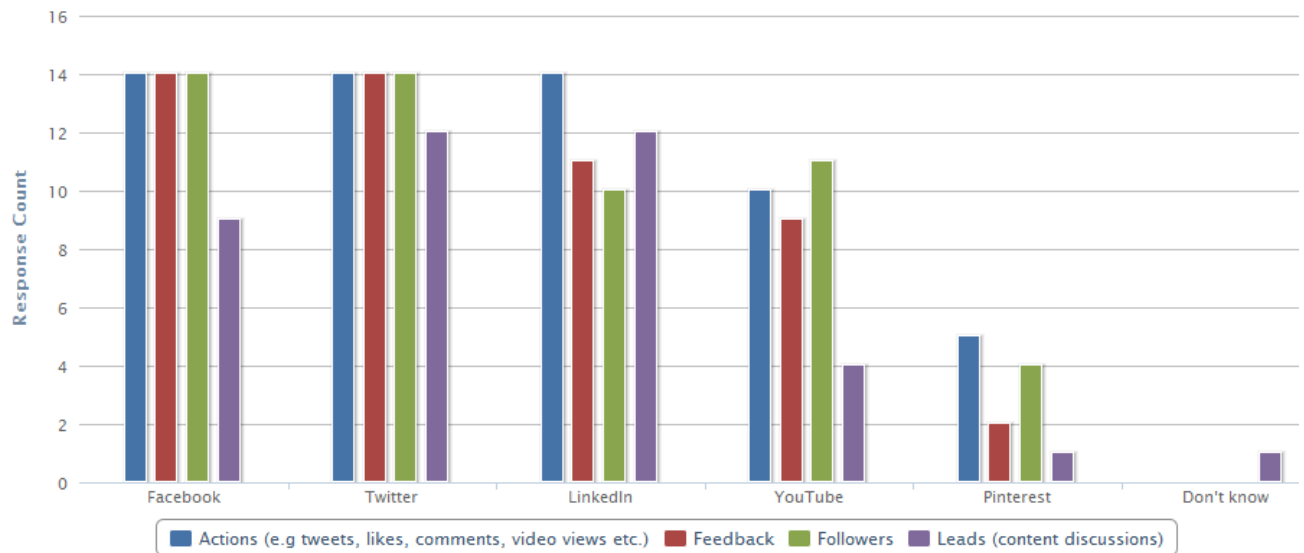
Figure 9: Measured social media activities (relating to Question 12)

The literature states that (section 2.8 on page 41) in the strategy implementation stage, organisations need to take a critical decision regarding planning and executing social media functions in-house or outsourcing it to an agency (Reece, 2010: 259). Question 13 aims to gather data on how reporting and analysis is done in measuring social media activities. Results show that the majority of marketers prefer to use third party software solutions (71.4%).

Reporting and analytical tools

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Combination of in-house and third party software solutions (please explain)	4	28.6	28.6	28.6
	Third party software	10	71.4	71.4	100.0
	Total	14	100.0	100.0	

Table 18: Reporting and analytical tools (relating to Question 13)

Question 14 focuses on extracting data on marketing strategies used by banks through the use of social media. In the strategy implementation stage banks need to ensure that awareness, sales and profit generation, community building and publicity activities are implemented (Reece, 2010: 259). According to the results in the frequency table below, banks primarily aim to focus on building communities (50.0%) and 'other' answer option (21.4%). In the 'Other' answers response, building online reputation on social media was emphasised by marketers.

Marketing strategy used by Banks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Don't know	2	18.2	18.2	18.2
	Building community	4	36.4	36.4	54.5
	Increase awareness	2	18.2	18.2	72.7
	Other: Please Specify	3	27.3	27.3	100.0
	Total	11	100.0	100.0	

Table 19: Most important marketing strategies (relating to Question 14)

Encourage a culture of innovation and new ideas - Measure 3 (Questions 15)

Question 15 aims to identify a bank's social media value proposition. As discussed in the literature (section 3.2 on page 47), management needs to understand the value proposition and translate this into an actionable strategy that will influence business's activities (Viet Ngo, O' Cass, 2010: 500). The following have the highest frequency of responses (data measured in counts); customer interaction through feedback process (38), trust creation through two way dialogues (37) and creating product and service quality for customers (34). The bar graph below shows Facebook and Twitter are extensively used in creating the value proposition, compared to the other social media channels. Furthermore many respondents also did not know what Pinterest was being used for.
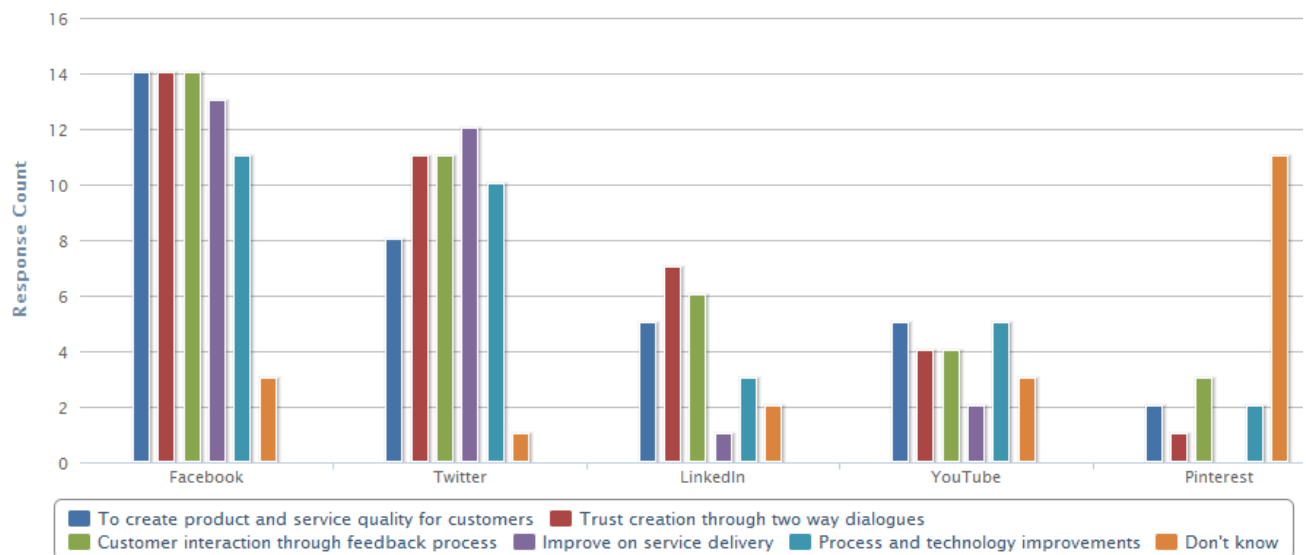

Figure 10: Social media value proposition (relating to Question 15)

Create brand transparency - Measure 6 (Questions 16 - 18)

Question 16 gathers data on how banks create customer trust and satisfaction on social media. Trust and satisfaction are essential components of brand loyalty creation that influence

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customer buying behaviour and commitment towards a brand (Punniyamoorthy, Raj, 2007; Chu *et al,* 2012: 1274; Purkait, 2012: 405). As identified in the literature (section 3.3 on page 53), the flow of information and transparency creates relationships opportunities which then builds on customer value creation on social media (Won Kim, Choi Ju, 2013: 149). Results in the frequency table below shows service delivery (28.6%) is the primary means of creating trust and satisfaction on social media. Marketers also believe that creating easy access to products or service (23.8%) and brand image (21.4%) are relatively important.

Customer trust and satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Brand image	9	21.4	21.4	21.4
	Personnel involved in the service delivery	7	16.7	16.7	38.1
	Product cost/price	2	4.8	4.8	42.9
	Service delivery	12	28.6	28.6	71.4
	Through easy access to product or service	10	23.8	23.8	95.2
	Other: Please Specify	2	4.8	4.8	100.0
	Total	42	100.0	100.0	

Table 20: Trust and satisfaction creation on social media (relating to Question 16)

Question 17 aims to gather a marketer's view on customer value proposition when choosing between their business and competitors. It is through customer value proposition that banks are able to identify core business priorities and activities that require management attention (section 3.2 on page 50) (Mroz, 2013). Results in table 21 shows banks primarily aim to create value through products and service quality (24.5%) and reliability (22.4%).

Factors customers' value

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Costs/Prices	7	14.3	14.3	14.3
	Interaction process	9	18.4	18.4	32.7
	Product and service quality	12	24.5	24.5	57.1
	Product/service related benefits	8	16.3	16.3	73.5
	Reliability	11	22.4	22.4	95.9
	Don't know	1	2.0	2.0	98.0
	Other: Please Specify	1	2.0	2.0	100.0
	Total	49	100.0	100.0	

Table 21: Customer value proposition (relating to Question 17)

Interaction process has 18.4% and product/service benefits have a 16.3% value proposition. Convenience and ease of transaction is another important value proposition raised by one of the respondents.

Question 18 focuses on the marketer's view on what would cause customers to terminate their contract with the bank. Marketers believe that poor service delivery (29.7%) is the main reason customers terminate their contract with their bank. High product/service costs (21.6%) and better alternatives (21.6%) are also important reasons for customers switching to competitors. Perceived value was one of the other reasons that may influence customer service commitments, as stated by one of the respondents.
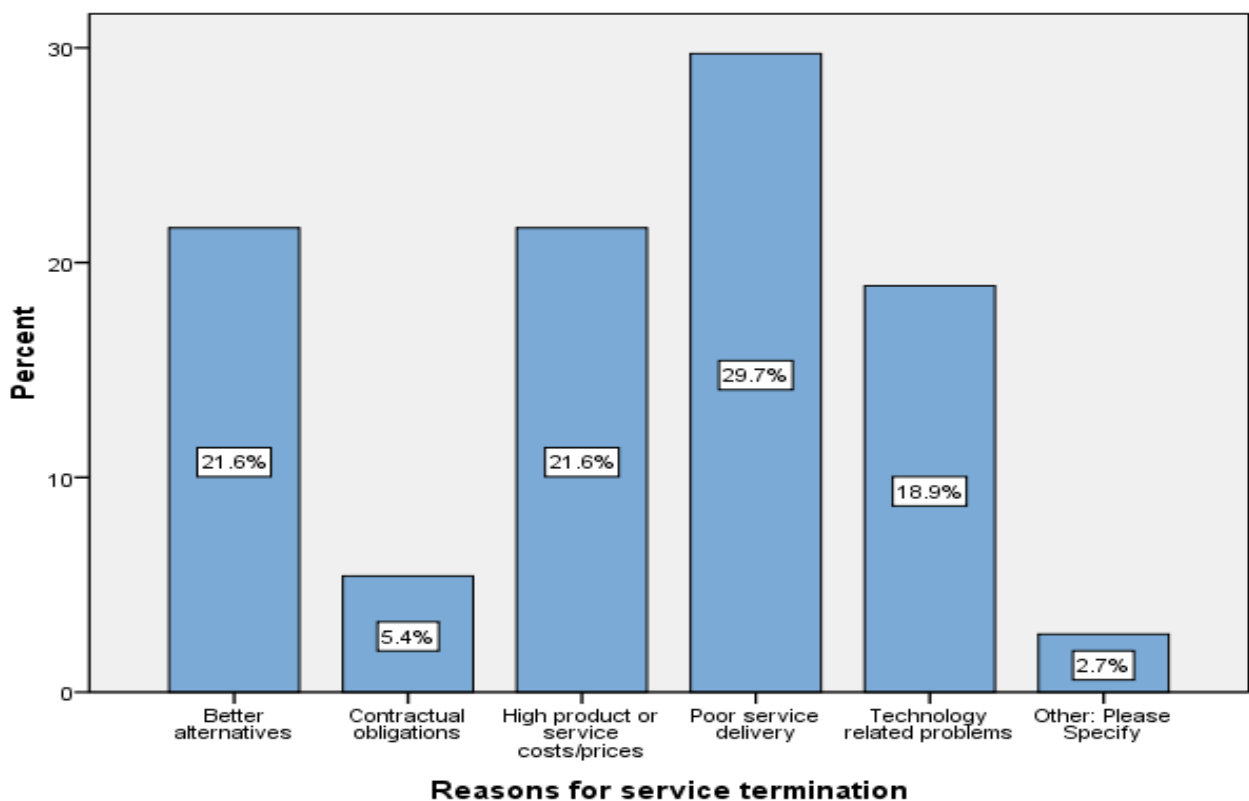
Figure 11: Reason for service termination (relating to Question 18)

Provide service delivery through social media - Measure 4 (Questions 19)

Question 19 aims to identify how various social media channels are being used in the bank. According to the marketers, the majority of banks mainly seem to be using social media for brand management (52 responses), advertising (51 responses) and knowledge sharing (48 responses). Collected data shows (Figures 12 and 13) that Facebook and Twitter are primary channels used to handle customer complaints (48.3%), generate leads (37.5%) and develop

new products (32.3%). YouTube on the other hand is primarily being used for entertainment at 31.7% as can be seen on the graph below.
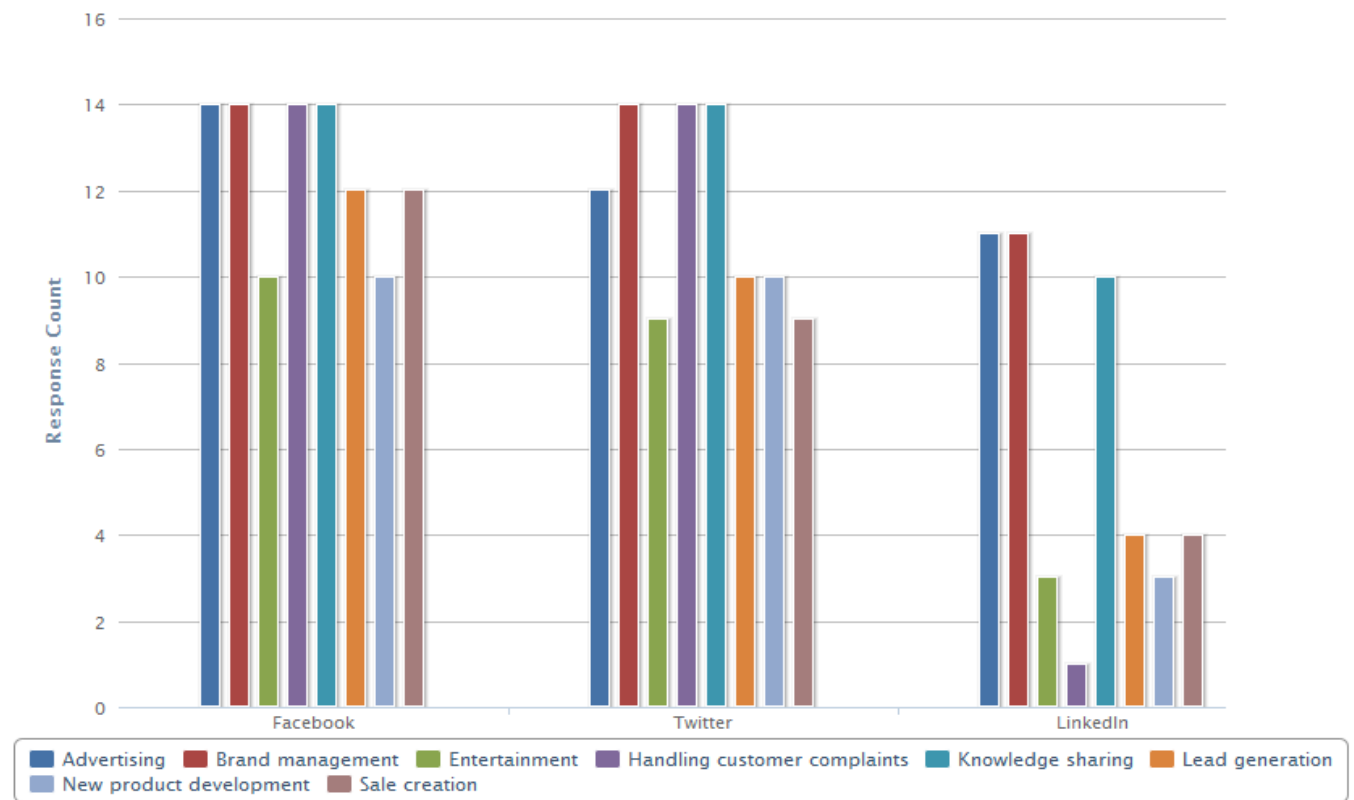
Figure 12: Use of social media channels (relating to Question 19)
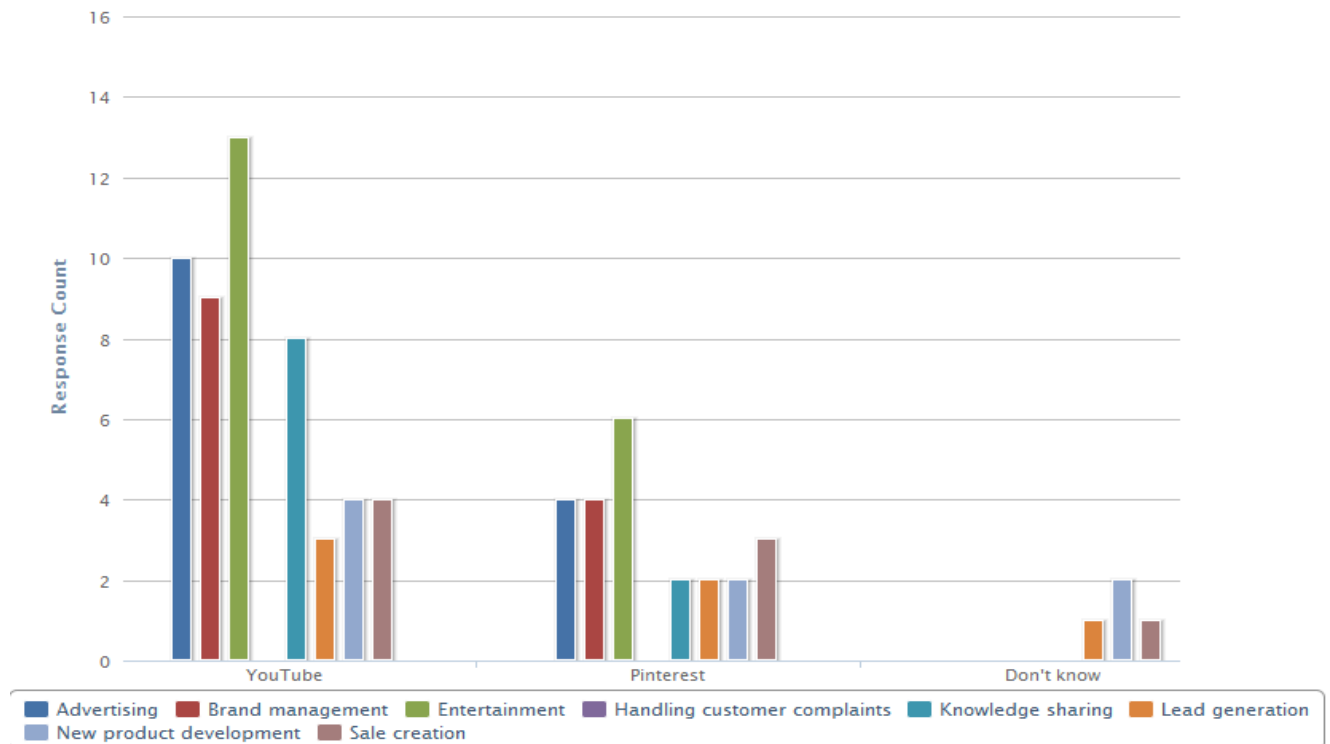
Figure 13: Use of social media channels (relating to Question 19)

Segmenting customers and Reward incrementally loyal customers - Measures 5 and 8 (Questions 20 - 21)

Question 20 aims to understand if banks use loyalty programs or reward schemes on social media. The pie chart below shows that the majority of banks use loyalty programs or reward schemes (64.3%) with only 7.1% of the total marketers saying they do not use loyalty programs. 14.3% of the marketers do not know the answer and the remaining suggest 'other' response. The respondents of the 'other' category stated that incentives such as I-pads and other devices are used to encourage customer interaction and engagement. Furthermore incentives are based on campaigns and promotional activities.
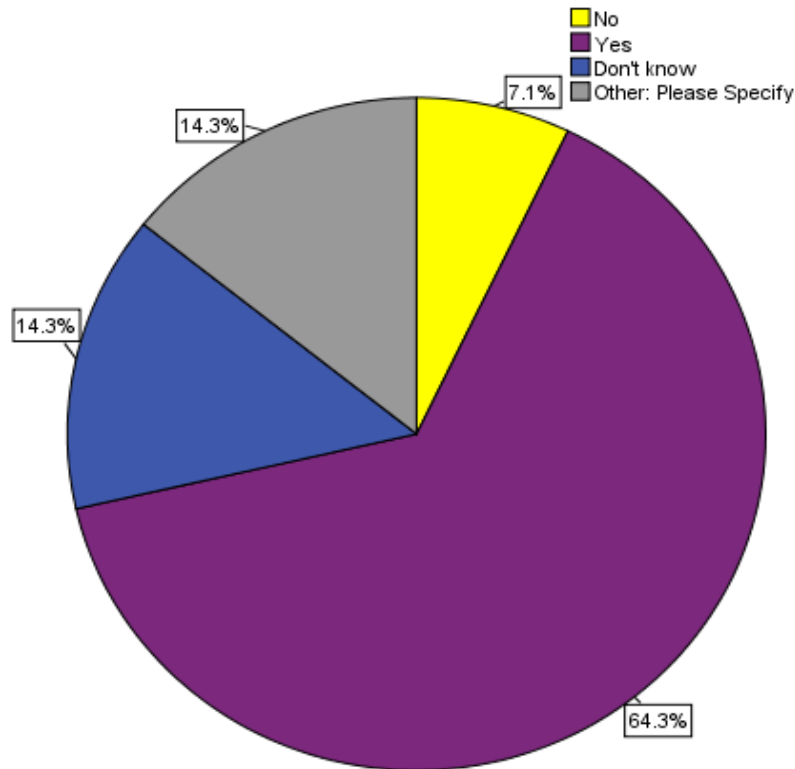
Figure 14: Use of loyalty programs or reward schemes on social (relating to Question 20)

Question 21 aims to identify how marketers encourage social media interaction and customer engagement. Content (31.8%) has the highest percentage followed by feedback process (22.7%) being really important on social media as shown below in Figure 15. Literature highlights that listening and responding to people in a true, authentic and transparent manner is essential in creating relationships with individuals (Kelly, 2011 cited in Lee, 2011: 9). Furthermore, according to Entrepreneur Media SA (2013, cited Standard Bank, 2014) when people read compelling content from a trusted website, they are more likely to share the content and spread the word.

