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Navigating the evolved FMCG loyalty frontier: Subscription loyalty models within the Western Cape, South Africa.

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Emmanuel Louis Santana

[redacted]

Supervisor: Dr W.K. Neuland

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ABSTRACT

Although loyalty programmes are now commonplace, their prevalence has diminished critical reflection on what genuinely sustains loyalty beyond repetitive behaviour. Over a decade ago, more than two billion loyalty programmes existed in the United States, illustrating the global saturation of reward systems. Within this crowded landscape, this research investigates Checkers' Xtra Savings Plus, South Africa's leading FMCG subscription-based loyalty programme, where access to value is conditional upon payment and continued participation. Over one hundred loyalty-oriented studies spanning eighty years were synthesised to identify thirteen constructs central to loyalty development. These constructs informed a proprietary conceptual model and scale instrument, applied to a Western Cape sample of 134 respondents and bootstrapped to 5 000 for statistical reliability. Using descriptive statistics, exploratory factor analysis, and Monte Carlo parallel analysis, the model refined into four operational constructs: Customer Loyalty, Perceived Programme Value, Brand Loyalty, and True Loyalty. An inferential factor analysis revealed that Customer Loyalty demonstrated 53% explanatory power on Perceived Programme Value, which exerted 50% on Brand Loyalty, which held 51% on Subscription Utility, which in turn possessed 58.6% explanatory power on True Loyalty. Subscription Utility achieved a loading of 96.8%. This framework empirically confirms that loyalty's endurance arises from the interdependence of value clarity, behavioural consistency, and relational trust. Subscription Utility is newly introduced and repositions usefulness from an abstract promise into an in-use experience co-produced by these three antecedents. Perceived value without routine provides little durability; routine without value erodes credibility; and brand affinity without either, collapses under price pressure. True Loyalty therefore emerges only when all three mechanisms converge in harmony, transforming a reward system into a unified experience of meaning, reliability, and reciprocity. Further research is encouraged to interrogate the remaining 41% of variance that influences True Loyalty, particularly factors beyond economic value that may drive long-term consumer attachment. (287 words)

Keywords: Customer Loyalty; Brand Loyalty; Customer Loyalty Programmes; Subscription Programmes; FMCG Retail.

CHAPTER 1: INTRODUCTION

1.1 Introduction

Chapter 1 describes the organised structure that controls an upcoming research project (Hofstee, 2006:83-155).

This chapter introduces the background to the research topic, delineates the rationale, problem statement, aim, and objectives, and positions the work within the academic discourse through a preliminary literature review.

The document then outlines the research methodology, which includes how this research will be conducted, followed by items such as ethical clearance and a proposed chapter outline.

1.1.1 Background to the study

Research is a process of both revisiting existing knowledge and uncovering new insights (Lomas, 2013:134). Accordingly, this chapter begins by investigating the trajectory of South Africa's formal retail sector. This requires a background of the South African retail historical context and an awareness of evolving consumer loyalty mechanisms.

South Africa's formal retail sector seems to be overindulged in post-purchase incentives and characterised by price-driven loyalty and low switching costs (Research and Markets, 2025). This hyper-competitive landscape has led to a high rate of transformation over the years, as each retailer constantly finds themselves needing to out-grapple rivals, bound by the relentless pursuit of consumer loyalty (Masojada, 2021).

For over a century, the formal retail sector has been dominated by brick-and-mortar stores. More specifically, the store format, or size, determined how consumers would interact with it (Prinsloo, 2010). Medium-to-large format stores are centralised in urban areas, and small format stores are located on the outskirts of urban areas (BusinessTech, 2018; Prinsloo, 2010:11:16). This dual approach defined the sector for years and still does today in many regards, with the winning formula stemming from complementary store format sizes: no single format is more 'effective'; it is their geographical composition that engages customers most. This symbiotic relationship consists of end-destination retail shopping occurring in the bustling urban centres and the convenience shopping being relocated to the outskirts for increased accessibility (Prinsloo, 2010:11;16).

The past decade has seen the rise of e-commerce orientate the retail sector on a digitalisation trajectory (Goga & Paelo, 2017:1). This digital shift presented unforeseen challenges for both the consumer and retailer (Goga & Paelo, 2017:1). From the consumers' side, the urge to shop online gradually rose, but attached to this came a trust and safety-based hesitation of both the retailer and financial payment institution; whilst from the retailer side, business models and marketing strategies would have to accommodate an omnichannel approach (Goga & Paelo, 2017:2).