Legend:
- Content
- Feedback process
- Product price related incentives
- Reward programs (online coupons, participation points etc.)
- Social media expert/followers

Pie chart values:
- 31.8%
- 22.7%
- 13.6%
- 15.9%
- 15.9%
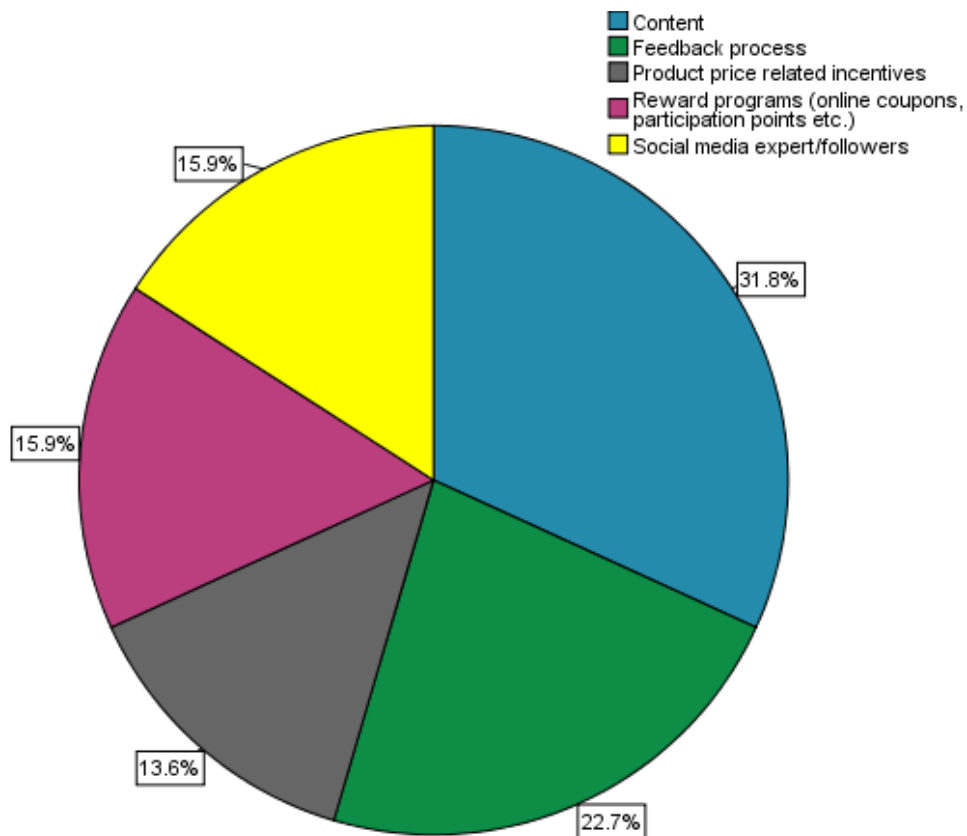
Figure 15: Customer interaction and customer engagement (relating to Question 21)

Segmenting customers and Measure brand loyalty components - Measures 5 and 7 (Questions 22 - 26)

Question 22 aims to gather data on factors that create brand loyalty on social media. The majority of marketers believe that enjoyable content (35.7%) is essential for creating brand loyalty on social media. Additionally personalisation and customisation (28.6%) and richness of information (21.4%), are essential factors that influence brand loyalty on social media. Both loyalty programs and simplified access points have 7.1% with a frequency of one response each.
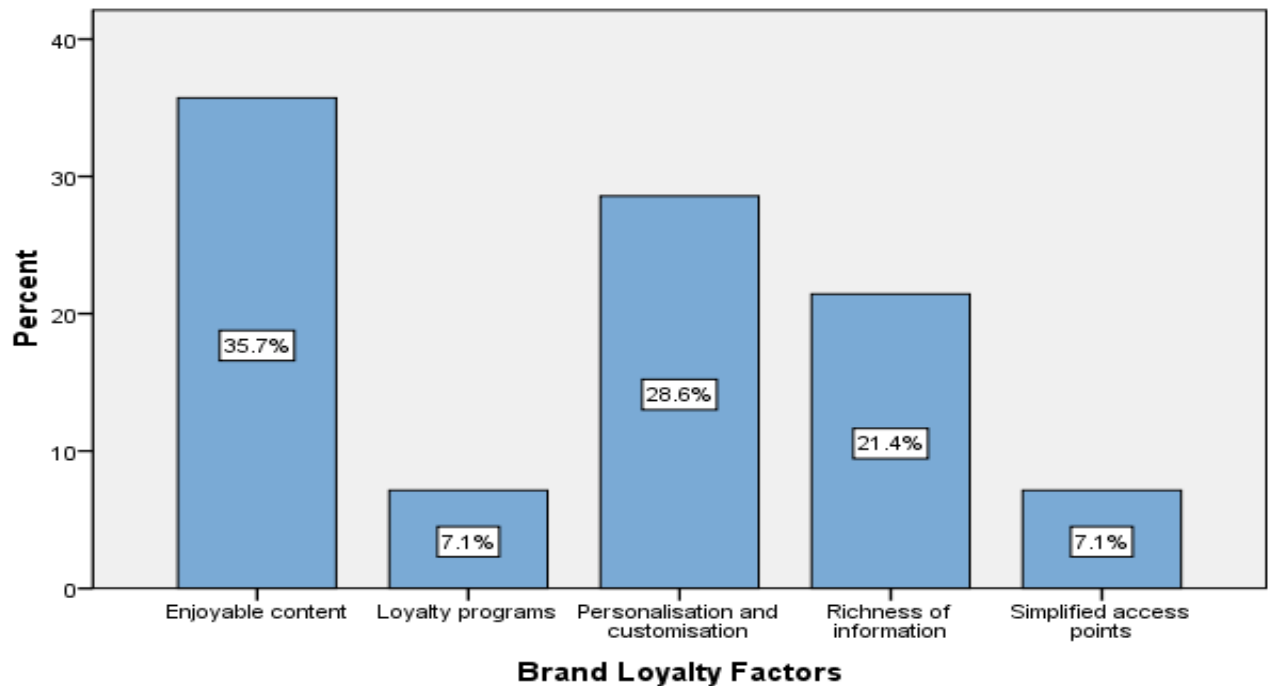
Figure 16: Loyalty creation on social media (relating to Question 22)

Question 23 aims to gather data on the use of social media in banks in order of importance in creating online equity and loyalty. Figure 17 shows that creating emotional connection and responsive service nature are the most important factors of creating loyalty on social media. Trust and fulfilment of service and responsive service nature are ranked 3 and 4 respectively. Creating level of comfort is the least important factor out of all the factors. According to the literature (section 5.3 on page 92), level of comfort is created through user education (Rios, Riquelme, 2008; Tandulwadikar, 2011; Shamah, 2012: 357).
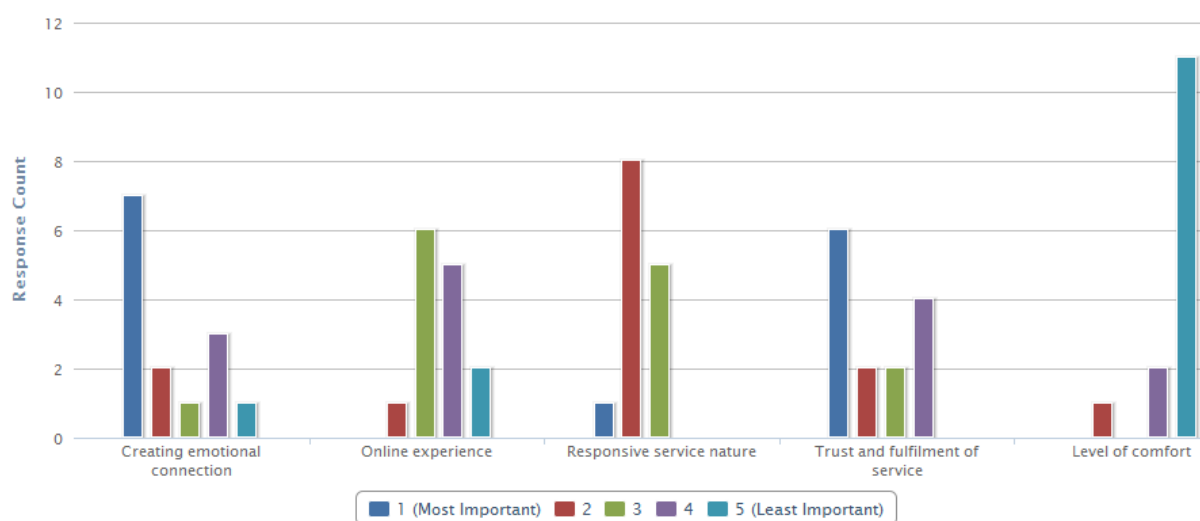
Figure 17: Dimensions of creating online equity and loyalty (relating to Question 23)

Question 24 rates in order of importance the brand loyalty factors from marketer's perspective. From the data collected, marketers believe that customer satisfaction, brand trust, social value and emotional value are rated top four most important brand loyalty factors to marketers (Figures 18 and 19 below). Functional values, involvement, repeat purchase pattern, commitment and price worthiness factors are rated from 5 to 9 respectively.
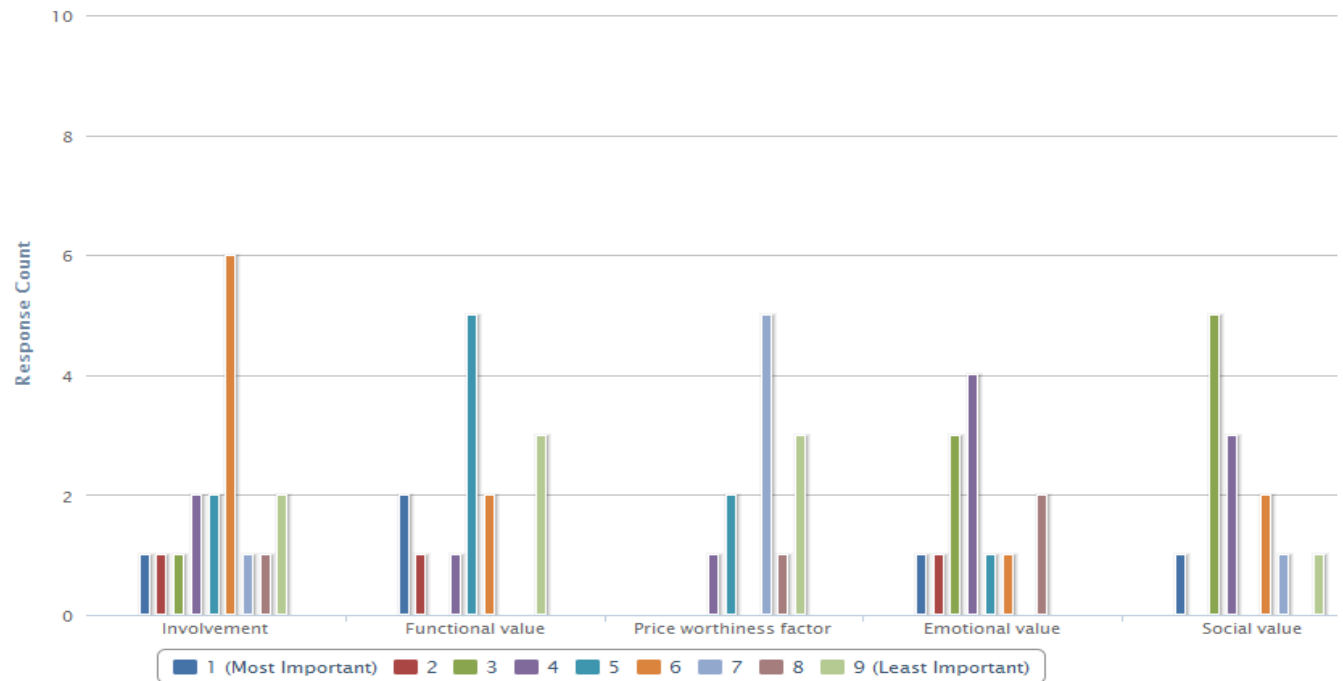
Figure 18: Importance the brand loyalty factors (relating to Question 24)
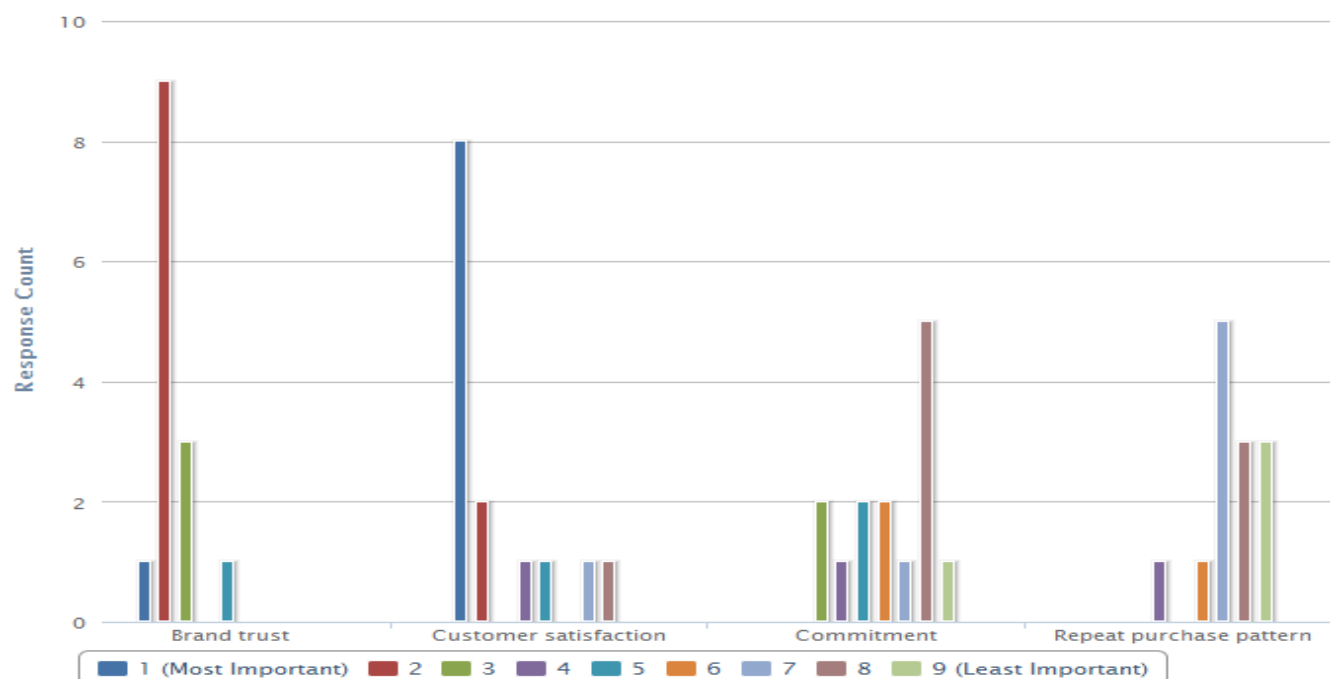
Figure 19: Importance the brand loyalty factors (relating to Question 24)

Question 25 gathers data on the tools and techniques that are used by the banks to analyse and measure social media data. Figure 20 below shows that the majority of marketers at the banks use Google Analytics (29.4%), Hootsuite (23.5%) and sentiment analysis tools (23.5%) to measure social media. As mentioned in the literature review (section 5.4.2 on page 96), HootSuite and Google Analytics can be used to gather data and perform data analysis whilst sentiment analysis can be used to determine the tone of the conversations (Kelly, 2013). The literature highlights that Google Analytics, Hootsuite and sentiment analysis are some of the most commonly used tools (section 5.4.2 on page 96) (Averkamp, 2013; Kelly, 2013).
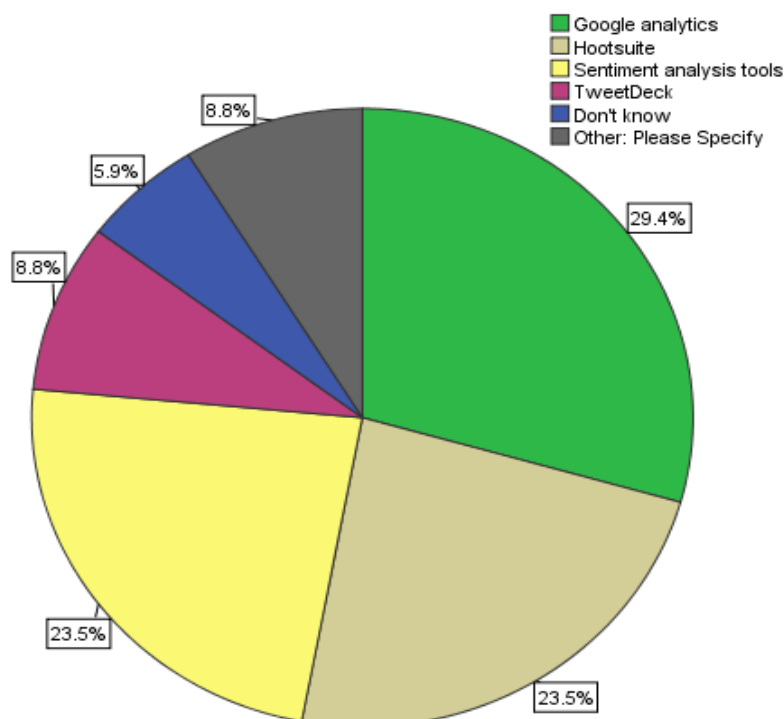
Figure 20: Measuring brand loyalty (relating to Question 25)

Question 26 aims to gather data on how banks measure brand loyalty. The bar graph below shows that conversations (71.4%) are primarily used by banks to measure brand loyalty. There were two respondents in the 'other' category (14.3%) of which one respondent stated that all the listed factors are important while the other stated an "unsure" response.
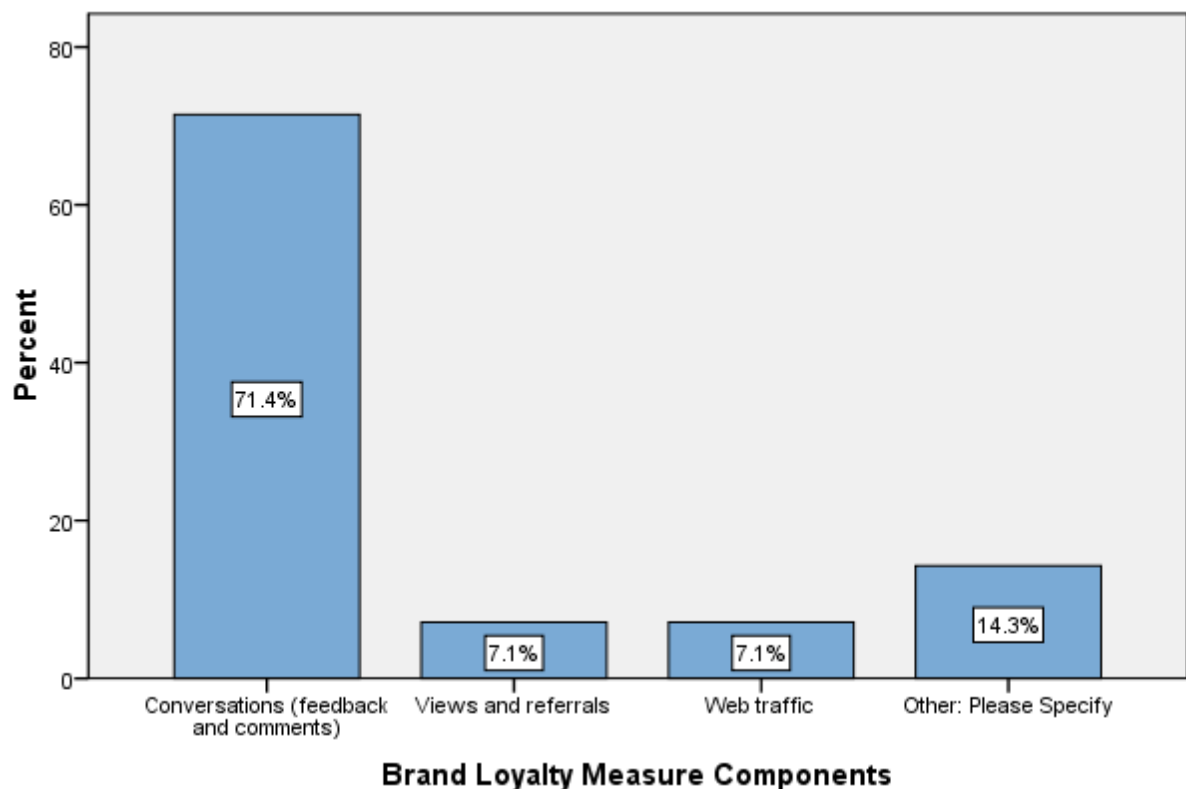
Figure 21: Tools and techniques used to analyse and measure social media (relating to Question 26)

General questions (Questions 27)

Question 27 aims to identify any general queries and comments from marketers who took the survey. One of the respondents said that "they are on Pinterest but do not utilise the tool for the banking institution". Four of the respondents had 'not applicable' responses; three had 'no additional comments' and one said 'thank you'. The remaining five responses were left blank with spaces and dashes.

8.4 Customer's Survey Analysis

The fact that only three banks participated in the marketer's survey, customer's data is related to the four banks. As discussed in the methodologies chapter, section 7.5 (page 119), customer's survey was administered to a select groups of people within the research's organisation and social groups that met the study criteria of having a bank account and accessibility to social media through the internet. Additionally people within the selected banks who were not marketing personnel and met the study criteria were also administered the customer survey. The groups of people at the research's organisation and at the banks were informed through an email on the context of the research study and the content of the surveys in order to improve the response rate (section 7.5 on page 119).

The sample consists of 59 unique visitors to the online survey, with 40 fully completed surveys, which is a 67.8% survey completion rate. Statistical methods discussed in the methodologies chapter were applied in analysing the data. To easily represent the results of the various types of questions; visual representation in the form of frequency tables, pie charts and bar graphs were used.

Demographic questions (Questions 1 – 5)

62.5% of the respondents were male and 37.5% were female. The majority of males were between the ages of 26-30, whilst females averaged between the ages of 20-25, 26-30 and 36-40 years of age.

Gender Analysis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	15	37.5	37.5	37.5
	Male	25	62.5	62.5	100.0
	Total	40	100.0	100.0	

Table 22: Gender Analysis (relating to Question 1)

Age & Gender Analysis

			Frequency	Percent	Valid Percent	Cumulative Percent
Female	Valid	20-25	4	26.7	26.7	26.7
		26-30	4	26.7	26.7	53.3
		31-35	2	13.3	13.3	66.7
		36-40	4	26.7	26.7	93.3
		41-45	1	6.7	6.7	100.0
		Total	15	100.0	100.0	
Male	Valid	20-25	2	8.0	8.0	8.0
		26-30	15	60.0	60.0	68.0
		31-35	4	16.0	16.0	84.0
		36-40	3	12.0	12.0	96.0
		46 years and older	1	4.0	4.0	100.0
		Total	25	100.0	100.0	

Table 23: Age and gender Analysis (relating to Questions 1 and 2)

Question 3 aims to gather data on customer's primary bank. Pie chart below shows that majority of bank's customers bank with Bank A (50.0%) followed by Bank B (32.5%), Bank D (12.5%) and finally Bank C (2.5%). The standard deviation for customers of the bank is 1.476, the variance is 2.179 and the mode is Bank A that is used by majority of the customers. The remaining 2.5% of the respondents use other banks.
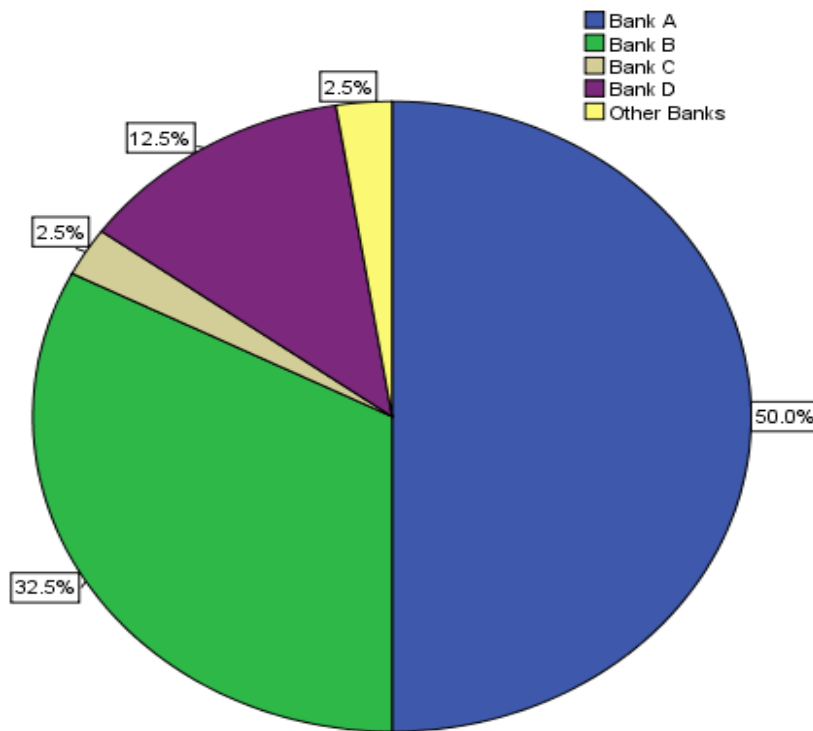
Figure 22: Customer's primary bank (relating to Question 3)

Question 4 gathers data on the bank's customer ethnic grouping. The majority of the respondents were White (50%) and Black African (22.5%). The rest of the sample group was made up of 15.0% Indian or Asian and 12.5% were coloured. The standard deviation for ethnic group is 1.165 and the variance is 1.358.
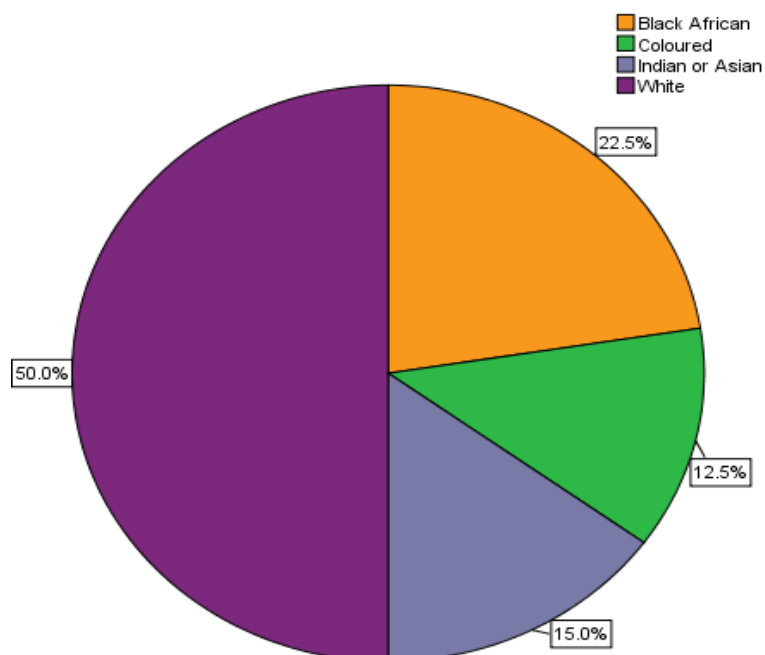
Figure 23: Customer's ethnic grouping (relating to Question 4)

Question 5 gathers data on the bank's customer qualification. 50.0% of the customers that took the survey had an Honours degree with a fairly even spread for the other 50% of the pie chart. Respondents with diplomas made up 20.0%, followed by degrees category that made up 17.5% with the remaining 12.5% having matric education.
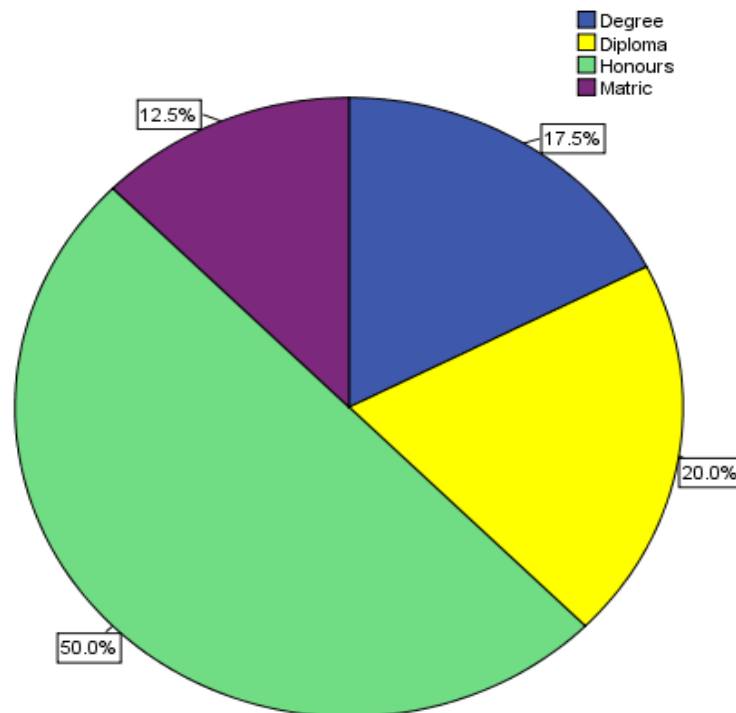
Figure 24: Highest Qualification (relating to Question 5)

Value creation linked to Marketing strategies (Questions 6 – 11)

Question 6 aims to gather data on customer usage of social media. Most of the customers use Facebook (29.1%) and LinkedIn (22.0%). Both YouTube and Twitter have 20.5% usage each, whilst Pinterest has 6.3% usage. One person does not use any social media (0.8%) and another uses other social media channels (0.8%). The person that said 'other' stated that they use Instagram. The results are validated by the literature in section 2.2 on page 28 that Facebook, LinkedIn and Twitter are the most commonly used social media channels in South African (Goldstuck, Wronski, 2014).
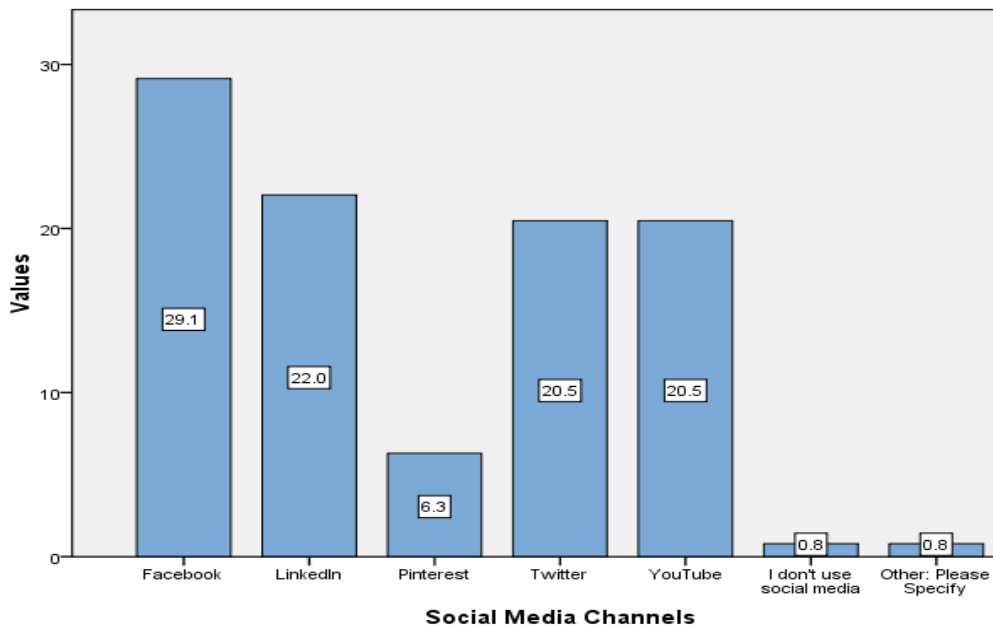
Figure 25: Social media channels used by customers (relating to Question 6)

Question 7 aims to identify how often customers use social media. Gathered data shows that Facebook (47.5%) is used most often on a daily basis, whilst LinkedIn (30.0%) is used weekly. Twitter and YouTube is relatively low in usage for the various periods but YouTube (32.5%) has a higher monthly usage. Pinterest (80.0%) also has a relatively low usage amongst many customers. These results are substantiated by the fact that large percentages of South Africans are using internet based applications at work, at home and at school/university on regular basis, with Facebook being the most commonly used social media (Mybroadband, 2013; Goldstuck, Wronski, 2014).
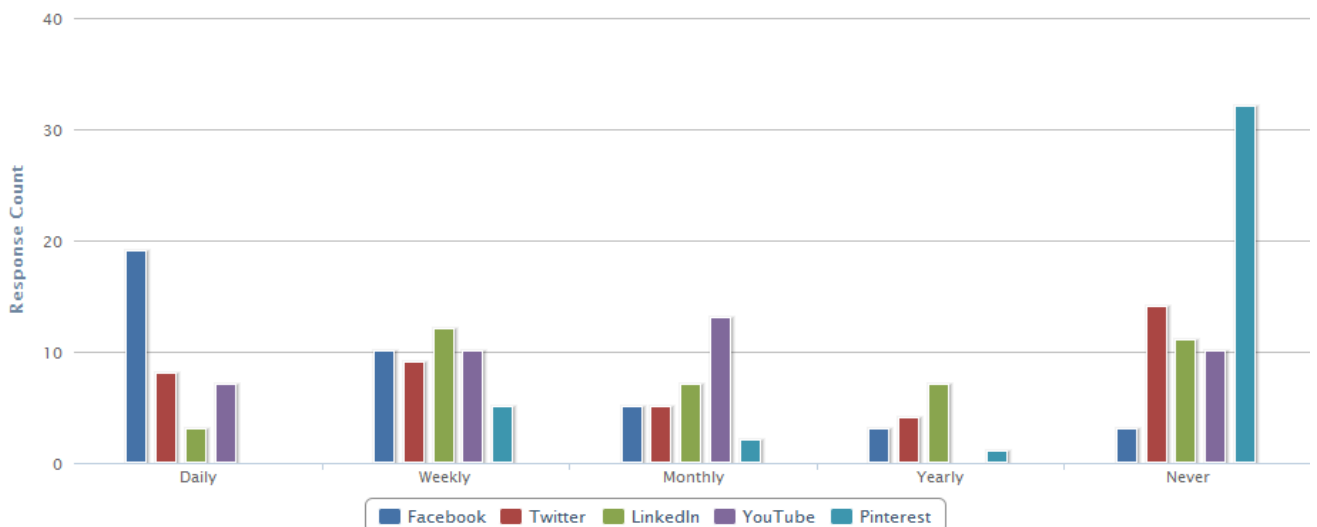
Figure 26: Frequency of social media usage (relating to Question 7)

Question 8 gathers data on how long customers have been using the various social media channels. The bar chart below shows that majority of respondents have been using Facebook (57.5%) and YouTube (27.5%) more extensively (5-7 years) compared to other social media channels. Furthermore LinkedIn (30.0%) was used for between 2 to 4 years and Twitter (30.0%) for less than 2 years. Additionally Pinterest (75.0%) has the highest response for a channel that is not used by many customers of the banks. The gradual increase in the use of smartphones has made accessing social media easier leading to increased numbers of active Facebook and Twitter uses (Lana, 2014; Goldstuck, Wronski, 2014).
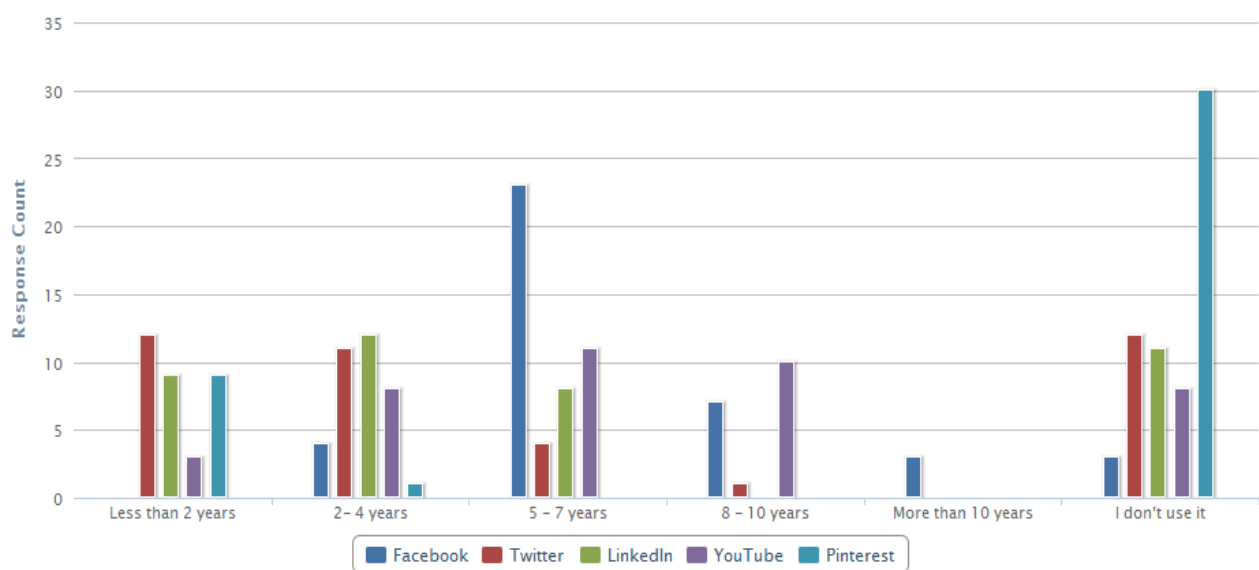
Figure 27: Frequency of social media usage in years (relating to Question 8)

Question 9 aims to identify if customers are fans/members of their bank's social media platforms. In relation to question 9, question 10 aims to identify customer reasons for not being fans/members of their bank's social media platforms.
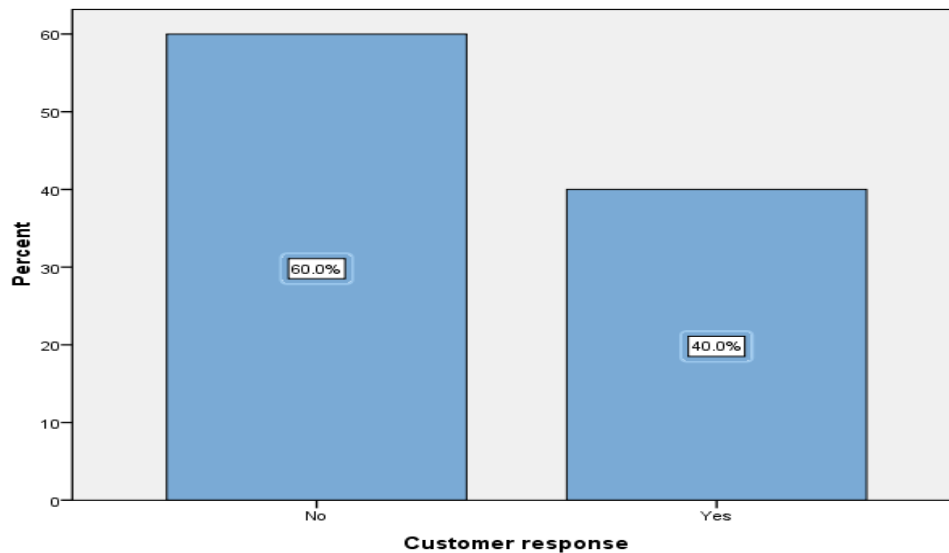
Figure 28: Customers fan/membership grouping on social media (relating to Question 9)

Bar chart above shows that 60.0% of respondents are not part of their bank's social media platform whilst 40.0% of bank's customers are. Of the 60.0% who are not part of their bank's social media platform they do not feel the need to be a member of their bank's social media due to lack of awareness, incentives and fear of promotional spam. Furthermore respondents believe that value in the form of incentives needs to be created in order to encourage interaction and engagement on social media. Literature in section 4.5 (page 75) validates these results as marketers need to encourage people to buy or consume products while ensuring this will lead to some form of reward (for example coupons, free samples, point of purchase display and price reduction) (Cant *et al,* 2006: 155).

Question 11 aims to gather data on factors that would cause customers to terminate their contract with their bank. Figure 27 shows that many customers terminate their contract with the bank and switch to another bank because of poor service delivery (32.3%), high product/service costs (26.3%) and due to better alternatives (21.2%). The results confirm what authors discussed in the literature (section 5.2.7 on page 89), that customer satisfaction can be enhanced through service delivery by listening and learning from these customers to improve on product or service delivery (section 3.6 on page 61) (Brink, Berndt, 2005: 30; Tandulwadikar, 2011: 3).
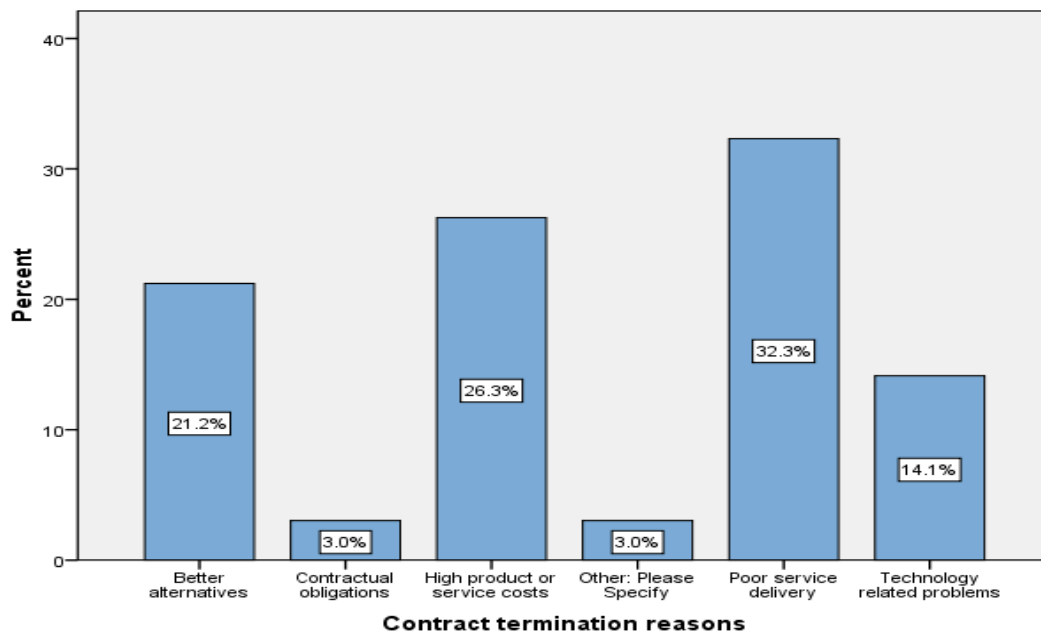
Figure 29: Reasons customers terminate their contract (relating to Question 11)

Uses of social media channels in support of building brand (Questions 12 – 15)

Question 12 aims to gather data on factors that would encourage bank customers to engage with banks through social media. Figure 28 below shows that reward programs (35.7%), feedback (27.1%) and product price related incentives (18.6%) have the highest percentage that would encourage customer to engage with their bank. These results are consistent with Muller's (2012) understanding that, low banking fees, innovative banking and a rich reward programme has a major impact on customer retention. As discussed in chapter 5 (section 5.3 on page 92), reward is an essential step in the social media interaction model that can be used to encourage social media interactions (Gable *et al,* 2008: 34). Furthermore having a quick response rate with timely feedback process is essential in building positive customer relationships (section 3.2 and 4.2) (Seggie, 2012; Kelly, 2011, cited in Lee, 2011: 9).
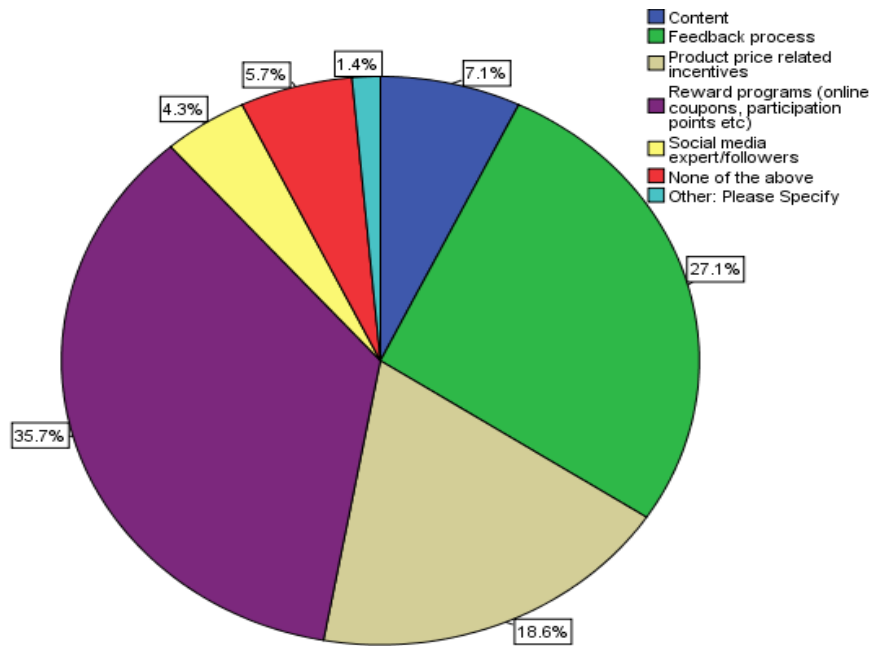
Figure 30: Reasons customers terminate their contract (relating to Question 12)