This trajectory has positively scaled year-on-year, with South African e-commerce growth metrics rising from R300 million to R10 billion in internet retail sales value, all within a 15-year period (Goga, Paelo, & Nyamwena, 2019:7). Naturally, formal retailers sought ways to further capitalise on the growth of e-commerce and how to counter its effects (Luthuli, 2017). This shift reduced many of the traditional barriers that had previously limited consumers' willingness or ability to make purchases. As Luthuli (2017:1) highlights, e-commerce eroded geographic constraints, lowered online shopping hesitation through easier access to quality product information, and increased trust in the reliability of deliveries. As a result, the retail sector would enter a price war, forcing retailers to further invest into building repurchase intention (Fraser, 2024).

Naidoo (2022:23) highlights how some South African retailers would adopt a subscription box service in which consumers would acquire a subscription to receive a pre-packed box containing fresh goods delivered to their front doors, such as milk and eggs. This would later expand into a larger adoption of subscription boxes once BirchBox's execution acted as a proof of concept for this loyalty model, which then led to 2,000 similar online subscription boxes emerging by 2018 (Naidoo, 2022:24). This approach was considered too niche by the larger players of the formal retail sector, and thus greater adoption leaned towards retail loyalty programmes (Naidoo, 2022:24; Corbishley, 2017:34).

Corbishley (2017:34) showcases how South African retailers in the fast-moving consumer goods (FMCG) sector would evolve their consumer relationship marketing efforts with an emphasis on growing loyalty via direct investment into relationship quality. Corbishley (2017:35) identified that loyalty programmes often took one of three distinct schools.

The first school would be 'point accruement', in which the consumer would be required to sign up to the retailers' loyalty programme, and as they purchase products from said retailer, over time they would accumulate points which could be exchanged for monetary value (Corbishley, 2017:35).

The second school would be loyalty programmes driven around rewards in exchange for charitable programme contribution; this approach was more niche, often being relegated to partnerships between schools and retailers (Corbishley, 2017:35).

The third school would be a blend of both: a programme that rewards the consumer with a tangible or intangible self-upliftment, such as a healthy food choice discount. These schools are categorised as consumeristic, altruistic, and egoistic, respectively.

The loyalty schools demonstrate various relationship-building approaches through consumeristic models that strengthen individual retailer-consumer bonds through reward accumulation and altruistic models that use the brand to create social value between the retailer and consumer and community and egoistic models that deliver personalised incentives to boost consumer self-image and value alignment perception.

Table 1 beneath provides an overview of how South African loyalty programmes currently exist and operate. Ultimately, each of the schools has its unique approaches but operates under the same philosophy - each only provides reward to the consumer post-purchase.

		Characteristic		
		Consumeristic	**Altruistic**	**Egoistic**
Perceived Benefit	**Associated with**	Monetary, self benefit; utilitarian; economic	Social responsibility; other benefit	Symbolic; Self-image; pleasure, self-expression; power and achievement. Social and psychological values
	Tangibility	Tangible	Intangible for the cardholder. Tangible to charity	Tangible/intangible
	Manifestation	Points, discounts, prizes	Charitable programmes	Healthy eating; environmentally friendly purchases; tiered rewards
	Examples	Smart Shopper (Pick'nPay)	MySchool, MyVillage, MyPlanet (Woolworths)	Vitality HealthyFood + Checkers & Woolworths (Discovery)

Table 1: The perception of benefits in South African FMCG Marketplace (adapted from Corbishley, 2017:35).

The COVID-19 pandemic would further amplify the rate of optimisation required in retail digitalisation efforts. (Redda, 2021; Shenjere & Middelberg, 2023:1). In 2020 alone, large grocery retail chains would experience a sheer propulsion of a 30% increase in e-commerce spend (Shenjere & Middelberg, 2023:2). As the pandemic placed lockdown restrictions, limiting travel opportunities, consumer decision-making styles would be forced to adapt. Furthermore, stock shortages, lesser foot traffic, the mandated added investment into safety precautions, and consumer fear would lessen retailers' cash flow

(Shenjere & Middelberg, 2023:3).

The pandemic forced retailers to once again look at digitalisation from an inventive perspective, providing a unique opportunity for formal retailers to capitalise and capture market share on the next wave of retail transformation: FMCG-focused delivery services. Masojada (2021:17) states FMCG delivery had existed locally for over a decade. Most notably seen with the likes of Takealot's launch in 2011 upon merging with Kalahari. At the time, Kalahari was one of South Africa's premier online marketplaces (Strydom, 2014). Shortly after, Takealot would purchase one of South Africa's premier food delivery services in Mr Delivery. Yet despite this, COVID-19 would be the accelerant for brick-and-mortar-based retailers to get involved (Masojada, 2021:17).

On-demand grocery delivery in South Africa is now served by a range of platforms, including Sixty60 (Checkers), ASAP (Pick n Pay) via Mr D, 2U (SPAR), and Woolies Dash (Woolworths). Together, this segment has an expected annual growth rate of 8.45% in online food delivery (Statista, 2024). This is the emerging frontier of formal South African retail, and already consumers enjoy the cycle of new digitalisation being created and widely deployed.

The growing interplay between digitalisation and loyalty in South African retail suggests a shifting foundation in how consumers connect with brands. This evolution holds significance not only for understanding retail dynamics but also for appreciating how value, convenience, and trust now coalesce in shaping modern purchasing behaviour. The convergence of these forces underscores why this period in retail history can be viewed as especially instructive for both scholars and practitioners alike.

Having explored a historical context and emerging events of South African retail, it becomes necessary to establish an academic justification for this research by identifying grounds for investigation.

1.1.2 Rationale

Academia advances through refining, extending, or challenging existing theories (Hofstee, 2018:89). For this process to take place, a need must exist. The rationale, or need, arises when further research contributes to the understanding of an existing concept, develops a new explanation, or eradicates inconsistencies in existing research within its contextual background (Hofstee, 2018:89).

Two retail subscription programme models exist in South Africa: Checkers Sixty60 hosting Xtra Savings Plus and Takealot hosting Takealotmore. These subscriptions personify the evolution of consumer loyalty optimisation, as subscribed users can expect a variety of pre-purchase benefits, access to exclusive specials, priority delivery, and instant rewards in free delivery costs (McLeod, 2024: Labuschagne, 2024). Similar to these models is Uber One, a subscription programme in which consumers can order groceries and food items via Uber Eats (Uber Eats, 2025). Although seemingly the Uber One model resembles the evolution at hand, this programme is excluded from this research due to its non-FMCG retail benefits, such as discounts on rides with Uber (Uber Eats, 2025). This introduces ambiguity that is not present in Xtra Savings Plus and Takealotmore.

South African retail has witnessed a segment-altering rate of change; what was once brick-and-mortar domination was then transformed into omnichannel dominance (BusinessTech, 2018; Prinsloo, 2010:11;16; Goga & Paelo, 2017:1). This blend of the tangible and intangible, coupled with the sector's hyper-competitive streak, forced retailers to innovate to maintain market share (Masojada, 2021).

At first, the strategic norm was post-purchase loyalty programmes (Corbishley, 2017). Today, the strategy is pre-purchase purchase incentive programmes disguised as subscription services (McLeod, 2024; Labuschagne, 2024). Yet, despite the industry's historical competitiveness, only the market share leaders of online retail (Takealot) and grocery retail (Checkers) have deployed such services (Barbieri, 2019). No competitors have followed suit.

Retail sales are a direct representation of a consumer's demands for goods (Kenton, 2025). At a macroeconomic scale, retail sales showcase the 'pulse of the economy' as it acts as a stand-in for consumer spending (Kenton, 2025). In 2020, during the peak of COVID-19 restrictions, South Africa had a total of R41 billion in retail trade sales - a 53% year-on-year drop (Redda, 2021). By 2022, this figure rose to R315 billion, representing virtually 20% of the South African GDP (Stats SA, 2022; Botha, 2022). Retail sales could not occur without a workforce. Between 2012 and 2022, over 150 000 new jobs were created by retail (Stats SA, 2022). In 2022, 858 610 individuals were employed by retail. That same year, South Africa collectively employed 15.8 million individuals (Stats SA, 2022). Retail is a powerhouse within the South African economy, thus making it attractive for businesses to capture its market.

With these emergent subscription services still in their infancy within South African formal retail, there subsequently exists a notable gap in the understanding of their direct impact on consumer loyalty.

Despite over two billion loyalty programmes existing in the United States alone, international conclusions are not locally relevant due to South Africa's unique retail scene (Cant & du Toit, 2012). Operating on varying levels of technological adoption and economic disparities, with its hyper-competitive environment, presents its own set of distinctive challenges and opportunities for local retailers (Masojada, 2021). Given the lack of empirical research, clarifying whether and how subscription services shape consumer loyalty in South Africa remains critical for retail decision-makers. While traditional loyalty programmes are well-researched and have been effective in fostering repeat business, subscription services represent the evolution of consumer loyalty. This emergent frontier is defined by pre-purchase incentivisation through a more proactive, ongoing approach to securing long-term consumer engagement (Research & Markets, 2025).