Question 13 aims to gather data on what social media is used for by customers. The majority of customers primarily use social media for connecting with people (64 counts) and for knowledge sharing (60 counts). Facebook (54.7%) is predominantly used by respondents to connect with people and for knowledge sharing (25.0%). Twitter (25.0%) has a relatively high percentage use for knowledge sharing, whilst YouTube (40.0%) is primarily being used for entertainment and gaming purposes. As discussed in sections 1.2.2 on page 15 and section 4.2 on page 67, people mainly use social media to connect with people and share their ideas and thoughts (Gillin, 2009: 97; Sterne, 2010: 151). Furthermore respondents were 'not sure' about how complaints are raised, information gathered and 'none of the above' categories related to the social media in question (far right section of the graph).
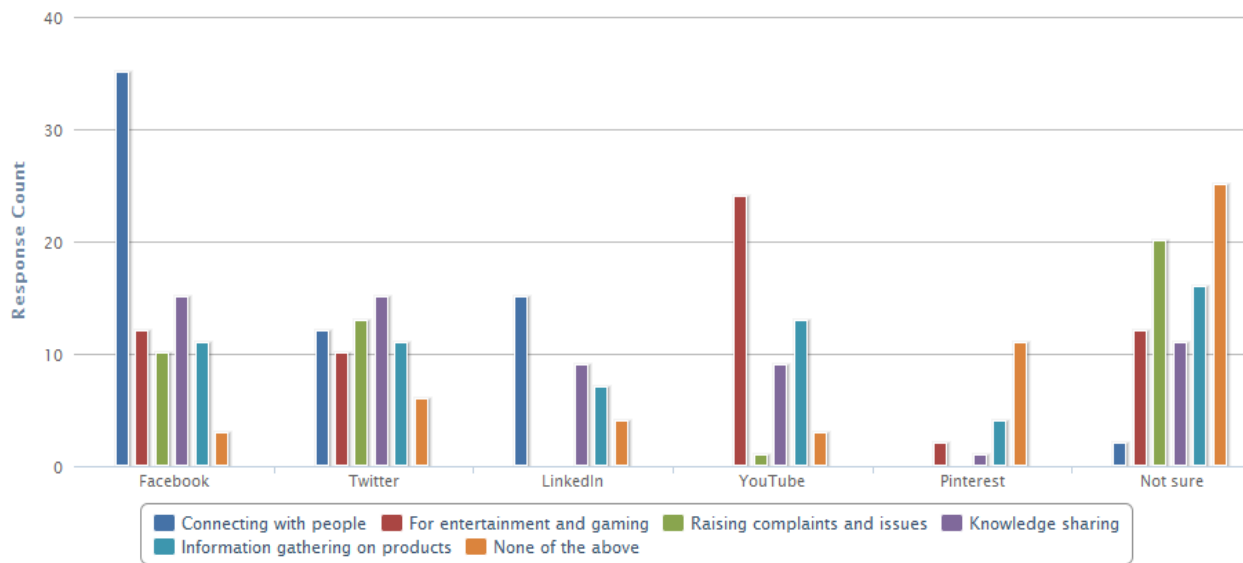
Figure 31: Social media use by customers (relating to Question 13)

Question 14 aims to gather data on factors that impact customer's banking choice. Data shows a fairly even distribution in the pie chart. Customer satisfaction (18.7%) has the highest percentage that influence customer's current choice of bank. Furthermore brand trust (15.5%); price worthiness (14.8%) and functional value (14.2%) are respectively important factors that influence customer banking decisions. Literature discusses that trust and satisfaction are essential components for creating social media loyalty due to the absence of physical stores and physical interactions with company staff (Rios, Riquelme, 2008: 725). It is through online brand association that customers build brand trust and satisfaction (Rios, Riquelme, 2008). Involvement on the other hand has the lowest percentage at 4.8% indicating that customers do not consider this factor significantly important when choosing between banks.
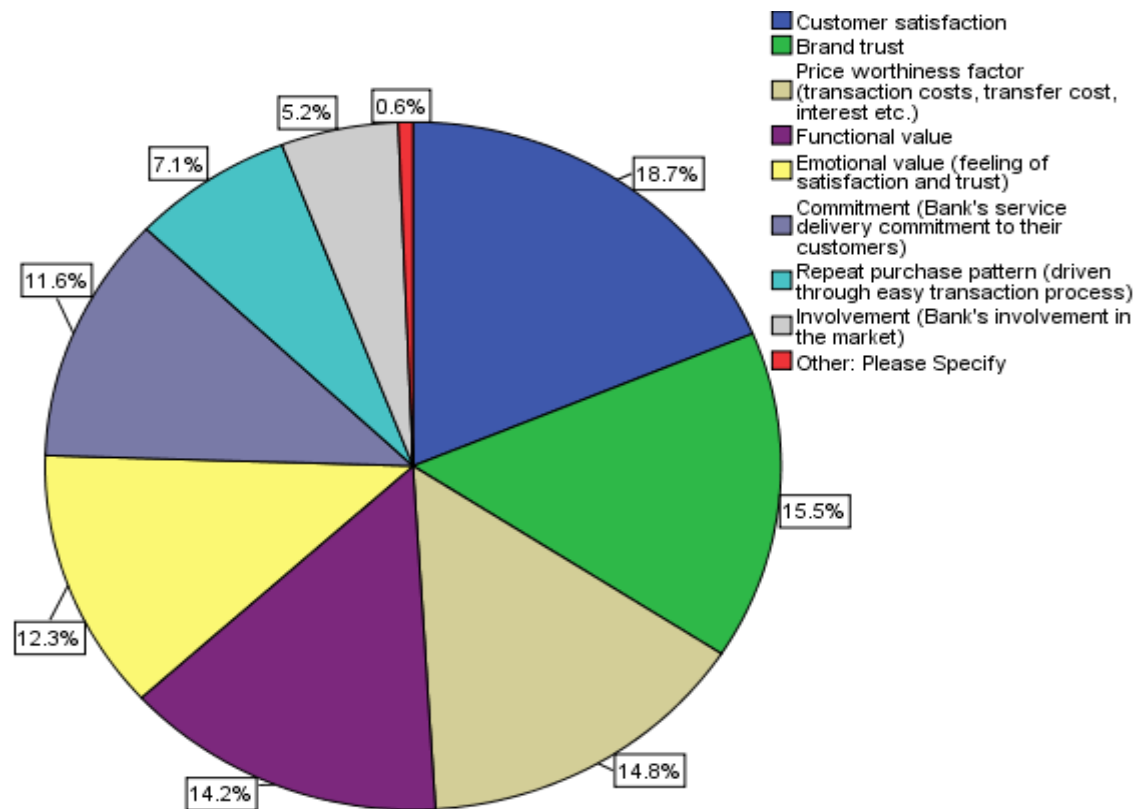
Figure 32: Factors that impact customer banking choice (relating to Question 14)

Question 15 aims to identify which of the brand loyalty factors customers prioritise as important when choosing a bank. Results for this question have been shown in two graphs below, due to large amount of data. Figures 31 and 32 shows that price (35.0%) is the most important factor followed by customer satisfaction (27.5%) and brand trust (22.5%). The least important factor for many customers is repeat purchase and social values. Commitment, involvement and emotional value factors are also prioritised relatively lower in the brand loyalty priorities. Price is one of the most important components of functional value (sections 3.2 and 3.3) that influences customer buying behaviour (Viet Ngo, O' Cass, 2010; Ivanauskienė, 2012). Additionally literature states that brand trust and satisfaction is created through brand's reliability and service quality components (section 5.2.7 on page 89) (Brink, Berndt, 2005; Ivanauskienė, 2012). Customer satisfaction is only built over time and achieved when customers choose to buy from a company they trust (section 1.2.1 on page 13), thus higher prioritised factors are essential for creating brand loyalty (Kathuria, Jit, 2009: 123).
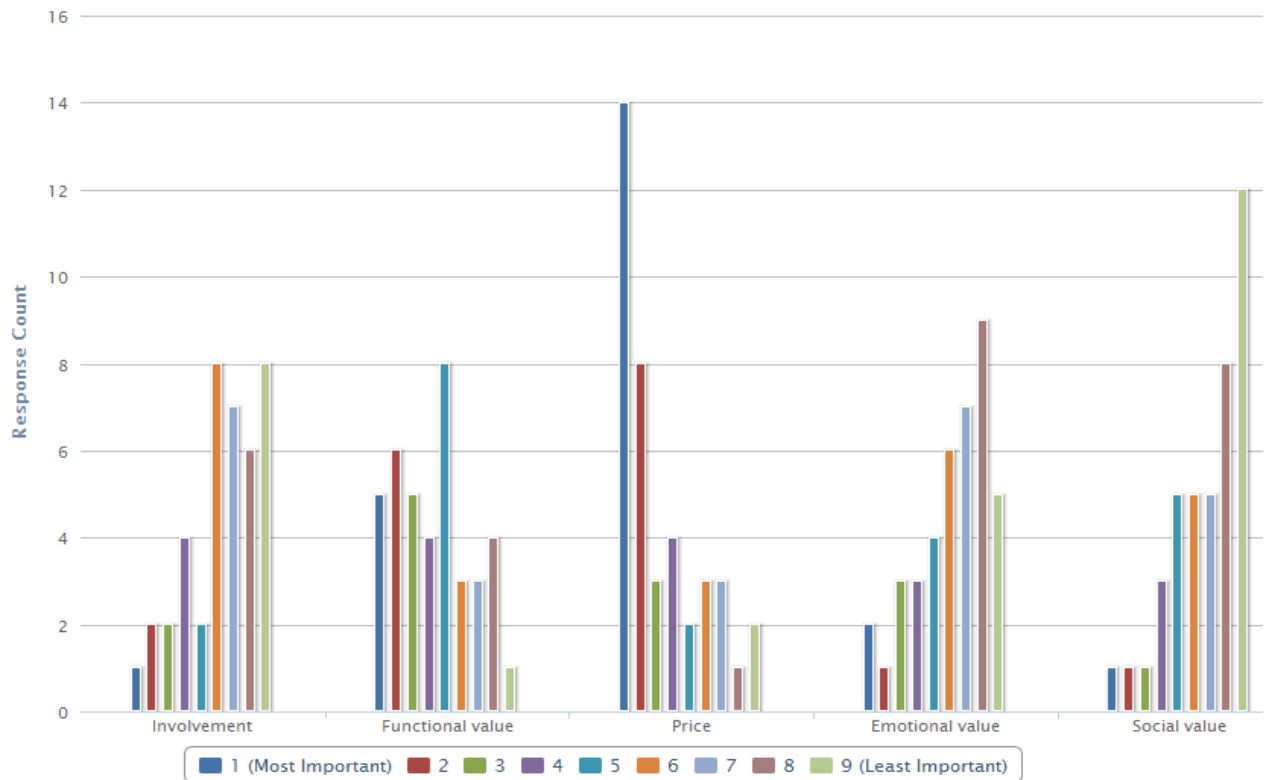
Figure 33: Customer brand loyalty priorities (relating to Question 15)
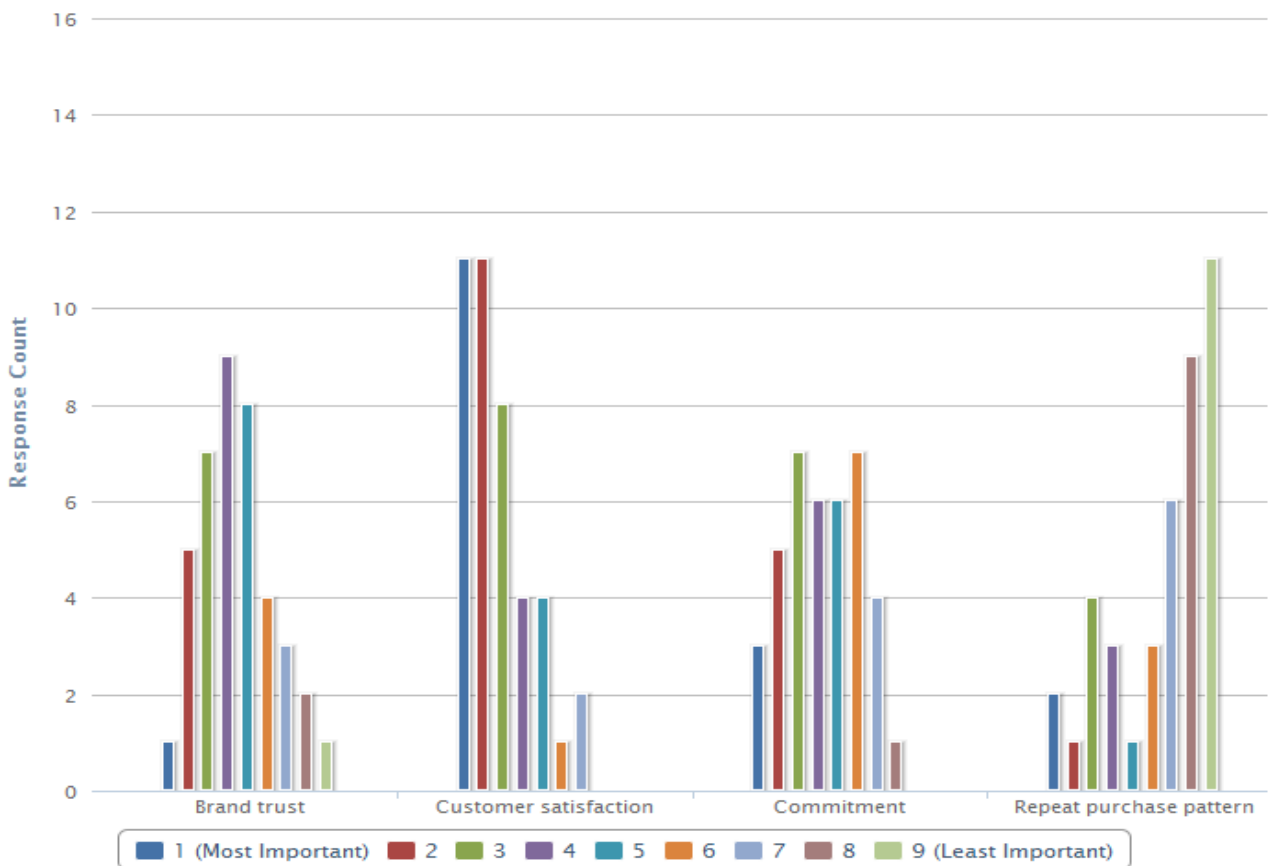
Figure 34: Customer brand loyalty priorities (relating to Question 15)

Matrices used to measure brand loyalty - Descriptive Analysis (Questions 16)

Question 16 focuses on the nine brand loyalty components identified in the literature review (chapter 5). The statistical analysis aims to evaluate how customers value and prioritise the identified brand loyalty components when interacting and engaging with the banks on social media. The reasons for doing these analysis is to better understand customer purchase behaviour and how involvement, functional value, price worthiness factor, emotional value, social value, brand trust, customer satisfaction, commitment and repeat purchase pattern influence brand loyalty (section 5.2.9 on page 90), (Punniyamoorthy, Raj, 2007: 224; Rios, Riquelme, 2008). Thus only by identifying key brand loyalty components and their correlations can marketer's effectively respond to customer experience, post-purchase behaviour, word of mouth and purchase intention of customers (section 5.2.7 on page 89) (Punniyamoorthy, Raj, 2007: 225).

Question 16 has 18 sub-questions that relate to the nine identified hypotheses (two questions per hypothesis). Thus each hypothesis (pair of questions) will be analysed independently and holistically where necessary. Firstly, in order to test both the reliability and validity of the internal consistency of the components, Cronbach's alpha test was conduct on the data. The table below shows the alpha coefficient for the nine hypotheses (18 sub-questions) was 0.875, suggesting that the components have a relatively high internal consistency (alpha coefficient of 0.70 or higher is considered acceptable) (Severi, Ling, 2013: 130). The Cronbach's alpha coefficient normally ranges between 0 and 1 (Schumacker, Lomax, 2012). The closer it is to value 1.0 the greater the internal consistency of the items (variables) in the scale (Schumacker, Lomax, 2012). The score of 0.875 concludes that the measurement scales of the constructs are stable and consistent in measuring the constructs (Schumacker, Lomax, 2012).

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.875	.876	18

Table 24: Cronbach alpha reliability summary

Furthermore descriptive statistics were performed on the data (see table 25 below) to show the mean and standard deviation for the brand loyalty hypotheses for the 18 sub-questions. As can be seen in the table 25 below, the majority of respondents agree that functional value (mean of 4.23 and 4.18); price worthiness (mean of 4.05 and 3.75), customer satisfaction (mean of 3.65 and 3.78) and commitment (mean of 3.58 and 3.78) are essential components of brand loyalty

in order of importance. The mean describes the central tendency of the data set and the standard deviation describes the dispersion within a data set (Polonsky, Waller, 2011: 173). The results suggest the majority of customers' are sensitive to functional value, price worthiness, customer satisfaction and commitment components of brand loyalty. This is consistent with the literature findings that functional values make up the main construct of the product or service that incorporates price, service quality, contact personnel, and the value gained from the physical components of the bank (section 5.2.2 on page 86) (Ivanauskienė, 2012: 80). Customer satisfaction is achieved by meeting or surpassing customer expectations (Brink, Berndt, 2005: 48).

Question 16	Mean	Std. Deviation	N	Hypotheses
1. Involvement	2.13	1.042	40	H_1
2. Involvement	1.98	1.097	40	
3. Functional Value	4.23	0.862	40	H_2
4. Functional Value	4.18	1.083	40	
5. Price worthiness Factor	3.75	1.296	40	H_3
6. Price worthiness Factor	4.05	1.085	40	
7. Emotional Value	3.5	1.062	40	H_4
8. Emotional Value	3.25	1.006	40	
9. Social Value	2.3	1.043	40	H_5
10.Social Value	2.4	1.081	40	
11.Brand Trust	3.35	1.075	40	H_6
12.Brand Trust	3.35	1.027	40	
13.Customer Satisfaction	3.65	1.122	40	H_7
14.Customer Satisfaction	3.78	1.097	40	
15.Commitment	3.58	1.01	40	H_8
16.Commitment	3.78	1.23	40	
17.Repeat purchase behaviour	3.55	1.239	40	H_9
18.Repeat purchase behaviour	3.65	1.167	40	

Table 25: Descriptive statistics for the nine components (18 sub-questions)

Functional value has the lowest standard deviation of 0.862 and commitment has the highest standard deviation of 1.230. Commitment as identified in the literature (section 5.2.8 on page 89) is connected to the notion of trust which is only achieved if both parties are loyal, reliable

and show stability in the relationship in achieving their individual goals (Brink, Berndt, 2005: 30).

Structural equation modelling (SEM) - Correlation Matrix (Questions 16)

In order to identify and validate the depicted relationship amongst dependent and independent variables, a structural equation (SEM) modelling technique was used to test the theoretical model in relation to collected data (Schumacker, Lomax, 2012; Kuikka, Laukkanen, 2012: 529). Some of the commonly used SEM methods include confirmatory factor analysis, latent growth modelling technique and path analysis (Schumacker, Lomax, 2012; Kuikka, Laukkanen, 2012: 529). However, only confirmatory factor analysis technique was performed on the collected data due to the nature of the study (Moutinho, Hutcheson, 2011: 110).

As part of the confirmatory factor analysis technique, Pearson's Correlation Coefficient was used to determine the bivariate relationship between variables (Schumacker, Lomax, 2012: 38). The correlation coefficient r is used to measure the strength and direction of a linear relationship between two variables and was measured between $+1$ and -1 inclusive (Schumacker, Lomax, 2012: 25). The closer the correlation coefficient is to zero, the weaker the correlation between the variables (Schumacker, Lomax, 2012). The closer the correlation coefficient is to positive one, the stronger the positive correlation but closer the correlation is to a negative one the stronger the negative correlation between the variables (Schumacker, Lomax, 2012). Table 26 below shows the ranges of positive and negative relationships for the Pearson Correlation Coefficient (Schumacker, Lomax, 2012).

A correlation significant at 0.05 levels (2-tailed) indicates strength and direction of the correlation, meaning the null hypothesis (*H_0*) can be rejected (Schumacker, Lomax, 2012). Rejecting a null hypotheses will mean that there is evidence of true relationships between variables (reject *H_0* if $p < 0.05$) (Schumacker, Lomax, 2012). A correlation significant at 0.01 levels (2-tailed) indicates a fairly strong correlation between the two variables (Schumacker, Lomax, 2012). Based on the above understanding a summarised correlation matrix (annexure 10) and a detailed correlation matrix (annexure 11) was created to identify relationships between the brand loyalty components.

Correlation (r)	Negative	Positive
No linear relationship	0 to -0.3	0 to 0.3
Weak relationship	-0.3 to -0.5	0.3 to 0.5
Moderate relationship	-0.5 to -0.7	0.5 to 0.7
Strong relationship	-0.7 to -1	0.7 to 1

Table 26: Pearson Correlation Coefficient Range (Schumacker, Lomax, 2012)

Annexure 10 and 11 shows the correlation matrix that have been analysed for the nine hypotheses (18 sub-questions). All the hypotheses have a relatively moderate to strong relationships but only the significantly high (significance at the 0.01 level or 99%) and significantly low (negative significant at the -0.01 level) relationships have been deduced in the analysis below.

Involvement (Questions 16.1 and 16.2 - *H_1*) – Correlated data in annexure 11 shows that Pearson's *r* value is highest between involvement and social value components with a correlation significance at a 0.01 level (2-tailed). Values of 0.578 and 0.500 (variable 9 and 10) indicate a moderate uphill (positive) relationship between the two components. The significance level is 0.000 and 0.001 which is less than 0.05 indicating a highly significant relationship. This suggests that customer consumption; participation and experience related to social value have an impact on customer involvement activities (section 3.4 on page 55) (Oestreicher-Singer, Zalmanson, 2013: 592). Literature further states, customer involvement is based on a need, value and interest towards a particular brand that can satisfy their needs (section 5.2.1 on page 86) (Brakus *et al*, 2009: 53).

On the other hand involvement is negatively related to functional value (-0.346), emotional value (-0.104), commitment (-0.126), and repeat purchase behaviour (-0.237) with a Pearson's *r* having a weak downhill (negative) linear relationship. The significance levels for most of these components are more than 0.05, indicating a very low significance level.

Functional Value (Questions 16.3 and 16.4 - *H_2*) – Analysed data in annexure 11 shows that functional value has a level of significance with price worthiness (0.591), customer satisfaction (0.597) and commitment (0.437), indicating a moderate relationship between these components. However, the significance levels for these components are between 0.000 and 0.006 05 indicating a highly significant relationship. The results suggest that customers associate functional value with price worthiness, customer satisfaction and commitment (section 5.2.2 on page 86) (Ivanauskienė, 2012: 79). The literature discusses that price, service quality and contact personnel are part of the functional value construct and only when customers are happy with the level of service, are they satisfied and committed to a brand (section 5.2) (Ivanauskienė, 2012; Punniyamoorthy, Raj, 2007).

On the other hand functional value has an inverse relationship with involvement (-0.346) and social value (-0.154) indicating that an increase in functional value will lead to a decrease in involvement and social value components.

Price worthiness Factor (Questions 16.5 and 16.6 - *H₃*) - Analysed data in annexure 11 shows that price worthiness has a positive relationship with functional value (0.525), customer satisfaction (0.428), commitment (0.508) and repeat purchase behaviour (0.442). The significance level for these related components are between 0.000 and 0.008 indicating a relatively strong relationship between these components. The literature notes, price and cost are key factors for customers in determining a buying decision for a product or service (section 5.2.3 on page 87) (Ivanauskienė, 2012: 78).The relationships identified suggests that brand price or cost have an impact on functional value, customer satisfaction, commitment and repeat purchase behaviour (section 5.2.3 on page 87) (Ivanauskienė, 2012; Kathuria, Jit, 2009). Price worthiness factor however has a negative correlation with involvement at an *r* value of -0.113 indicating an inverse relationship between the two components.

Emotional Value (Questions 16.7 and 16.8 – *H₄*) – The correlation matrix in annexure 11 shows that emotional value has a positive linear relationship with brand trust (0.438), customer satisfaction (0.534), commitment (0.536) and repeat purchase behaviour (0.579). The significance level for these related components are between 0.000 and 0.009 indicating the relatively strong relationship between these components. The results suggest that customers correlate emotional value with brand trust, customer satisfaction, commitment and repeat purchase behaviour. The literature in section 5.2.4 (page 87) highlights, organisations that are able to create strong emotional experience with customers, can effectively encourage future purchases (Fournier, 1998 cited in Nasermoadeli *et al,* 2013: 132). Customer satisfaction is based on three psychological elements; cognitive (thinking and evaluation), affective (emotional, like and dislike) and behavioural (current and future actions), thus strongly linked to the emotional component (Titko, Lance, 2012: 1034). On the other hand emotional value has a downward sloping relationship with involvement at an *r* value of -0.104 indicating an inverse relationship between the two components.

Social Value (Questions 16.9 and 16.10 – *H₅*) – The social value component is positively related to involvement and brand trust at a significance level of 0.578 and 0.430 respectively (annexure 11). The literature suggests businesses that demonstrate their contribution and impact in the market through voluntary involvement and community projects are likely to

receive positive return on investment (section 3.4 on page 56) (Peacock: 2013). It is through these activities that customers feel part of a social group and therefore satisfy their own ego and perception of brand value (Ivanauskienė, 2012: 78). There is however an inverse relationship with functional value (-0.154) and commitment (-0.66) indicating an opposite loyalty reaction between components.

Brand Trust (Questions 16.11 and 16.12 – *H₆*) – Brand trust is positively related with an upward relationship with emotional value (0.438), social value (0.430), commitment (0.691), customer satisfaction (0.821) and repeat purchase behaviour (0.651) (annexure 11). Result data further shows that brand trust and customer satisfaction have a relatively strong relationship amongst all the components (0.821). The significance levels of these related components are less than 0.05 backing this notion. The literature is consistent with the findings that brand trust and satisfaction are essential for building long-term relationship with customers which is based on confidence in the brand's reliability and intentions (section 5.2.6 on page 88) (Punniyamoorthy, Raj, 2007: 224). Brand trust is however inversely related to involvement with an *r* value of -0.151 and significance of 0.351 indicating a weak negative relationship between the components.

Customer Satisfaction (Questions 16.13 and 16.14 – *H₇*) – Customer satisfaction is one of the most important components of the brand loyalty framework which is positively related to functional value (0.597), price worthiness factor (0.436), brand trust (0.821), emotional value (0.534), commitment (0.816) and repeat purchase behaviour (0.732). Data shows that it has a positive upward relationship with six of the other components with a strong significance level of 0.000 values for most of the relationships. The literature notes that customer satisfaction is one of the key components that needs to be built over time and is achieved when customers choose to buy from a company they trust (section 1.2.1 on page 13) (Kathuria, Jit, 2009: 123). Customer satisfaction is however inversely related to involvement (-0.195) and social value (-0.009) indicated by a relatively low significance values of 0.229 and 0.958 respectively.

Commitment (Questions 16.15 and 16.16 – *H₈*) – Commitment component has a positively weak relationship with functional value (0.437), and commitment (0.499), but has a moderate relationship with price worthiness factor (0.508), emotional value (0.536) and brand trust (0.691). However commitment component has a relatively strong relationship with customer satisfaction (0.816) and repeat purchase behaviour (0.786). Thus commitment has a positive influence on the other components which is indicated by the relatively low significance value

of 0.000. The literature notes that commitment is connected to the notion of trust as this is the desire to maintain a valued partnership with the service provider (section 5.2.8 on page 89) (Brink, Berndt, 2005: 30). It is through trust that perceived risk is reduced over time and commitment facilitates towards a long term relationship (Brink, Berndt, 2005: 30). On the other hand commitment is inversely related to involvement (-0.118) and social value with a high significance value of 0.470 and 0.688 indicating a weak inverse relationship.

Repeat purchase behaviour (Questions 16.17 and 16.18 – H9) – Repeat purchase behaviour component has a positively weak relationship with functional value (0.442) and price worthiness factor (0.415) but has a moderate positive relationship with emotional value (0.579) and brand trust (0.691). There is however a strong positive relationships with commitment (0.732) and customer satisfaction (0.732). The literature backs the findings in that customers who are satisfied with their experience and product or service they purchase are likely to re-purchase (section 5.2.9 on page 90) (Brink, Berndt, 2005: 32). On the other hand involvement (-0.237) is inversely related to repeat purchase behaviour with relatively weak relationship with a significance value of 0.141.

Hypotheses	Brand Loyalty Variables	Correlations results	Relationship Exists	Correlation Strength
H1:	Involvement	r = 0.578**	Yes	Moderate relationship
		p = 0.000		
H2:	Functional value	r = 0.597**	Yes	Moderate relationship
		p = 0.000		
H3:	Price worthiness factor	r = 0.591**	Yes	Moderate relationship
		p = 0.000		
H4:	Emotional value	r = 0.579**	Yes	Moderate relationship
		p = 0.000		
H5:	Social value	r = 0.578**	Yes	Moderate relationship
		p = 0.000		
H6:	Brand trust	r = 0.821**	Yes	Strong relationship
		p = 0.000		
H7:	Customer satisfaction	r = 0.821**	Yes	Strong relationship
		p = 0.000		
H8:	Commitment	r = 0.861**	Yes	Strong relationship
		p = 0.000		

H₉:	Repeat purchase pattern	r = 0.786**	Yes	Strong relationship
		p = 0.000		
**. Correlation is significant at the 0.01 level (2-tailed).				

<div align="center">Table 27: Summary of Results of Hypotheses</div>

Based on the data from annexure 10 and 11 table 27 above shows a summary of the hypotheses results of the correlation matrix. A *p* value of 0.000 which is less than 0.05 ($p < 0.05$) for all the variables indicates that relationship exists amongst the variables, as *p* values more that 0.05 ($p > 0.05$) will have an insignificant relationship. The strength of the relationship is determined by the *r* value between 0.000 and 1 for the significance of two tails (highest correlation on each of the variables). These results indicate that relationship exists between the variables, meaning the null hypothesis (H0) can be rejected for each of the variables, as there are both moderate and strong relationships amongst the brand loyalty components.

Factor Analysis (Questions 16)

The correlation matrix aims to identify the various relationships between the components but only through factor analysis can the underlying relationship and shared common variance be identified (Schumacker, Lomax, 2012: 168; Polonsky, Waller, 2011). This notion is evident by the different levels of relationship strength between the various brand loyalty components summarised in table 27 above. A confirmatory factor analysis technique was performed on the collected data to test the framework hypotheses (Moutinho, Hutcheson, 2011: 110). This approach allowed the researcher to test the hypothesis for relationships between observed variables and their underlying latent construct (Moutinho, Hutcheson, 2011: 110). The knowledge from the theory and empirical research were used to postulate relationship patterns through statistics (Moutinho, Hutcheson, 2011: 110). The main reason a factor analysis was conducted by the researcher was to reduce the large number of brand loyalty variables (18 sub-questions) identified through literature review and further clarify key underlying relationships (Moutinho, Hutcheson, 2011; Polonsky, Waller, 2011: 184).

In conducting the factor analysis, the nine components (18 sub-questions) were inter-correlated and rotated to form a simple structure by means of the varimax rotation through SPSS (Schumacker, Lomax, 2012: 168; Polonsky, Waller, 2011). The eigenvalue of greater than 1 was used to determine key underlying components (annexure 12) (Moutinho, Hutcheson, 2011: 113). Furthermore a scree plot graph (figure 32 below) was used to visually represent the eigenvalues of the nine components (18 sub-questions).

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.673
Bartlett's Test of Sphericity	Approx. Chi-Square	440.224
	df	153
	Sig.	.000

Table 28: KMO and Bartlett's Test results

Firstly table 28 shows Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity results that were extracted as part of the factor analysis. The results were summarised as follows:

- KMO - The value of Kaiser-Mayer-Olkin (KMO) was 0.673 which means that the sample size is adequate enough to conduct factor analysis (Severi, Ling, 2013: 130; Polonsky, Waller, 2011). This measure varies between 0 and 1, and values closer to 1 are better (Severi, Ling, 2013: 130; Polonsky, Waller, 2011). A minimum value of 0.6 is a requirement for factor analysis (Severi, Ling, 2013: 130; Polonsky, Waller, 2011).

- Bartlett's Test of Sphericity - This technique is used to test the null hypothesis that the correlation matrix is an identity matrix (Severi, Ling, 2013: 130; Polonsky, Waller, 2011). From the table above, we can see that the Bartlett's test of sphericity is highly significant at a value of 0.000 (at $p < 0.001$), which is small enough to reject the null hypothesis (Moutinho, Hutcheson, 2011). This result also indicates that the correlation matrix is an identity matrix, without significant correlations between variables (Severi, Ling, 2013; Polonsky, Waller, 2011).

Results from both the tests of sample adequacy and sphericity confirm that the data is suitable enough to conduct factor analysis (Severi, Ling, 2013; Polonsky, Waller, 2011).

Total Variance Explained

SPSS output of 'total variance explained' in annexure 12 lists the eigenvalues associated with each components (18 variables) after the varimax rotation process calculation. As can be seen in the extracted table (annexure 12) each sub-question (variable) represents the variance explained by the particular linear component (Moutinho, Hutcheson, 2011). Eigenvalues, in terms of variance explained for variable 1 shows 36.3% of total variance. The results further show relatively large amounts of variance (especially variance 1) whereas subsequent factors explain only small amounts of variance in relation to the four identified variable. The results suggest four out of the eighteen variables have a significant level of influence on customer

brand loyalty. Before the rotation, variable 1 accounted for considerably more variance than the remaining three (36.3% compared to 15.5%, 11.2%, and 7.3%), however after extraction it accounts for only 24.3% of variance (compared to 19.2%, 15.1% and 11.7% respectively).

Communalities

The next result item from the output is a table of communalities (annexure 12) which shows how much of the variance has been accounted for by the extracted variables (Moutinho, Hutcheson, 2011; Schumacker, Lomax, 2012). The column labelled 'extraction' in the communalities table reflects the common variance in the data structure (Moutinho, Hutcheson, 2011; Schumacker, Lomax, 2012). So, for example, 79.1% of the variance associated with question 1 (involvement) is common or shared variance. Furthermore high level of common or shared variance is associated with customer satisfaction at 88.3% (question 13), commitment at 87.6 (question 15) and brand trust at 80.6% (question 12). This can be viewed as proportion of variance explained by key underlying components that make up the construct of the framework (Moutinho, Hutcheson, 2011; Schumacker, Lomax, 2012).

Scree Plot diagram

A scree plot diagram has been created on the basis of the eigenvalues associated with each component (18 sub questions) used in factor analysis (Moutinho, Hutcheson, 2011: 113). A scree plot diagram below shows the eigenvalues on the y-axis and the 18 variables the x-axis. The point where the slope of the curve is clearly levelling off indicates the number of factors that should be considered in the analysis (Moutinho, Hutcheson, 2011; Polonsky, Waller, 2011). As can be seen in the figure below, the curve shows four distinct variables, but the slope of the curve seems to be levelling off after the seventh variable before a stable plateau is reached.
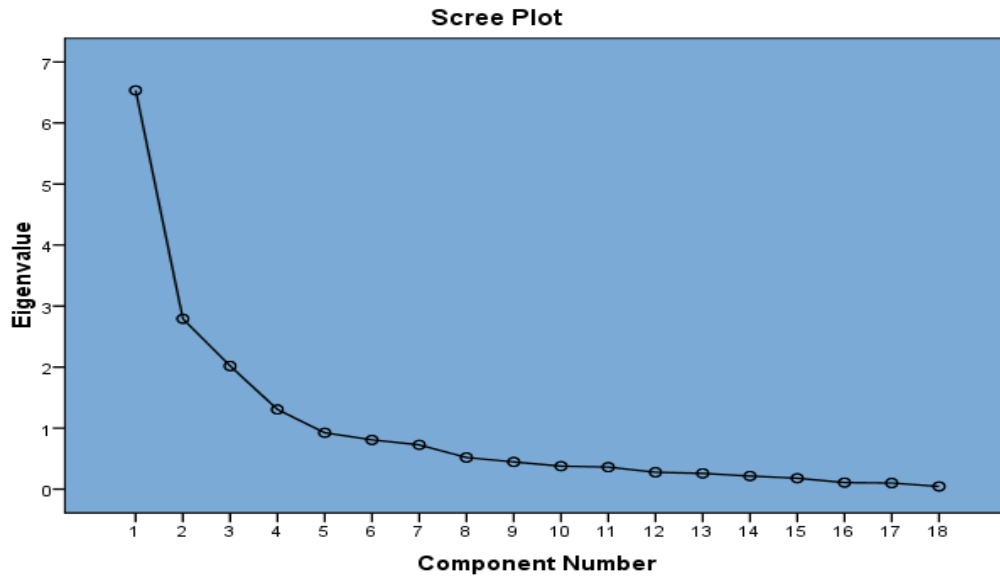
Figure 35: Factors Analysis scree plot diagram

The scree plot diagram visually shows variables that have relatively high eigenvalues, demonstrating that there are key underlying brand variables that influence customer brand loyalty (Moutinho, Hutcheson, 2011). Components with eigenvalues of 1 or greater have high variance, indicating a greater influence and impact on brand loyalty hypotheses. The literature acknowledges that only by understanding key components that make up brand loyalty, organisations can adopt the required strategy to ensure that brand loyalty is created and maintained (section 5.2 on page 85) (Rootman *et.al,* 2011: 185).

Component Matrix and Rotated Component (Factor) Matrix

Rotated Component (Factor) Matrix shows the same information as the component matrix except that it is calculated after rotation (Moutinho, Hutcheson, 2011; Schumacker, Lomax, 2012). Thus the rotation component matrix was used to analyse the loaded factors (Moutinho, Hutcheson, 2011; Schumacker, Lomax, 2012). The aim of the rotated matrix was to reduce the number of components on which the variables under investigation have higher loading values (Moutinho, Hutcheson, 2011; Schumacker, Lomax, 2012). Looking at the rotated component matrix table in annexure 12, there are four main variables that have been identified from the original nine components (18 variables). To identify the strength of the existing 18 variables on the four newly loaded variables, the highest value of correlation coefficient *r* (closer to positive one) was picked for each of the rows.

To visually see the highest values per row for each of the variables, table 29 highlighted these values. Looking at the table below, involvement (variables 1 and 2) and social value (variables

9 and 10) were substantially loaded on Component 3, while functional value (variables 3 and 4); price worthiness factor (variables 5 and 6) and customer satisfaction (variables 14 – partial relationship) were substantially loaded on Component 2. The component 3 factor loading suggests that customers' viewed involvement and social value as one component and react indifferently when making brand decision based on these components. Furthermore functional value, price worthiness factor and customer satisfaction were inter-linked in influencing customer behaviour as acknowledged by the literature (section 5.2.2 on page 86) (Ivanauskienė, 2012: 80).

On the other hand Components 1 and 4 were relatively fragmented with combination of variables that had relatively high variance. Brand trust (variable 11 and 12); emotional value (variable 8 – partial relationship); customer satisfaction (variables 13 – partial relationship); commitment (variables 15 – partial relationship) and repeat purchase behaviour (variables 17 – partial relationship) were loaded on Component 1. Lastly emotional value (variable 7 – partial relationship); commitment (variables 16 – partial relationship) and repeat purchase behaviour (variables 18 – partial relationship) variable were loaded on Component 4. These new factors would be used as variables for further analysis, but confirmatory factor analysis already proved the framework that was created and discussed in chapter 6.

Rotated Component Matrix [a]					
	Component				
	1	2	3	4	New Variables
1. Involvement	.005	.243	.761	-.391	Community Development Factor
2. Involvement	-.147	-.251	.709	.170	Community Development Factor
3. Functional Value	.234	.800	-.231	.126	Core Business Factor
4. Functional Value	.226	.771	.140	.028	Core Business Factor
5. Price worthiness Factor	-.106	.777	.172	.289	Core Business Factor
6. Price worthiness Factor	.155	.670	-.009	.276	Core Business Factor
7. Emotional Value	.125	.259	.154	.792	Customer Experience Factor
8. Emotional Value	.620	.037	.160	.206	Relationship Factor
9. Social Value	.317	.106	.852	.050	Community Development Factor
10.Social Value	.180	-.013	.822	.060	Community Development Factor
11.Brand Trust	.804	.087	.190	.027	Relationship Factor
12.Brand Trust	.877	.165	.061	-.070	Relationship Factor
13.Customer Satisfaction	.883	.296	-.038	.116	Relationship Factor
14.Customer Satisfaction	.335	.700	-.016	.091	Core Business Factor

15.Commitment	.813	.240	-.072	.389	Relationship Factor
16.Commitment	.248	.411	-.178	.444	Customer Experience Factor
17.Repeat purchase behaviour	.737	.252	.059	.352	Relationship Factor
18.Repeat purchase behaviour	.308	.268	-.032	.754	Customer Experience Factor

Table 29: Summarised Rotation Component Matrix

The four new components were created on the basis of commonalities between the variables. The questions that were loaded highly on component 1 seem to primarily relate to brand trust and partially to emotional value, customer satisfaction, commitment and repeat purchase. The literature highlighted that by better understanding these psychological elements of cognitive, affective and behavioural attributes, marketers can better meet customer needs and create a product or service that is differentiated from competitors (Ivanauskienė, 2012; Smith, 2007 cited in Titko, Lance, 2012: 1034). These grouped components seem to be focusing on the customer's attitude and behavioural elements that have a psychological attachment to the consumed brand (Punniyamoorthy, Raj, 2007: 222).). Therefore a factor called 'relationship' was created.

Component 2 had both functional value and price worthiness components loaded against it. These were essentially some of the most important components that customers considered when making brand choices as also substantiated by results from question 14. Functional values makes up the main construct of the product or service which incorporates price, service quality, contact personnel, and the value proposition (Ivanauskienė, 2012: 80). Thus a new factor called 'core business factor' was created on the basis of this understanding.

The questions that loaded highly on component 3 seem to all relate to involvement and social value. The literature noted that customer involvement was based on a need, value and interest towards a particular brand, but this interest is only retained if people feel their urgent and reasonable needs are not being met (Brakus *et al,* 2009; Nicholls, 2006). As also mentioned in the literature, building a community is a human endeavour that requires commitment from the marketing personnel and it takes time and effort to build an online presence and community (Sterne, 2010: 175; Reece, 2010: 254).   Therefore a new factor called 'community development' was created.

Component 4 seemed to be related to aspects of customer experience of emotional value, commitment and repeat purchase behaviour. The literature identified that if organisations are able to create a strong emotional experience for customers, it can be very effective in

encouraging future purchases (Fournier, 1998 cited in Nasermoadeli *et al*, 2013: 132). It is this state of mind (emotional value) that affects customer experience and shapes customer product commitment (Oliver 1997 cited in Nasermoadeli *et al,* 2013: 132). The analysis seems to reveal that the initial 9 hypotheses (question 16), in reality, is made up of four key components deduced as: relationship factor, core business factor, community development factor and customer experience factor that influence customer brand loyalty and buying behaviour.

8.5 Key comparative analysis of marketers' and customers' results

The above results highlighted various similarities and difference in views of both customers and marketers and how they both use social media and understand brand loyalty. Results indicate that Facebook, LinkedIn and Twitter were the most commonly used social media by banks (question 4 of marketers' survey) and these findings were in line with literature findings and customers' social media preferences (question 6 of customer's survey). Furthermore, marketers (question 18) believe poor service delivery, high product/service costs and better alternatives were the main reasons customers terminated their contract with their bank. These views were also expressed by customers (question 11), indicating that both customers and marketers understand this value proposition.

In creating interaction and customer engagement on social media channels, banks' marketers believe that social media content and feedback processes (question 21) were essential in retaining customers as emotional connections first need to be created. According to the literature in section 5.3 on page 92 when people read compelling content from a trusted website, they were more likely to share that with their friends and family (Entrepreneur Media SA, 2013, cited Standard Bank, 2014). However, customers' feel differently about this as findings from question 12 on customers' survey suggest that reward programs, feedback processes and product price related incentives would encourage customers to engage with their bank on social media. The literature states that both soft and hard loyalty programs can be designed to reward loyal or incrementally spending customers (section 4.5 on page 76) (Gable *et al*, 2008: 34).

Furthermore, only 40% of the participants who took the survey were members/fans of their bank's social media platform (question 9 of customers' survey) which validates the literature findings that customers are not desperate to form emotional bonds with brands, but they do so selectively and only once trust and respect have been proven (Rootman *et.al,* 2011). The other 60% of customers who were not part of their bank's social media platform believe that no incentive was being created on social media platforms and that only promotional content was

being pushed by the banks. This view from majority of customers was not in line with findings from question 20 of marketers' survey that majority of banks seemed to be using loyalty programs or reward schemes. This suggests that banks seem to be lacking efforts in creating customer awareness and effectively managing social media content even though results of question 6 of marketers' survey show that creating brand awareness and increasing public relations are their primary business objectives (section 2.5 on page 39) (Pry, 2010).

Additionally, marketers rated customer satisfaction, brand trust and social value as being the most important components of creating brand loyalty (question 24 of marketers' survey), which correlated to customers' views (question 14 of customers' survey) that satisfaction, brand trust and price influenced their banking choices. The literature identifies that customer satisfaction and brand trust are central constructs for creating any long-term relationship with customers (Punniyamoorthy, Raj, 2007; Titko, Lance, 2012). Question 16 of marketers' survey further identifies that trust and satisfaction on social media should be created through service delivery and easy access to products or services. Banks therefore need to effectively manage the service delivery process and customers' perceptions that are based on these interactions (section 3.2 on page 49) (Titko, Lance, 2012: 1037).

Banks mainly seem to be using social media for brand management, advertising and knowledge sharing (question 19 of marketers' survey) whilst majority of customers primarily used Facebook and YouTube for connecting with people and for knowledge sharing. Understanding some of these shared preferences, banks should create clever brand campaigns on social media to promote collaboration, joint learning and speedy exchange of information amongst customers (section 4.2 on page 68) (Tandulwadikar, 2011: 4; Purkait, 2012).

Customers rated product/service price as one of the most important brand loyalty factors (question 15 of customers' survey), whilst marketers rated customer satisfaction as being the most important brand loyalty factor (question 24 of marketers' survey). This differentiation in views can be deduced by the results gained from question 5 of the of marketers' survey which suggests that majority of banks seem to be focusing on community engagement by creating enjoyable content and personalisation components (question 22 of marketers' survey).