The invention of subscription-based loyalty models, such as TakealotMore and XtraSavings Plus, represents a fundamental shift in how modern retailers approach consumer retention (McLeod, 2024; Labuschagne, 2024). Unlike the tradition of rewarding purchases after they occur, these models pre-emptively secure consumer commitment by offering up-front benefits such as personalised discounts, free delivery services, and a larger array of discounts, for a monthly fee (McLeod, 2024; Labuschagne, 2024). Within the past six months, TakealotMore has grown by 320%, whilst Checkers-Sixty60 (a required mechanism to Xtra Savings Plus) has seen sales growth of 47.1% (Fraser, 2025; Labuschagne, 2025). Despite this success, no empirical research exists on these South African, retail-dedicated subscription services.

From an international perspective, subscription services have been studied extensively over the past decades within sectors like media streaming, software-as-a-service (SaaS), and beauty box subscriptions, but their role external to loyalty programmes in retail remains largely underexplored (Cant & du Toit, 2012). South Africa's retail sector serves a nation of over 60 million people, each with different incomes, cultures, races, and political and socio-economic forces which drive their consumerism (Masojada, 2021:3). It remains unexplored whether these findings hold true in South Africa's unique retail market context.

Across the past three decades, loyalty programme (including post-purchase-orientated and membership-orientated loyalty programmes) literature has shown to have a clear impact on transactional-, and emotional loyalty (Chen, Mandler, & Meyer-Waarden, 2021). Transactional, or consumer, loyalty refers to repeat purchasing behaviour and financial commitment, as consumers continue engaging with the retailer based upon perceived or realised economic benefits. In tandem, emotional, or brand loyalty is rooted in brand implications, such as brand advocacy, -affinity, -salience, and emotional attachment (Phang, Ng, & Fam, 2021:1429). To align these items with Corbishley's loyalty programme categories, the consumeristic model aligns best with transactional loyalty (such as Smart Shopper by Pick n Pay) due to its direct economic rewards, whereas the altruistic and egoistic models align with emotional loyalty (such as W Rewards by Woolworths and Discovery Vitality's healthy food schemes) due to their promotion of social value and personal upliftment.

Although loyalty programmes and subscription services both seek to engender returning consumers, they operate on opposite ends of the incentivisation timeline. All subscription services have a fundamental loyalty programme instilled; however, not all loyalty programmes have a 'lock-in' mechanism as subscription services do due to their 'pay-to-play' model. The ramifications of retail subscription services, an evolution of e-commerce and loyalty programmes, remain unexplored.

Having established the contextual background and identified a clear rationale for inquiry, the next logical escalation is into reducing all inputs into a finely articulated problem.

1.1.3 Problem statement

A well-defined problem statement establishes the key issue under investigation, explains its significance, and, where applicable, clarifies why existing knowledge is insufficient (Hofstee, 2006:85). Without a precisely articulated problem, research may become unfocused or unstructured, which may compromise the reliability of conclusions (Hofstee, 2006:45). The process of refining a problem statement begins by identifying a broad issue or research rationale, followed by a systematic dismantling of the issue until a specific research concern naturally emerges (Sekaran & Bougie, 2010:45).

Relevance and feasibility are hallmarks of an effective problem statement (Sekaran & Bougie, 2010:46). The former ensures that the research can contribute to academic discourse or industry practice, while the latter ensures that the research remains viable within practical constraints such as time, expertise, or data accessibility (Sekaran & Bougie, 2010:46). Sir Karl Popper, an influential Austrian-British research philosopher, notes how new knowledge requires an existing, researchable problem (Hofstee, 2006:85).

Despite inventive transformations in consumer loyalty mechanisms, South African retailers outside of Checkers and Takealot remain hesitant to adopt subscription-based loyalty programmes, as evidenced by the lack of competitive presence. These models could offer predictable revenue streams and stronger consumer engagement by delivering continuous value in exchange for a recurring fee. However, the actual impact of these programmes on consumer loyalty remains unsubstantiated. Are consumers subscribing due to a genuine brand affinity, or are consumers responding to financial incentives that lower short-term purchase costs? Uber One, for instance, is excluded from this research due to its service model being anchored in mobility services (Uber rides) and food delivery (Uber Eats) as opposed to traditional retail (Uber Eats, 2024). If the latter, subscription models may serve as a retention mechanism rather than genuine loyalty drivers.

Checkers currently operates as the only grocery retailer with a subscription-based loyalty programme, potentially raising concerns: if such models do indeed foster true consumer loyalty, then competitors without these programmes risk losing market share to a retailer that continues to lock consumers into its ecosystem. Conversely, if the effect of these models is solely transactional, FMCG retailers may be investing in an unsustainable, cost-heavy strategy that does not meaningfully differentiate their brand. This uncertainty forces retailers into a strategic impasse. Should they invest in subscription models to remain competitive, or do alternative strategies better serve their market positioning?