8.6 Conclusion

This chapter discusses the results of the analysed data from both the customer's and marketer's perspective. Both brand loyalty components (hypotheses) and the measure of creating and maintaining brand loyalty were tested and evaluated. The results were then substantiated by the theoretical framework and the hypotheses revised based on Pearson Correlation analysis and confirmatory factor analysis. Based on the results, the null hypothesis was rejected for all the variables and reduced to four key components named relationship factor, core business factor, community development factor and customer experience factor.

Chapter 9 - Recommendations and Contribution

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This chapter concludes the research by presenting the most significant contributions of the research to the existing body of knowledge. In addition comments on future areas of research as well as concluding remarks will be added.

9.1 Introduction

The previous chapter presented the research findings from the two questionnaires and the interview schedule. The following chapter discusses the summary of findings, contribution of

the research, recommendations, limitations encountered, further research areas and concluding remarks of the researcher.

The growth of social media in the South African market especially Facebook, Twitter, YouTube and LinkedIn, has created opportunities for banks to participate in conversations with their customers (Goldstuck, Wronski, 2014; Harvard Business Review Report, 2010: 1). There is no doubt that social media is changing the way businesses interact with their clients, their employees and various other stakeholders (KPMG Report, 2012: 4). Both the literature review and the survey results show that banks will need to adopt social media in some form or other in order to stay competitive in the marketplace and remain relevant to their customers (KPMG Report, 2012: 6). Taking a measured approach will allow banks to identify key interdependencies and implement changes to the strategy accordingly (KPMG Report, 2012: 6; Harvard Business Review Report, 2010). Culture, process, technology, controls and governance will be affected by social networking activities (KPMG Report, 2012: 6; Harvard Business Review Report, 2010). However, it is only through planning of a clear roadmap for the strategy that return on investment can be achieved (KPMG Report, 2012: 6; Harvard Business Review Report, 2010).

9.2 Summary of Findings

9.2.1 Marketer's survey Results

Below are the summary results from the marketer's survey:

Marketer's Survey Results		
Questions	Key Result Findings	Loyalty Measure Number (Framework - Chapter 6)
1. Gender	42.9% of the respondents were male and 57.1% were females.	Demographic questions
2. Age	The majority of respondents where between the ages of 26-30 years of age.	Demographic questions
3. Your marketing experience at the organisation?	The majority of marketers have 2 to 3 years and more than 10 years of marketing experience (35.7% each).	Demographic questions
4. Which social media tools are used by your organisation for creating brand awareness and exposure?	Facebook (19.2%), LinkedIn (19.2%) and Twitter (19.2%)	2
5. What is the purpose of using social media channels for your organisation?	Majority use it for community engagement (15.7%).	2

6. What business objective does your organisation aiming to achieve through social media?	Create brand awareness (28.6%), increase public relations (24.5%), increase sales (14.3%) and generate web traffic (14.3%) in order of importance.	1
7. Rate priorities of these business objectives to the organisation (1 being highest priority and 6 being lowest priority)?	In order of highest priority to the lowest are as follows; creating brand awareness, increase public relations, cost reduction, generates web traffic and increase sales.	1
8. Please rate the effectiveness of using these social media tools in the marketing strategy in achieving your business objectives?	Facebook is the most effective with 71.4% followed by Twitter (64.3%) and LinkedIn (50.0%).	1
9. Is your social media function in-housed or outsourced to an agency?	Banks use a combination of in-house and outsourced (64.3%) social media function.	3
10. What are the reasons behind the decision?	Cost saving, effective allocation of resources and use of social media experts strategically.	3
11. How long has your organisation been using social media?	The majority have been using social media for more than 5 years (57.1%).	3
12. What is measured on the used social media channels?	Actions, followers, feedback and leads are measured in order of importance. Facebook, Twitter and LinkedIn are extensively used to measure these.	4
13. How is reporting and analysis done in measuring social media activities?	Third party software solutions with a valid 71.4%.	4
14. What is the most important marketing strategy used by your organisation on social media?	Building communities (50.0%) and managing online reputation.	4
15. How is your organisation's social media value proposition?	Feedback process (38), trust creation through two way dialogues (37) and creating product and service quality for customers (34).	3
16. How is customer trust and satisfaction being created on social media?	Service delivery (28.6%) is the primary means of creating trust and satisfaction. Creating easy access to products or service (23.8%) and brand image (21.4%) are relatively important.	6
17. What factors do customer's value when choosing between your organisation and the competitors?	Product and service quality (24.5%) and reliability (22.4%).	6
18. What would cause customers to terminate their contract with your organisation?	Poor service delivery (29.7%), high product/service costs (21.6%) and better alternatives (21.6%).	6
19. How is your organisation using social media channels?	Banks mainly seem to be using social media for brand management (52 responses), advertising (51 responses) and knowledge sharing (48 responses) on Facebook and Twitter.	4

20. Does your organisation use loyalty programs or rewards schemes on social media channels?	Majority of banks use loyalty programs or reward schemes (64.3%).	5 & 8
21. How is online interaction and customer engagement, encouraged on social media channels?	Content (31.8%) and feedback process (22.7%).	8
22. What factors do you think create brand loyalty on social media?	Enjoyable content (35.7%), personalisation and customisation (28.6%) and richness of information (21.4%).	5 & 7
23. Based on the use of social media in your organisation, rate in order of importance the dimensions of creating online equity and loyalty (1 being most important and 5 being least important)?	Creating emotional connection and responsive service nature are the most important factors of creating loyalty on social media.	7
24. Rate in order of importance the brand loyalty factors (1 being most important and 9 being least important)?	Customer satisfaction, brand trust, social value and emotional value are the top four most important brand loyalty factors.	7
25. What tools and techniques are used to analyse and measure social media data?	Google Analytics (29.4%), Hootsuite (23.5%) and sentiment analysis tools (23.5%)	7
26. How does your organisation measure brand loyalty?	Conversations (71.4%).	7
27. Please feel welcome to comment on the questionnaire and/or provide any additional information.	Four of the respondents had 'not applicable' responses; three had 'no additional comments', five respondents left it blank and one said 'thank you'.	General comments question.

Table 30: Summary Results from the Marketer's Survey

The summary results from the survey show that, 42.9% of the respondents were male and 57.1% were females. The majority of respondents were between the ages of 26-30 years of age. The majority of marketers have 2 to 3 years and more than 10 years of marketing experience (35.7% each). The results suggest a balanced level of work experience that make up social media marketing personnel at the banks, while the literature highlighted an immature and under developed market due to lack of experienced social media experts in the social media industry (section 2.3 on page 31) (Chikandiwa *et al*, 2013: 375).

Results further shows that Facebook, LinkedIn and Twitter are most commonly used social media by banks. These findings are in line with literature findings and customers' social media preferences (question 6 of customer's survey – table 31). The literature in section 1.2 on page 13 validates that of the major brands in South Africa, 93% use Facebook, 46% use LinkedIn and 79% use Twitter (Goldstuck, Wronski, 2014). Results from question 5 shows the majority of marketers seem to be using social media for community engagement with emphasis being

made on creating web traffic and social media marketing. The literature in section 2.2 on page 30 acknowledges that networking, conversation building and community engagements are essential for building brand loyalty (Erdomus, Cicek, 2012: 1355).

Some of the main objectives that banks aim to achieve in order of importance are creation of brand awareness, increasing public relations, increasing sales and generating web traffic (question 6 and 8) through Facebook, Twitter and LinkedIn. It is through online dialogues that brand awareness, brand recognition and brand loyalty is encouraged (section 2.2 on page 30) (Erdomus, Cicek, 2012: 1355). The literature in section 2.3 on page 30 further verifies that banks mainly use social media for building brand awareness and strengthening relationships with customers through public relations activities (MHP Communication, 2011: 5).

Results from question 9 verify that banks use a combination of in-house and outsourced solutions to operate the social media function. The reason behind this decision is based on cost saving, effective allocation of resources and strategic use of social media experts. The literature in section 2.8 on page 41 correlates with findings which suggests that management need to evaluate both internal business units and external vendors to acquire services that will best meet business requirements (Heslop, 2012: 14).

Survey results from question 11 shows that banks have been using social media for more than 5 years but the literature in section 2.3 on page 31 identifies the lack of experienced social media experts in the South African social media industry as banks in South Africa prefer to in-source the social media function (Chikandiwa *et al*, 2013: 375). Furthermore the analysis results show that majority of reporting and analysis is done through third party software with actions (e.g. tweets, likes, comments, video views etc.), followers, feedback and leads (content discussions) being measured on Facebook, Twitter and LinkedIn. The literature in section 5.4.1 on page 95 states that most companies already have 85% of the components in place but need to get around the complexity of dealing with multiple systems and platforms in order to ascertain methods to analyse the data (Kelly, 2013).

Building communities and managing an online reputation seem to be the primary marketing strategies used by the majority of the banks. As stated in section 4.2 on page 69, social media communities are created to build customer relationships and engage in conversations by providing something of value (Tandulwadikar, 2011: 7, Lee, 2011). This means that organisations can gain an insight into challenges faced by customers and aim to address these through continuous dialogue to improve the product or service offered by the business (section

2.3 on page 32) (Khan, Karodia, 2013: 10). Marketers should therefore aim to create social experiences for customers through social networks and community initiatives (section 5.2.5 on page 88) (Oestreicher-Singer, Zalmanson, 2013: 592). The literature in section 1.1 on page 12 notes that reputation risk around the use of social media needs to be closely managed, but it must still enhance the customer experience so as to create customer connections. (KPMG Report, 2012).

However marketers believe that (question 15) customer value is created through a feedback process, trust creation as well as product and service quality. According to the literature in section 2.3 on page 31, feedback processes allow banks to reconnect with their customers and create long term relationships (Chikandiwa *et al*, 2013: 377). However trust is an essential component for establishing and maintaining successful and prosperous long term relationships with customers (section 2.7 on page 40) (Mitic, Kapoulas, 2012: 679).

Marketers believe that content and feedback processes are essential in retaining customers as emotional connections need to be made through trust creation. According to the literature in section 5.3 on page 92 when people read compelling content from a trusted website, they are more likely to share that content and spread the word (Entrepreneur Media SA, 2013, cited Standard Bank, 2014). Marketers therefore need to ensure that emotional connection are made through the purchase process so as to influence the overall customer experience and shape long-term intention (section 5.2.4 on page 87) (Punniyamoorthy, Raj, 2007: 225; Nasermoadeli *et al*, 2013: 132).

As identified in the customers' survey, marketers also rate customer satisfaction, brand trust and social value as being important components of loyalty creation. Majority of banks seem to be using Google Analytics, Hootsuite and sentiment analysis tools to measure conversations and sentiments of these conversations. The literature in section 5.3 on page 96 states that administrators use these tools to view the feeds; assess status updates and follower replies from different social media platforms within one interface (Averkamp, 2013). According to Goldstuck and Wronski (2012), understanding these comments may be the key to working out trends and customer preferences (section 5.3 on page 94).

The majority of marketers agree that service delivery remains the primary means of creating trust and satisfaction for customers. The literature in section 3.6 on page 61 acknowledges that banks need to focus on creating values through various service delivery channels by listening and learning from their customers (Tandulwadikar, 2011: 3). Thus, banks need to focus on

providing unique banking services through relationship marketing that focuses on creating customer satisfaction and service quality components (section 5.2.7 on page 89) (Ivanauskienė, 2012: 81). It is only through relationship building that, trust is created over time (section 5.2.6 on page 88) (Ivanauskienė, 2012: 81).

Furthermore, marketers believe that customers mainly value product service, quality and reliability as part of their service offering. The literature in section 3.2 on page 49 discusses that customers look for products that deliver offerings they are seeking such as quality, innovative performance features, personal preferences and beneficial pricing (Viet Ngo, O' Cass, 2010: 505). In meeting these customer requirements, banks need to pay more attention to service quality and the competences of the contact personnel (section 3.2 on page 49) (Ivanauskienė, 2012: 85). Reliability on the other hand forms part of the functional value construct which is important in retaining customers in the long-term (section 5.2.2 on page 86) (Punniyamoorthy, Raj, 2007: 225).

Results from question 18 shows that marketers believe poor service delivery, high product/service costs and better alternatives to be the main reasons customers would terminate their contract with their bank. These views were also expressed by customers (question 11), indicating both customers and marketers understand this value proposition.

Banks mainly seem to be using social media for brand management, advertising and knowledge sharing as indicated by the results from question 19. In order to encourage social media loyalty, the majority of banks seem to be using loyalty programs or reward schemes (question 20). The literature in section 4.5 on page 76 suggests that loyalty programs are usually developed for groups of customers whose continued support is critical to bottom line performance (Gable *et al*, 2008: 34). Additionally, these loyalty programs are not only created to increase sales revenue but are intended to increase customer retention, which would then improve financial results and profit margins (section 4.5 on page 76) (Gable *et al*, 2008: 34).

9.2.2 Customer's survey Results

Below are the summary results from the customer's survey:

Customer's Survey Results	
Questions	Key Result Findings
1. Gender	62.5% of the respondents were male and 37.5% were female

2. Age	Majority of respondents were between the ages of 26-30 years of age.
3. Which bank do you bank with?	Majority of the respondents bank with Bank A (50.0%) followed by Bank B (32.5%), Bank D (12.5%) and Bank C (2.5%). The remaining 2.5% of the respondents use other banks.
4. Which ethnic group do you belong to in accordance to the South African census population groups?	Majority of the respondents were White (50%) and Black African (22.5%).
5. Highest Qualification?	50.0% of the respondents that took the survey had Honours degrees with a fairly even spread for the other 50%
6. Which social media channels do you currently use and have an account with?	Most of the respondents use Facebook (29.1%) and LinkedIn (22.0%). YouTube and Twitter have equal usage with 20.5% each.
7. How often do you use the following social media channels?	Facebook (47.5%) has the most often daily usage, whilst Linked (30.0%) is most often used weekly.
8. How long have you been using these social media channels?	Facebook (57.5%) and YouTube (27.5%) have been used for a longer period of time (5-7 years) compared to other social media channels.
9. Are you a fan/member of your bank's social media platform?	60.0% of respondents are not part of their bank's social media platform whilst 40.0% of banks' customers are.
10. If the answer is 'NO' to the above question please state the reason?	Reason for not being a fan/member - Lack of awareness, incentives and fear of promotional spam. Furthermore incentives need to be created in order to encourage interaction and engagement on social media.
11. What would cause you to terminate your contract with your bank?	Poor service delivery (32.3%), high product/service costs (26.3%) and better alternatives (21.2%).
12. Which of the following, if any, would encourage you to engage with your bank through social media?	Reward programs (35.7%), feedback (27.1%) and product price related incentives (18.6%) have the highest percentage response.
13. What do you use social media for?	The majority of customers primarily use Facebook (54.7%) and YouTube (40.0%) for connecting with people (64 counts) and for knowledge sharing (60 counts).
14. Which of these factors impact your current bank choice?	Customer satisfaction (18.7%), brand trust (15.5%); price worthiness (14.8%) and functional value (14.2%) are respectively important factors that influence customer banking decisions.
15. Rate in order of importance these brand loyalty factors (1 being least important and 5 being most important)?	Price (35.0%) is the most important factor followed by customer satisfaction (27.5%) and brand trust (22.5%).
16. Brand loyalty hypotheses	Descriptive Analysis/Factor analysis results
Cronbach's alpha test	The Cronbach's alpha coefficient was 0.875 indicating a relatively high internal consistency (alpha coefficient of 0.70 or higher is considered acceptable).
Frequency tables - mean and standard deviation	Functional value (mean of 4.23 and 4.18), price worthiness (mean of 4.05 and 3.75), customer satisfaction (mean of 3.65 and 3.78) and commitment (mean of 3.58 and 3.78) are key components of brand loyalty in order of importance.
Structural equation modelling (SEM) - Correlation Matrix	A relatively moderate to strong relationships was observed for all the hypotheses (p value closer to 0.000).

Structural equation modelling (SEM) - Correlation Matrix	Brand trust and customer satisfaction has a relatively strong relationship amongst all the other components (0.821). Customer satisfaction is positively related to six of the other components however inversely related to involvement (-0.195) and social value (-0.009).
Factor Analysis	Eigenvalue of greater than 1 was used to determine key underlying brand loyalty components.
Kaiser-Meyer-Olkin (KMO)	The value of Kaiser-Mayer-Olkin (KMO) was 0.673 which means that the sample size is adequate enough to conduct factor analysis (Severi, Ling, 2013: 130; Polonsky, Waller, 2011).
Bartlett's Test of Sphericity	Bartlett's test of sphericity is highly significant at a value of 0.000 (at $p < 0.001$), which is small enough to reject the null hypothesis (Moutinho, Hutcheson, 2011).
Total Variance Explained	Four variables with eigenvalues greater than 1 has been extracted with variable 1 initially showing 36.3% and shows 24.3% of total variance after extraction.
Communalities	A high level of common or shared variance is associated with customer satisfaction at 88.3% (question 13), commitment at 87.6 (question 15) and brand trust at 80.6% (question 12).
Scree Plot diagram	The diagram shows four distinct variables, but the slope of the curve seems to be levelling off after the seventh variable.
Component Matric and Rotated Component (Factor) Matrix	Involvement (variables 1 and 2) and social value (variables 9 and 10) are substantially loaded on Component 3, while functional value (variables 3 and 4); price-worthiness factor (variables 5 and 6) and customer satisfaction (variables 14 – partial relationship) are substantially loaded on Component 2.
Component Matric and Rotated Component (Factor) Matrix	Component 1 (relationship factor), component 2 (core business factor), component 3 (community development factor) and component 4 (relationship factor).

Table 31: Summary Results from the Customer's Survey

The summary results shows that majority of respondents are highly educated and are able to use various devices to interact on social media and web platforms. Results further show that Facebook and LinkedIn are most commonly used social media channels amongst customers and it can be deduced from the literature that Facebook is used to maintain social relationships whilst LinkedIn is used for making professional connections (section 2.4.1 on page 34) (Trammell, 2010: 25; Goldstuck, Wronski, 2014). The literature in section 2.4.1 on page 34 highlights Twitter as one of the important social media tools used by banks to provide customer services, but results from question 6 show that it is rated third in usage by customers. Facebook however is used on a daily basis whilst LinkedIn is used on weekly basis by majority of customers. The literature in section 4.2 on page 69 confirms that increased availability of

smartphones has made accessibility of social media easier, thus increasing usage on a daily basis (Goldstuck, Wronski, 2014).

Furthermore, only 40% of the participants who took the survey are members/fans of their banks social media which validates the literature findings that customers are not desperate to form emotional bonds with brands, but they do so selectively and only once trust and respect have been proven (Rootman *et.al,* 2011). The other 60% of customers who are not part of their bank's social media platform believe that no incentive is being created on social media platforms and that only promotional content is being pushed by the banks. The results suggest that banks are not exposing their brands through awareness strategies that create a thought, feeling or emotion that can then be translated into brand preference (section 4.2 on page 67) (Champoux *et al,* 2012; Kuikka, Laukkanen, 2012; Panchal *et al,* 2012). The literature in section 4.2 on page 68 backs this notion that marketers thus need to focus on creating a brand experience that makes customers feel part of the brand (Panchal *et al,* 2012: 83; Nasermoadeli *et al,* 2013).

Customers of the bank believe that poor service delivery, high product/service costs and better alternatives are some of the main reasons for terminating their contract with their bank. The literature in section 3.3 on page 55 acknowledges that frontline employees at banks play a vital role in creating a positive impact and making customers feel satisfied with the service offered (Roig *et al.,* 2009 cited in Ivanauskienė, 2012: 80). Marketers also need to accept that pricing and costs are key factors for customers in determining a buying decision for a product or service (section 5.2.3 on page 87) (Ivanauskienė, 2012: 78). The literature in section 5.2 on page 85 also identifies that customer situational factors such as the lack of available alternatives, high switching cost and a tendency towards inertia have impact on customer retention (Punniyamoorthy, Raj, 2007: 223).

Findings from question 12 suggest that reward programs, feedback processes and product price related incentives would encourage customers to engage with banks on social media. The literature states that there are a number of different ways that loyalty programs can be designed to reward loyal or incrementally spending customers (section 4.5 on page 76) (Gable *et al*, 2008: 34). Marketers can therefore use 'hard' or 'soft' benefits to encourage frequent buying, increase purchases and create repeat buyers (section 4.5 on page 76) (Gable *et al*, 2008: 36). Furthermore, social media creates opportunity for banks to reconnect with their customers through a feedback process, so as to build strong and long-term relationships which in effect,

affect the brand reputation (section 2.3 on page 31) (Chikandiwa *et al*, 2013: 376). Acquiring customer feedback and understanding their wants and needs is an integral part of meeting customer needs (section 4.2 on page 70) (Lee, 2011: 9). Banks that can provide timely responses and constructive feedback will have a competitive edge in the market (section 2.4.3 on page 36) (MHP Communication Report, 2011: 5).

The majority of customers primarily use Facebook and YouTube for connecting with people and for knowledge sharing. With this knowledge, management can create clever brand campaigns on the social media platforms so as to promote collaboration, joint learning and speedy exchange of information among customers (section 4.2 on page 68) (Tandulwadikar, 2011: 4; Purkait, 2012). Furthermore question 14 results suggest that customer satisfaction, brand trust and price worthiness are key factors that influence customers' bank choice that marketers need to be aware of. The literature however recommends that customer satisfaction is based on three psychological elements; cognitive, affective and behavioural elements that influence customer buying behaviour (section 3.2 on page 51) (Smith, 2007 cited in Titko, Lance, 2012: 1034).

The literature further discusses that brand trust is the central construct for creating any long-term relationship with customers, which is based on confidence in the brand's reliability and intentions (section 5.2.6 on page 88) (Punniyamoorthy, Raj, 2007: 224). Customers that have higher levels of trust in a brand are likely to be more loyal than those that do not (section 5.2.6 on page 88) (Punniyamoorthy, Raj, 2007: 225). Price and cost are key factors that customers use in determining a buying decision for a product or service (section 5.2.3 on page 87) (Ivanauskienė, 2012: 78). Hence marketers need to understand the relationship between consumer brand loyalty and price in order to encourage desirable purchase behaviour (section 5.2.3 on page 87) (Kathuria, Jit, 2009: 125).

The analysis conducted on the brand loyalty hypotheses illustrate that there was relatively high internal consistency on the data which was proved by the Cronbach's alpha coefficient test (0.875). Descriptive statistics also illustrates that functional value, price worthiness; customer satisfaction and commitment are key components to brand loyalty in order of importance. There are however, relatively moderate to strong relationships amongst the observed hypotheses of brand loyalty. Amongst all the other components, brand trust and customer satisfaction have a relatively strong relationship (0.821). This finding validates the literature in

section 3.2 on page 51 that cognitive, affective and behavioural elements play a major role in customer buying behaviour (Smith 2007 cited in Titko, Lance, 2012: 1034).

Factor analysis conducted on collected data shows that four new components were constructed based on the initial nine components (18 variables). Involvement and social value were strongly correlated, suggesting a link between these components. Thus a new factor called 'community development' was created. Functional value, price-worthiness and customer satisfaction factor were strongly correlated, thus a new factor called 'core business factor' was created. The 'relationship' factor was created on the basis of correlation on brand trust and partially to emotional value, customer satisfaction, commitment and repeat purchases variables. The last factor called 'customer experience' was derived from the basis of customer experience of emotional value, commitment and repeat purchase behaviour.

9.3 Recommendations and Contributions of the Research

The research study focuses on how social media is being used in the retail banking environment in support of creating and maintaining brand loyalty. The literature in section 1.2.1 on page 14 and section 2.10 on page 44 shows that social media plays an integral part in the marketing strategy, providing a platform for banks to engage and interact with their customers on various levels and channels (Mambrino, 2011; Erdomus, Cicek, 2012; Solis, 2010). Furthermore, survey results show that a deeper understanding of customer buying behaviour and psychological process of decision making is essential in understanding brand loyalty components. Although the literature in section 4.5 on page 78 highlights that, customers are not desperate to form emotional bonds with brands, findings from the survey show that, customers in South Africa selectively connect with brands only after trust and respect have been proven. Thus the researcher recommends these guidelines based on this research study:

- Social media is an integral part of the marketing strategy that needs be aligned with the core business goals. Creating brand awareness, increasing public relations and increasing sales need to part of the core business objectives. The literature from chapter 2 identifies that banks need to involve different departments in the process to create a more unified message that is aligned to company goals and objectives (Sheahan, Hershberger, 2011: 27; Chikandiwa *et al*, 2013: 376).

- Banks need to focus on creating campaigns on Facebook, LinkedIn and Twitter that engage customers. The literature in chapter 3 identifies that these campaigns need to

offer social, brand or functional value that impact both psychological and behavioural state of the customer (Ivanauskienė, 2012; Nicholls, 2006; Harris, Dennis, 2002).

- Banks need to use a combination of in-house and outsourced social media functions so as to save on costs, effectively allocate resources and use social media experts strategically. In using this approach the literature in chapter 3 acknowledges that banks that are able to encourage a culture of innovation, new ideas and customer oriented marketing can drive future product/service growth (Viet Ngo, O' Cass, 2010: 500; Mroz, 2013; Allden, Harris, 2013).

- Banks should not use social media only for advertising and creating awareness but use it as a communication channel aimed at creating true and authentic relationships with customer, thereby providing an additional service. Building communities and managing online reputation should be part of this process.

- Banks need to identify and segment customers based on their needs, wants and buying behaviour, as each segment groups will have different levels of expectations that need to be managed differently. Banks can use enjoyable content and loyalty programs or reward schemes to group customers. The literature in chapter 4 suggests that loyalty programs are usually developed for target groups of customers whose continued support is critical to bottom line performance (Gable *et al*, 2008: 34).

- Banks need to primarily focus on building brand trust and creating customer satisfaction in order to improve customer perception of the brand. It is only through flow of information, continuous engagement and feedback processes that this, positive perception can be retained and transparency created.

- Banks need to be aware of factors that influence customer brand loyalty and components that influence loyalty within social media. These components need to be measured using either in-house or third party analytical tools so that an actionable strategy can be put in place and implemented.

- Banks need to use rewards, incentives and benefits on social media as these have an impact on both customer engagement and interaction. It is through these programs that initial interest is encouraged and brand loyalty created.

Survey results show that banks have been using social media for more than 5 years and are proactive in creating engagement and interaction. However, there is still a lack of genuine connection being created, as shown by the low membership numbers (question 9 and 10) in the customers' survey. Marketers need to use customer centric strategies that target groups of customers based on buying behaviour, attitude traits, technology awareness, lifestyle and level of customer financial awareness (question 20 and 22 on marketers' survey). Survey results show a clear mismatch between marketers' incentive strategy on social media and lack of awareness of this strategy by customers. Thus, clever awareness campaigns that provide information to customers without marketing messages need to be created (section 2.2 on page 30) (Erdomus, Cicek, 2012: 1355).

Both marketers and customers have valued brand trust and customer satisfaction as being significant components of the loyalty creation process. Research findings also reveal that the cost or price associated with the product or service influences customer brand choice and long-term commitment. Marketers should note that functional value, price-worthiness factors and customer satisfaction are strongly related when customers make brand choices. On the other hand, involvement and social value have a strong relationship amongst the other brand loyalty components.

9. 4 Limitations

When interpreting the research findings, the following limitations need to be taken into consideration:

- Firstly, only online customers who have connectivity through connecting devices and who perform various banking activities online formed part of the study. Thus the results and outcomes are not a reflection of the entire population, but a focused view of people that would most likely interact with banks due to accessibility and availability of these devices.

- Only three out of the four banks participated in the research study, thus the research cannot be regarded as the complete reflection of how brand loyalty is created and maintained within the entire South African banking environment.

- The researcher could not obtain the required number of respondents for the marketer's survey as originally intended. This was due to the small size of social media marketing teams at the banks and the fear of losing corporate information through the survey. This

was a concern at almost all the banks but was only actioned by one bank which did not participate in the research study for this reason. Thus there is a need for caution when interpreting research findings from the marketer's survey and the interview questions as these cannot be generalised to the entire South African banking sector.

- This research only focused on the banking sector, which is not the only financial sector within the financial industry in South Africa. Hence, this research cannot be concluded as an overall reflection of how brand loyalty is created and maintained in the entire financial industry in South Africa.

9. 5 Concluding Remarks

It seems that most banks understand the need and importance of using social media, but use it primarily for pushing marketing content with some efforts being made to create customer value through relationships. While marketers understand the benefits of social media and use it as best they can, the process is still in the infancy stage. There is a gap between the business objectives, what customers prefer and what is actually on social media. However, results from the current study highlight that by creating the right conditions (e.g. reward, benefit and incentives) on social media, customers can be persuaded to engage and interact on social media. Word of mouth, personal beliefs, social integration, as well as opinions from friends and family about the brand are essential components that create goodwill for the bank.

9. 6 Further Research

The following aspects can be explored for further research based on the findings from the current study:

- An in-depth analysis could be conducted on the alignment of business goals of banks to social media and the outcomes that are actually achieved. These can be evaluated on the basis of objectives and return on investment accomplished on social media.

- A more comprehensive study on the general population can be conducted so as to understand how brand loyalty creation influences different groups of people not included in this study.

- Further studies may be based on market communication avoidance tendencies amongst customers and how engaging and interaction can be improved on social media. As

evident in the literature review and the analysed results, this is a barrier in fully engaging customers.

- This study focuses on four major South African banks but only three participated in the research study. Further studies need to be conducted in other industries or markets to gain a more comprehensive understanding of how social media brand loyalty can be created and maintained.

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Annexure 1 - Market Strategy Creation Process (Chapter 2)

In integrating social media within the marketing strategy, marketers need to be aware of the following questions (Reece, 2010: 260; Mitic, Kapoulas, 2012: 680):

2.4.1 Strategy Purpose

- What social media objectives does business aim to achieve through social media?
- What social media tools are used and what is the purpose of using these?
- How effective are social media channels in achieving business goals?

2.4.2 Research

- Who is the target audience and where will you find them?
- How would business define them?

2.4.3 Strategy Analysis

- What is used to monitor and analyse the social media (comments, views, actions, re-tweets, followers, links, leads, media mentions or something else)?
- What analytical tools are being used in analysing social media activities?

2.4.4 Strategy development

- How is the market and customer groups segmented?
- Is there a customer feedback process through surveys?
- Are transactions mapped to channels to determine volumes and requirements?
- Are details of costs, expected benefits and expected return documented and acknowledged?

2.4.5 Strategy Implementation

- What marketing strategies are used on social media to reach the target audience (e.g. Increase Awareness (develop brand); Build Community (engage prospects); Generate Publicity)?
- How is the business going to encourage customer interaction (through followings, online reward benefits, product or service incentives)?
- What reporting and analytical tools are being used to measure social media activities?
- Is social media planning and execution carried out by an outsourced agency or conducted in-house?

2.4.6 Execute and Evaluate

- Which social media channel provides the greatest response and why?

- What messages work for customers and prospective customers?

- Are there social media policy documents in place to guide the users and the organisation?

2.8 Insource or outsource the social media function?

- Is social media in-housed or outsourced to an agency?

- What are the reasons behind this decision?

- What are the competitors doing in this space?

- What part of the strategy should business insource or outsource?

- What are the costs and benefits associated with implementing either strategy?

Annexure 2 – Value Proposition (Chapter 3)

Following are some of the questions that marketers need to be aware of in creating social, functional and brand value (Cant *et al*, 2006; Harris, Harris, Dennis, 2002; Nicholls, 2006; Oestreicher-Singer, Richardson, Evans 2007; Zalmanson, 2013; Viet Ngo, O' Cass 2010):

3.2 Value creation from the Business and the Customer perspective.

- What value is the organisation creating for customers on social media (functional, brand or social)?
- How is value built into the company products or service (product and service quality; service delivery, friendly and enjoyable staff etc.)?
- How is customer trust and satisfaction created on social media (through access, service, personnel, product, image etc.)?

3.3 Functional values reflected in the Bank's marketing strategy

- What are the buying factors that customers value and are attracted to when choosing between our organisation and our competitors (quality, reliability, warranty, price and added service or personnel professionalism)?
- How do customers rate your business performance versus that of competitors?
- What strategy is the organisation using to add functional value to its product or service (employees, processes and technologies)?

3.4 Social values reflected in the Bank's marketing strategy

- How is the organisation creating individual and collective values within the target market to attract and retain customers?
- How is the organisation creating a visible footprint in the public sector through social activities?
- How is the organisation creating good customer experience based on shared information through different social media channels?

3.5 Brand values reflected in the Bank's marketing strategy.

- What marketing strategies are implemented on social media to create interaction and engagement with the brand?
- How is brand value expressed on social media (through attributes, benefit, values, personality)?

- What brand strategies are used to express brand values (e.g. market penetration, market development, product development or diversification)?

Annexure 3 - Uses of Social media channels (Chapter 4)

4.5 Social media techniques banks can use to create brand loyalty.

Below are some of the questions that marketing managers need to think about in creating online brand loyalty (KPMG Report 2012, Accenture Report, 2011, Gable *et al*, 2008, Rootman *et.al*, 2011; Tandulwadikar, 2011; Mitic and Kapoulas, 2012; Hennig-Thurau *et al*, 2013):

- How is the organisation using social media channels to create loyalty?
- Are loyalty programs and reward schemes used in relation to social media channels?
- How is online interaction and customer engagement encouraged on social media channels?
- What social media loyalty marketing strategies are implemented on social media?

Annexure 4 - Uses of Social media channels (Chapter 5)

5.3 Framework for measuring brand loyalty on Social Media

According to Reece (2010: 230); Lord, (2014) and Oestreicher-Singer and Zalmanson, (2013) the following are some of the questions that marketers need to consider in understanding brand loyalty from a business perspective:

- What brand factors do you think influence loyalty (e.g. involvement, functional value, price worthiness factor, emotional value, social value, brand trust, customer satisfaction, commitment and repeat purchase pattern)?

- What social media components do you think influence brand loyalty (e.g. registration, frequency, conversation, advocacy, and reward)?

- How often do customers come back after registration/subscription on corporate website/social media?

- How are conversations driven and stimulated on social media?

- How is data gathered and extracted to measure brand loyalty (e.g. from marketing software, social media engagement platforms, CRM platforms, social media)?

- What tools and techniques are used to analyse social media data (e.g. sentiment analysis tools, HootSuite, Google Analytics and TweetDeck)?

- How is brand loyalty measured (e.g. customer engagement, site visits, conversations, share of voice, website traffic etc.)?

Annexure 5 – Customer brand loyalty questions

Part 1: Against each question customers will indicate how strongly they agree or disagree. One being strongly disagree and five being strongly agree.

Factor Analysis Components	Acronym Meanings	Structured Questions for Online Customers	Likert Scale Range Btw 1 and 5
F1	Functional Value	Bank I use is a highly reliable and credible.	
F2	Functional Value	My bank provides consistent quality service that I signed up for.	
F3	Functional Value	It has banking products/services that make banking easy.	

F4	Functional Value	I like the service and interaction I receive from the bank (depositing of money, withdrawals, loan options and internet banking).	
F5	Functional Value	Varieties of products/services offered by the bank are interesting and meet my different needs.	
F6	Functional Value	This bank gives me detailed information on all the services I use.	
F7	Functional Value	Varieties of advertisements from this bank are very informative and useful.	
F8	Functional Value	Investment opportunity information from this bank is useful for me.	
F9	Functional Value	This bank is reliable in getting my banking services done to my satisfaction.	
PR1	Price worthiness	This bank offers value for money.	
PR2	Price worthiness	Service costs are reasonably priced.	
PR3	Price worthiness	It is economically feasible to use this bank's services.	
EM1	Emotional Value	It makes me feel good to use this bank.	
EM2	Emotional Value	It gives me pleasure/satisfaction to use this bank.	
EM3	Emotional Value	Whenever I need to use my bank, I enjoy the process.	
SO1	Social Value	Using my bank will improve the way I am perceived.	
SO2	Social Value	I feel proud of being the customer of my bank.	
SO3	Social Value	I will consider my bank as a status symbol.	
T1	Brand Trust	My bank is honest and sincere with me.	
T2	Brand Trust	I rely on my bank.	
T3	Brand Trust	My bank never disappoints me.	
T4	Brand Trust	I believe my bank meets my expectations.	
SA1	Satisfaction	Overall I am satisfied with the products/services offered by my bank.	
CO1	Commitment	I have strong preference for my bank.	
CO2	Commitment	My preference for the bank I am currently using would not willingly change.	
CO3	Commitment	To change my preference from my current bank would require major rethinking	
CO4	Commitment	Even if my close friends recommend another bank, I would not change my preference.	
PUR1	Repeated Purchase	I have been transacting with the same bank since I started banking	
PUR2	Repeated Purchase	I consider myself to be loyal towards my bank	
PUR3	Repeated Purchase	I will recommend my bank to friends and relatives about their various service offerings.	
PUR4	Repeated Purchase	If I cannot get my banking done from online or other means, then I am happy to go to the bank branch to get my banking done.	

Annexure 6 – Questionnaire for the Marketing Managers

Good Day,

My name is Ashish Purohit and I am currently studying Masters of Commerce at Rhodes University. The aim of this study is to investigate the use of social media channels within the South African retail banking environment in support of creating and maintaining brand loyalty. The research aims to gather your opinion on this study and by taking this survey you are

consenting to the use of your responses for this research study. Kindly answer as many questions as you can.

Please note that the survey consists of 27 questions that should take you approximately 10 to 15 minutes to complete. Your participation is voluntary and you can withdraw from the research at any time should you wish to do so. Any information provided will be treated with strict confidentiality and will only be used for the purpose of this research study.

For multiple choice questions please tick all the categories that apply. When the 'Other' option is available, please comment in the text box provided.

Your participation is very much appreciated. Thank you for your time and valuable contribution. Should you have any questions regarding this questionnaire please contact me on the details provided below.

Yours Sincerely

Ashish Purohit

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ashishmachine8@gmail.com

Landline number: 010 0030 700

Section A: demographic information

1) Gender?

- ○ Female
- ○ Male

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2) Age?

- ○ Below 20   ○ 20- 25 years   ○ 26- 30 years   ○ 31- 35 years   ○ 36- 40 years
- ○ 41- 45 years   ○ 46 years and older

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3) Your marketing experience at the organisation?

- ○ No experience   ○ Less than a year   ○ 2 - 3 years   ○ 4 - 5 years   ○ 6 - 7 years
- ○ 8- 9 years   ○ More than 10 years

Section B: Marketing strategies used by banks

4) Which social media tools are used by your organisation for creating brand awareness and exposure?

- ☐ Facebook
- ☐ Twitter
- ☐ LinkedIn
- ☐ YouTube
- ☐ Pinterest
- ☐ Other: Please Specify

5) What is the purpose of using these social media channels for your organisation?

- ☐ Brand recognition (advertising)
- ☐ Community engagement
- ☐ Create exposure (public relations)
- ☐ Influence customer behaviour (direct marketing)
- ☐ Social media marketing
- ☐ Creating web traffic
- ☐ Sale promotion
- ☐ Other: Please Specify

6) What business objective does your organisation aiming to achieve through social media?

- ☐ Cost reduction
- ☐ Increase public relations
- ☐ Create brand awareness
- ☐ Generate web traffic
- ☐ Increase sales
- ☐ Other: Please Specify

  [   ]

7) Rate the priorities of these business objectives to the organisation (1 being highest priority and 5 being lowest priority)?

	Cost reduction	Increase public relations	Create brand awareness	Generate web traffic	Increase sales
• Highest priority (1)	○	○	○	○	○
• 2	○	○	○	○	○
• 3	○	○	○	○	○
• 4	○	○	○	○	○
• Lowest priority (5)	○	○	○	○	○

8) Please rate the effectiveness of using these social media tools in the marketing strategy in achieving business objectives?

	1(Most Effective)	2	3	4	5 (Least Effective)	Not applicable
• Facebook	○	○	○	○	○	○
• Twiiter	○	○	○	○	○	○
• LinkedIn	○	○	○	○	○	○
• YouTube	○	○	○	○	○	○
• Pinterest	○	○	○	○	○	○

9) Is your social media function in-housed or outsourced to an agency?

- ○ In-housed
- ○ Outsourced to an agency
- ○ Don't know
- ○ Combination of in-house and outsourced

  [   ]

10) What are the reasons behind this decision?

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11) How long has your organisation been using social media?

- ○ Less than 1 year
- ○ 1 - 2 years
- ○ 3 - 4 years
- ○ More than 5 years
- ○ Never used it
- ○ Don't know

12) What is measured on the used social media channels?

	Facebook	Twitter	LinkedIn	YouTube	Pinterest	Don't know
• Actions (e.g tweets, likes, comments, video views etc.)	☐	☐	☐	☐	☐	☐
• Feedback	☐	☐	☐	☐	☐	☐
• Followers	☐	☐	☐	☐	☐	☐
• Leads (content discussions)	☐	☐	☐	☐	☐	☐

13) How is reporting and analysis done in measuring social media activities?

- ○ In-house software solution
- ○ Third party software
- ○ Don't know
- ○ Combination of in-house and third party software solutions (please explain)

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14) What is the most important marketing strategy used by your organisation on social media?

- ○ Increase awareness
- ○ Building community
- ○ Generate publicity
- ○ Increase sales and profits
- ○ Don't know
- ○ Other: Please Specify

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Section C: Value creation on social media

15) What is your organisation's social media value proposition?

	Facebook	Twitter	LinkedIn	YouTube	Pinterest
• To create product and service quality for customers	☐	☐	☐	☐	☐
• Trust creation through two way dialogues	☐	☐	☐	☐	☐
• Customer interaction through feedback process	☐	☐	☐	☐	☐
• Improve on service delivery	☐	☐	☐	☐	☐
• Process and technology improvements	☐	☐	☐	☐	☐
• Don't know	☐	☐	☐	☐	☐

16) **How is customer trust and satisfaction being created on social media?**
  ☐ Through easy access to product or service
  ☐ Service delivery
  ☐ Personnel involved in the service delivery
  ☐ Product cost/price
  ☐ Brand image
  ☐ Other: Please Specify
  _____

17) **What factors do customers value when choosing between your organisation and the competitors?**
  ☐ Costs/Prices   ☐ Reliability   ☐ Product and service quality   ☐ Interaction process
  ☐ Product/service related benefits   ☐ Don't know
  ☐ Other: Please Specify _____

18) **What would cause customers to terminate their contract with your organisation?**
  ☐ High product or service prices
  ☐ Contractual obligations
  ☐ Poor service delivery
  ☐ Better alternatives
  ☐ Technology related problems
  ☐ Other: Please Specify
  _____

Section D: Use of social media channels within banks

19) How is your organisation using social media channels?

	Facebook	Twitter	LinkedIn	YouTube	Pinterest	Don't know
• Advertising	☐	☐	☐	☐	☐	☐
• Brand management	☐	☐	☐	☐	☐	☐
• Entertainment	☐	☐	☐	☐	☐	☐
• Handling customer complaints	☐	☐	☐	☐	☐	☐
• Knowledge sharing	☐	☐	☐	☐	☐	☐
• Lead generation	☐	☐	☐	☐	☐	☐
• New product development	☐	☐	☐	☐	☐	☐
• Sale creation	☐	☐	☐	☐	☐	☐

20) Does your organisation use loyalty programs or rewards schemes on social media?
- ○ Yes
- ○ No
- ○ Don't know
- ○ Other: Please Specify

21) How is online interaction and customer engagement encouraged on social media channels?
- ☐ Content
- ☐ Reward programs (online coupons, participation points etc.)
- ☐ Product price related incentives
- ☐ Feedback process
- ☐ Social media expert/followers
- ☐ None of the above
- ☐ Other: Please Specify

22) What factors do you think create brand loyalty on social media?
- ○ Enjoyable content
- ○ Richness of information
- ○ Appealing web interface
- ○ Personalisation and customisation
- ○ Simplified access points
- ○ Loyalty programs
- ○ None of the above
- ○ Other: Please Specify

Section E: Matrices used to measure brand loyalty

23) **Based on the use of social media in your organisation, rate in order of importance the dimensions of creating online equity and loyalty (1 being most important and 5 being least important)?**

	Creating emotional connection	Online experience	Responsive service nature	Trust and fulfilment of service	Level of comfort
• 1 (Most Important)	⊙	⊙	⊙	⊙	⊙
• 2	⊙	⊙	⊙	⊙	⊙
• 3	⊙	⊙	⊙	⊙	⊙
• 4	⊙	⊙	⊙	⊙	⊙
• 5 (Least Important)	⊙	⊙	⊙	⊙	⊙

24) **Rate in order of importance the brand loyalty factors (1 being most important and 9 being least important)?**

	Involvement	Functional value	Price worthiness factor	Emotional value	Social value	Brand trust	Customer satisfaction	Commitment	Repeat purchase pattern
• 1 (Most Important)	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 2	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 3	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 4	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 5	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 6	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 7	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 8	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
• 9 (Least Important)	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙

25) **What tools and techniques are used to analyse and measure social media data?**

- ☐ Hootsuite
- ☐ Google analytics
- ☐ TweetDeck
- ☐ Sentiment analysis tools
- ☐ Don't know
- ☐ Other: Please Specify
  [   ]

26) How does your organisation measure brand loyalty?

- ⊙ Conversations (feedback and comments)
- ⊙ Site visits
- ⊙ Web traffic
- ⊙ Views and referrals
- ⊙ Other: Please Specify

- -

27) Please feel free to comment on the questionnaire and/or provide any additional information.

Annexure 7 – Questionnaire for the Customers of the Bank

Introduction

Good Day,

My name is Ashish Purohit and I am currently studying Masters of Commerce at Rhodes University. I would like to invite you to participate in my research survey which focuses on the use of social media channels within the South African retail banking environment in support of creating and maintaining brand loyalty. The researcher would like your opinion on the usage of social media for marketing purposes for creating brand loyalty within the South African banking environment.

I kindly request you to participate in this study by filling in this questionnaire which consists of 16 questions, which should take you between 10 to 15 minutes to complete. Your participation is voluntary and you can withdraw from the research at any time should you wish to do so. Any information provided will be treated with strict confidentiality and will only be used for the purpose of this research study. By taking this survey you are consenting to the anonymous use of your responses for this research study. Kindly answer as many questions as you can.

For multiple choice questions please tick all the categories that apply. When the 'Other' option is available, please comment in the text box provided.

Your participation is very much appreciated. Thank you for your time and valuable contribution. Should you have any questions regarding this questionnaire please contact me on the details provided below.

Yours Sincerely

Ashish Purohit

apurohit@singular.co.za

ashishmachine8@gmail.com

Landline number: 010 0030 700

Section A: Demographic information

- -

1) Gender?
- ○ Male
- ○ Female

- -

2) Age?
- ○ Below 20 ○ 20-25 ○ 26-30 ○ 31-35 ○ 36-40 ○ 41-45
- ○ 46 years and older

3) Which bank do you primarily bank with?
- ○ ABSA
- ○ FNB
- ○ Nedbank
- ○ Standard Bank
- ○ Capitec
- ○ Other: Please Specify

4) Which ethnic group do you belong to in accordance to the South African census population groups?
- ○ Black African
- ○ White
- ○ Coloured
- ○ Indian or Asian
- ○ Other/Unspecified

5) Highest Qualification?
- ○ PhD ○ Masters ○ Honours ○ Degree ○ Diploma ○ Matric
- ○ Other: Please Specify

Section B: Value creation linked to Marketing strategies

6) Which social media channels, if any, do you currently use?

- ☐ Facebook
- ☐ Twitter
- ☐ LinkedIn
- ☐ YouTube
- ☐ Pinterest
- ☐ I don't use social media
- ☐ Other: Please Specify

7) How often do you use the following social media channels?

	Daily	Weekly	Monthly	Yearly	Never
• Facebook	○	○	○	○	○
• Twitter	○	○	○	○	○
• LinkedIn	○	○	○	○	○
• YouTube	○	○	○	○	○
• Pinterest	○	○	○	○	○

8) How long have you been using the following social media channels?

	Less than 2 years	2- 4 years	5 - 7 years	8 - 10 years	More than 10 years	I don't use it
• Facebook	○	○	○	○	○	○
• Twitter	○	○	○	○	○	○
• LinkedIn	○	○	○	○	○	○
• YouTube	○	○	○	○	○	○
• Pinterest	○	○	○	○	○	○

9) Are you a fan/member of your bank's social media platform?

- ○ Yes
- ○ No

10) If the answer is 'NO' to the above question please state the reason?

11) What would cause you to terminate your contract with your bank?

☐ High product or service costs
☐ Contractual obligations
☐ Poor service delivery
☐ Better alternatives
☐ Technology related problems
☐ Other: Please Specify

    [   ]

Section C: Use of social media channels in support of building brand

12) Which of the following, if any, would encourage you to engage with your bank through social media?

☐ Content
☐ Reward programs (online coupons, participation points etc)
☐ Product price related incentives
☐ Feedback process
☐ Social media expert/followers
☐ None of the above
☐ Other: Please Specify

    [   ]

13) What do you use social media for?

	Facebook	Twitter	LinkedIn	YouTube	Pinterest	Not sure
• Connecting with people	☐	☐	☐	☐	☐	☐
• For entertainment and gaming	☐	☐	☐	☐	☐	☐
• Raising complaints and issues	☐	☐	☐	☐	☐	☐
• Knowledge sharing	☐	☐	☐	☐	☐	☐
• Information gathering on products	☐	☐	☐	☐	☐	☐
• None of the above	☐	☐	☐	☐	☐	☐

14) Which of these factors, if any, would you say impact your current choice of bank?

☐ Involvement (Bank's involvement in the market)
☐ Functional value
☐ Price worthiness factor (transaction costs, transfer cost, interest etc.)
☐ Emotional value (feeling of satisfaction and trust)
☐ Social value
☐ Brand trust
☐ Customer satisfaction
☐ Commitment (Bank's service delivery commitment to their customers)
☐ Repeat purchase pattern (driven through easy transaction process)
☐ Other: Please Specify

    [   ]

15) Rate in order of importance these factors (1 being most important and 9 being least important)?

	Involvement	Functional value	Price	Emotional value	Social value	Brand trust	Customer satisfaction	Commitment	Repeat purchase pattern
• 1 (Most Important)	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 2	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 3	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 4	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 5	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 6	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 7	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 8	◎	◎	◎	◎	◎	◎	◎	◎	◎
• 9 (Least Important)	◎	◎	◎	◎	◎	◎	◎	◎	◎

Section D: Matrices used to measure brand loyalty Matrices

16) Please rate the following statements.

	1 (Strongly disagree)	2	3	4	5 (Strongly Agree)
My bank's involvement in community projects/programs impacts my buying behaviour.	○	○	○	○	○
My bank's involvement on social media impacts my buying behaviour.	○	○	○	○	○
My bank's functional value (banking services etc.) has an impact on my loyalty.	○	○	○	○	○
Service and interaction I receive from my bank (depositing of money, withdrawals, loan options and internet banking) impacts my future interactions.	○	○	○	○	○
Banking fees, reward programs and incentives play a role in my bank selection.	○	○	○	○	○
Bank costs and pricing impact my banking decision.	○	○	○	○	○
My bank makes me feel good and satisfied using various interaction channels (online banking, physical branches, website etc.)	○	○	○	○	○
Whenever I need to use my bank, I enjoy the process.	○	○	○	○	○
I feel proud of being a customer of my bank due to its social involvement in the community.	○	○	○	○	○
My bank's social value activity has an impact on my perception of the bank.	○	○	○	○	○
My bank is honest and sincere with me and therefore I trust my bank.	○	○	○	○	○
I believe my bank meets my expectations and does not disappoint me.	○	○	○	○	○
Overall I am satisfied with the products/services offered by my bank.	○	○	○	○	○
My satisfaction increases my loyalty towards the bank over time.	○	○	○	○	○
I am committed to using my current bank due to my relationship with the bank.	○	○	○	○	○
Changing my current bank would require major rethinking.	○	○	○	○	○
I will recommend my bank to friends and relatives.	○	○	○	○	○
I consider myself to be loyal towards my bank.	○	○	○	○	○

Annexure 8 - Interview Process - Marketing personnel

- Introduce the topic and the need for the research (aims and objectives of the study).
- Discuss the need for the marketing survey and the questions contained in the survey.
- Get consent on distribution of the marketing survey to the marketing personnel within the organisation and the customer's survey to the customers of the organisation.
- Discuss distribution of the survey to marketers within the department.

General questions that will be discussed with marketing personnel of the bank (all the questions are extracted from annexures 1-4):

1. What social media tools are used by the organisation and what is the purpose of using these?
2. What is used to monitor and analyse the social media channels (comments, views, actions, re-tweets, followers, links, leads, media mentions or something else)?
3. Is there a customer feedback process through surveys or any other methods?
4. In what way is the organisation engaging customers on social media in developing and maintaining interactions and relationships?
5. What value is the organisation creating for customers on social media (functional, brand or social)?
6. How is the organisation creating a visible footprint in the public sector through social activities?
7. What social media marketing strategies are implemented on social media channels (e.g. brand awareness, exposure, loyalty creation)?
8. Are there social media policy documents in place to guide users and internal staff?
9. What measures are in place to deal with security, privacy and regulatory concerns on social media?
10. What social media components influence brand loyalty (e.g. registration, content, conversation etc.)?
11. How is business measuring the value of social media?
12. What reporting and analytical tools are being used to measure social media activities?
13. How is the organisation using social media channels to create loyalty?
14. How is customer brand loyalty on social media measured?

Annexure 9 – Participant Consent Letter

I _____ hereby agree to take part in the current research study that focuses on the use of social media channels within the South African retail banking environment in support of creating and maintaining brand loyalty. I fully understand the aims, objectives, benefits and the possible risks of this research study and that it will only be used for academic purposes.

I am aware that the information I will provide herein is voluntary and I can withdraw from the research at any time should I wish to do so. I also understand that any information I provide will be treated with strict confidentiality and according to Rhodes University ethical guidelines.

As the authorised person, I confirm that my organisation is aware of the research study and we have allowed Ashish Purohit student number g03p3359 to conduct interviews with the marketing personnel of the company.

_____   _____

Research's name   Participant's Name

_____   _____

Signature   Signature

_____   _____

Date   Date

                                                                              _____

                                                                              Organisation Name

Annexure 10 – Summarised Correlation Matrix for nine hypotheses (18 variables)

		1. Involvement	2. Involvement	3. Functional Value	4. Functional Value	5. Price-worthiness Factor	6. Price-worthiness Factor	7. Emotional Value	8. Emotional Value	9. Social Value
Correlation	1. Involvement	1.000	.451	-.032	.162	.176	.062	-.104	.092	.578
	2. Involvement	.451	1.000	-.346	-.126	-.113	-.085	.099	.052	.410
	3. Functional Value	-.032	-.346	1.000	.616	.511	.591	.378	.200	-.020
	4. Functional Value	.162	-.126	.616	1.000	.525	.385	.301	.171	.293
	5. Price-worthiness Factor	.176	-.113	.511	.525	1.000	.574	.391	.088	.266
	6. Price-worthiness Factor	.062	-.085	.591	.385	.574	1.000	.378	.200	.054
	7. Emotional Value	-.104	.099	.378	.301	.391	.378	1.000	.336	.255
	8. Emotional Value	.092	.052	.200	.171	.088	.200	.336	1.000	.318
	9. Social Value	.578	.410	-.020	.293	.266	.054	.255	.318	1.000
	10.Social Value	.500	.398	-.154	.179	.091	.070	.134	.141	.755
	11.Brand Trust	.143	.051	.245	.276	.009	.270	.180	.438	.430
	12.Brand Trust	.102	-.151	.314	.312	.067	.191	.118	.410	.355
	13.Customer Satisfaction	.016	-.195	.428	.389	.185	.436	.301	.534	.267
	14.Customer Satisfaction	.160	-.090	.597	.595	.428	.376	.275	.284	.128
	15.Commitment	-.094	-.126	.437	.328	.171	.441	.442	.536	.222
	16.Commitment	-.118	-.080	.363	.319	.270	.508	.304	.171	-.046
	17.Repeat purchase behaviour	-.055	-.103	.385	.442	.311	.303	.390	.565	.325
	18.Repeat purchase behaviour	-.237	-.067	.386	.313	.415	.278	.579	.186	.152

		10.Social Value	11.Brand Trust	12.Brand Trust	13.Customer Satisfaction	14.Customer Satisfaction	15. Commitment	16. Commitment	17.Repeat purchase behaviour	18.Repeat purchase behaviour
Correlation	1. Involvement	.500	.143	.102	.016	.160	-.094	-.118	-.055	-.237
	2. Involvement	.398	.051	-.151	-.195	-.090	-.126	-.080	-.103	-.067
	3. Functional Value	-.154	.245	.314	.428	.597	.437	.363	.385	.386
	4. Functional Value	.179	.276	.312	.389	.595	.328	.319	.442	.313
	5. Price-worthiness Factor	.091	.009	.067	.185	.428	.171	.270	.311	.415
	6. Price-worthiness Factor	.070	.270	.191	.436	.376	.441	.508	.303	.278
	7. Emotional Value	.134	.180	.118	.301	.275	.442	.304	.390	.579
	8. Emotional Value	.141	.438	.410	.534	.284	.536	.171	.565	.186
	9. Social Value	.755	.430	.355	.267	.128	.222	-.046	.325	.152
	10.Social Value	1.000	.251	.240	.118	-.009	.089	-.066	.214	.134
	11.Brand Trust	.251	1.000	.653	.720	.264	.660	.274	.506	.284
	12.Brand Trust	.240	.653	1.000	.821	.368	.691	.247	.651	.319
	13.Customer Satisfaction	.118	.720	.821	1.000	.497	.816	.369	.732	.433
	14.Customer Satisfaction	-.009	.264	.368	.497	1.000	.513	.475	.414	.397
	15.Commitment	.089	.660	.691	.816	.513	1.000	.499	.786	.589
	16.Commitment	-.066	.274	.247	.369	.475	.499	1.000	.319	.498
	17.Repeat purchase behaviour	.214	.506	.651	.732	.414	.786	.319	1.000	.562
	18.Repeat purchase behaviour	.134	.284	.319	.433	.397	.589	.498	.562	1.000

Annexure 11 – Detailed Correlation Matrix

		1. Involvement	2. Involvement	3. Functional Value	4. Functional Value	5. Price worthiness Factor	6. Price worthiness Factor	7. Emotional Value	8. Emotional Value	9. Social Value	10.Social Value	11.Brand Trust	12.Brand Trust	13.Customer Satisfaction	14.Customer Satisfaction	15.Commitment	16.Commitment	17.Repeat purchase behaviour	18.Repeat purchase behaviour
1. Involvement	Pearson Correlation	1	.451**	-.032	.162	.176	.062	-.104	.092	.578**	.500**	.143	.102	.016	.160	-.094	-.118	-.055	-.237
	Sig. (2-tailed)		.003	.844	.319	.279	.702	.522	.574	.000	.001	.379	.532	.920	.325	.562	.470	.738	.141
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
2. Involvement	Pearson Correlation	.451**	1	-.346*	-.126	-.113	-.085	.099	.052	.410**	.398*	.051	-.151	-.195	-.090	-.126	-.080	-.103	-.067
	Sig. (2-tailed)	.003		.029	.440	.489	.602	.543	.749	.009	.011	.754	.351	.229	.581	.440	.622	.528	.681
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
3. Functional Value	Pearson Correlation	-.032	-.346*	1	.616**	.511**	.591**	.378*	.200	-.020	-.154	.245	.314*	.428**	.597**	.437**	.363*	.385*	.386*
	Sig. (2-tailed)	.844	.029		.000	.001	.000	.016	.217	.903	.343	.128	.048	.006	.000	.005	.021	.014	.014
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
4. Functional Value	Pearson Correlation	.162	-.126	.616**	1	.525**	.385*	.301	.171	.293	.179	.276	.312*	.389*	.595**	.328*	.319*	.442**	.313*

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	Sig. (2-tailed)	.319	.440	.000		.001	.014	.059	.293	.067	.268	.084	.050	.013	.000	.039	.045	.004	.049
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
5. Price worthiness Factor	Pearson Correlation	.176	-.113	.511**	.525**	1	.574**	.391*	.088	.266	.091	.009	.067	.185	.428**	.171	.270	.311	.415**
	Sig. (2-tailed)	.279	.489	.001	.001		.000	.013	.587	.098	.574	.955	.679	.253	.006	.290	.093	.051	.008
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
6. Price worthiness Factor	Pearson Correlation	.062	-.085	.591**	.385*	.574**	1	.378*	.200	.054	.070	.270	.191	.436**	.376*	.441**	.508**	.303	.278
	Sig. (2-tailed)	.702	.602	.000	.014	.000		.016	.217	.739	.668	.092	.238	.005	.017	.004	.001	.057	.083
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
7. Emotional Value	Pearson Correlation	-.104	.099	.378*	.301	.391*	.378*	1	.336*	.255	.134	.180	.118	.301	.275	.442**	.304	.390*	.579**
	Sig. (2-tailed)	.522	.543	.016	.059	.013	.016		.034	.113	.410	.268	.470	.059	.086	.004	.056	.013	.000
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
8. Emotional Value	Pearson Correlation	.092	.052	.200	.171	.088	.200	.336*	1	.318*	.141	.438**	.410**	.534**	.284	.536**	.171	.565**	.186
	Sig. (2-tailed)	.574	.749	.217	.293	.587	.217	.034		.046	.384	.005	.009	.000	.075	.000	.292	.000	.252
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
9. Social Value	Pearson Correlation	.578**	.410**	-.020	.293	.266	.054	.255	.318*	1	.755**	.430**	.355*	.267	.128	.222	-.046	.325*	.152
	Sig. (2-tailed)	.000	.009	.903	.067	.098	.739	.113	.046		.000	.006	.025	.095	.432	.169	.778	.040	.350
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
10.Social Value	Pearson Correlation	.500**	.398*	-.154	.179	.091	.070	.134	.141	.755**	1	.251	.240	.118	-.009	.089	-.066	.214	.134

	Sig. (2-tailed)	.001	.011	.343	.268	.574	.668	.410	.384	.000		.118	.135	.467	.958	.584	.688	.184	.409
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
11.Brand Trust	Pearson Correlation	.143	.051	.245	.276	.009	.270	.180	.438**	.430**	.251	1	.653**	.720**	.264	.660**	.274	.506**	.284
	Sig. (2-tailed)	.379	.754	.128	.084	.955	.092	.268	.005	.006	.118		.000	.000	.100	.000	.087	.001	.076
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
12.Brand Trust	Pearson Correlation	.102	-.151	.314*	.312*	.067	.191	.118	.410**	.355*	.240	.653**	1	.821**	.368*	.691**	.247	.651**	.319*
	Sig. (2-tailed)	.532	.351	.048	.050	.679	.238	.470	.009	.025	.135	.000		.000	.020	.000	.125	.000	.045
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
13.Customer Satisfaction	Pearson Correlation	.016	-.195	.428**	.389*	.185	.436**	.301	.534**	.267	.118	.720**	.821**	1	.497**	.816**	.369*	.732**	.433**
	Sig. (2-tailed)	.920	.229	.006	.013	.253	.005	.059	.000	.095	.467	.000	.000		.001	.000	.019	.000	.005
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
14.Customer Satisfaction	Pearson Correlation	.160	-.090	.597**	.595**	.428**	.376*	.275	.284	.128	-.009	.264	.368*	.497**	1	.513**	.475**	.414**	.397*
	Sig. (2-tailed)	.325	.581	.000	.000	.006	.017	.086	.075	.432	.958	.100	.020	.001		.001	.002	.008	.011
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
15.Commitment	Pearson Correlation	-.094	-.126	.437**	.328*	.171	.441**	.442**	.536**	.222	.089	.660**	.691**	.816**	.513**	1	.499**	.786**	.589**
	Sig. (2-tailed)	.562	.440	.005	.039	.290	.004	.004	.000	.169	.584	.000	.000	.000	.001		.001	.000	.000
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
16.Commitment	Pearson Correlation	-.118	-.080	.363*	.319*	.270	.508**	.304	.171	-.046	-.066	.274	.247	.369*	.475**	.499**	1	.319*	.498**

	Sig. (2-tailed)	.470	.622	.021	.045	.093	.001	.056	.292	.778	.688	.087	.125	.019	.002	.001		.045	.001
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
17.Repeat purchase behaviour	Pearson Correlation	-.055	-.103	.385*	.442**	.311	.303	.390*	.565**	.325*	.214	.506**	.651**	.732**	.414**	.786**	.319*	1	.562**
	Sig. (2-tailed)	.738	.528	.014	.004	.051	.057	.013	.000	.040	.184	.001	.000	.000	.008	.000	.045		.000
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
18.Repeat purchase behaviour	Pearson Correlation	-.237	-.067	.386*	.313*	.415**	.278	.579**	.186	.152	.134	.284	.319*	.433**	.397*	.589**	.498**	.562**	1
	Sig. (2-tailed)	.141	.681	.014	.049	.008	.083	.000	.252	.350	.409	.076	.045	.005	.011	.000	.001	.000	
	N	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

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Annexure 12 – Factor Analysis Results

Communalities

	Initial	Extraction
1. Involvement	1.000	.791
2. Involvement	1.000	.616
3. Functional Value	1.000	.764
4. Functional Value	1.000	.667
5. Price-worthiness Factor	1.000	.728
6. Price-worthiness Factor	1.000	.549
7. Emotional Value	1.000	.734
8. Emotional Value	1.000	.454
9. Social Value	1.000	.840
10.Social Value	1.000	.711
11.Brand Trust	1.000	.691
12.Brand Trust	1.000	.806
13.Customer Satisfaction	1.000	.883
14.Customer Satisfaction	1.000	.611
15.Commitment	1.000	.876
16.Commitment	1.000	.459
17.Repeat purchase behaviour	1.000	.735
18.Repeat purchase behaviour	1.000	.737

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.535	36.304	36.304	6.535	36.304	36.304	4.367	24.263	24.263
2	2.792	15.511	51.815	2.792	15.511	51.815	3.464	19.244	43.507
3	2.018	11.211	63.026	2.018	11.211	63.026	2.717	15.097	58.604
4	1.307	7.259	70.285	1.307	7.259	70.285	2.103	11.681	70.285
5	.924	5.135	75.420						
6	.807	4.485	79.905						
7	.726	4.033	83.938						
8	.519	2.885	86.823						
9	.447	2.482	89.306						
10	.378	2.100	91.405						
11	.362	2.010	93.415						
12	.277	1.538	94.953						
13	.259	1.439	96.392						
14	.215	1.195	97.587						
15	.179	.997	98.584						
16	.109	.604	99.188						
17	.101	.559	99.748						
18	.045	.252	100.000						

Extraction Method: Principal Component Analysis.

Component Transformation Matrix

Component	1	2	3	4
1	.720	.576	.106	.373
2	.190	-.282	.920	-.194
3	-.648	.656	.363	.134
4	-.161	-.398	.100	.897

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Component Matrix[a]

	Component			
	1	2	3	4
1. Involvement	.079	.709	.380	-.372
2. Involvement	-.111	.662	.211	.347
3. Functional Value	.652	-.418	.307	-.266
4. Functional Value	.632	-.051	.414	-.304
5. Price-worthiness Factor	.497	-.137	.679	-.016
6. Price-worthiness Factor	.599	-.221	.373	-.045
7. Emotional Value	.551	-.061	.251	.603
8. Emotional Value	.562	.214	-.292	.086
9. Social Value	.399	.805	.181	.037
10.Social Value	.232	.782	.181	.112
11.Brand Trust	.659	.297	-.392	-.121
12.Brand Trust	.707	.190	-.448	-.264
13.Customer Satisfaction	.846	.027	-.376	-.160
14.Customer Satisfaction	.677	-.167	.249	-.253
15.Commitment	.861	-.055	-.343	.115
16.Commitment	.562	-.318	.104	.177
17.Repeat purchase behaviour	.813	.055	-.244	.103
18.Repeat purchase behaviour	.654	-.193	.066	.518

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Rotated Component Matrix[a]

	Component			
	1	2	3	4
1. Involvement	.005	.243	.761	-.391
2. Involvement	-.147	-.251	.709	.170
3. Functional Value	.234	.800	-.231	.126
4. Functional Value	.226	.771	.140	.028
5. Price-worthiness Factor	-.106	.777	.172	.289
6. Price-worthiness Factor	.155	.670	-.009	.276
7. Emotional Value	.125	.259	.154	.792
8. Emotional Value	.620	.037	.160	.206
9. Social Value	.317	.106	.852	.050
10.Social Value	.180	-.013	.822	.060
11.Brand Trust	.804	.087	.190	.027
12.Brand Trust	.877	.165	.061	-.070
13.Customer Satisfaction	.883	.296	-.038	.116
14.Customer Satisfaction	.335	.700	-.016	.091
15.Commitment	.813	.240	-.072	.389
16.Commitment	.248	.411	-.178	.444
17.Repeat purchase behaviour	.737	.252	.059	.352
18.Repeat purchase behaviour	.308	.268	-.032	.754

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.