The absence of empirical research on the impact of subscription-based loyalty models may leave South African FMCG retailers without a clear basis for strategic decision-making. Without understanding whether these models cultivate long-term consumer loyalty or function as short-term retention mechanisms, competing retailers cannot determine whether replicating Checker’s approach is necessary or strategically viable.

The problem statement for this study can be articulated as follows:

Without empirical evidence that subscription-based loyalty programmes foster loyalty, FMCG retailers cannot determine whether adopting such models is necessary to remain competitive.

Research must move beyond surface-level adoption metrics and explore the mechanisms underlying loyalty within this evolving retail landscape. To achieve this, the study sets forth a clear research aim, defining the scope of this investigation.

1.1.4 Research Aim

Research should explicitly state what it seeks to achieve, ensuring clarity, focus, and no ambiguity (Hofstee, 2006:86). It provides a foundation for investigation by specifically defining the research's purpose and guiding its objectives that are to follow. Like Aristotle's Final Cause, a research aim explains the intended outcome and rationale behind its inquiry (Lomas, 2013:7).

The research aim for this study can be articulated as follows:

To produce empirical evidence on the subscription-based loyalty programme of Checkers as a prominent South African FMCG retailer in order to gauge the degree of competitive contribution of this programme.

XtraSavings Plus (Checkers subscription-based loyalty programme) is this research's sole focus, due to the unrivalled prestige of Checkers' application (Shoprite Holdings, 2024). Its beta pilot release in June of 2023 alone saw it awarded as the best Retail Rewards Programme in the South African Loyalty Awards (Shoprite Holdings, 2023).

This research adopts a consumer-first approach, directly examining the perceptions of subscription holders rather than relying on retailer-driven performance metrics. It seeks to develop a scientifically grounded framework to collect empirical evidence in a structured and methodological manner from FMCG consumers, determining whether subscription-based loyalty programmes foster loyalty by identifying whether a perceptual threshold exists in their influence. Loyalty, in this research context, is assessed through two distinct yet interconnected dimensions: consumer-, and brand loyalty.

Given that no direct academic research exists on subscription-based loyalty models in the South African FMCG sector, this research does not assume an inherent correlation between Xtra Savings Plus and loyalty; therefore, this research will approach the consumers' perspective in an open exploration.

The lack of empirical clarity on the mechanisms driving consumer loyalty within subscription-based loyalty programmes presents a significant research gap. To address this, the study progresses into defining its research objectives, outlining the specific investigative pathways necessary to achieve this aim.

1.1.5 Research Objectives

Given the aim of this research, there exist items that need to be achieved in or to satisfy this aim. Bougie and Sekaran (2020:52) state the first step in achieving a research aim is to question it - what this specifically entails and what must be done to ensure the aim is satisfied. Hofstee (2006:84) disagrees with this approach, stating that questions lack a degree of precision. Thus, to ensure this research attempts this exploration to its highest potential, objectives are used.

Hofstee (2006:86) notes how research objectives must clearly define what a study seeks to achieve, ensuring that its purpose is explicit and measurable. For absolute clarity, these objectives are explained (Hofstee, 2006:86).

The primary objective is aligned with the research aim:

- To conduct an empirical study on the Checkers Xtra Savings Plus subscription loyalty programme within the Western Cape in order to gauge the degree of competitive contribution with specific reference to customer loyalty.

This can be further dissected into sub-objectives, whereby achieving these will grant success to the primary objective:

- To explore concepts related to loyalty as for subscription programmes;
- To derive meaningful constructs from existing literature to develop a suitable methodological framework;
- To use the methodological framework to guide the development of a suitable scale instrument;
- To use a scale instrument to empirically ascertain a threshold for loyalty; and
- To systematically draw scientific conclusions from the analysed data regarding the loyalty threshold and competitiveness.

This research is therefore positioned to investigate the underlying mechanisms of consumer loyalty, such as financial and brand implications, within the context of subscription-based retail models.

1.2 Preliminary Literature Review

To satisfy a problem statement and complete a research aim, a researcher must first become an expert in the subject matter (Bougie & Sekaran, 2020:64). To do this, and to establish one's research credentials as both well read and well understood, a preliminary literature review is performed (Hofstee, 2006:91).

This ensures that the research is academically positioned and contextualised, not a redundant effort, and provides a terminology introduction to the research (Bougie & Sekaran, 2020:64).

The theoretical base of this research includes seminal perspectives on consumer loyalty, as well as modern progressions into transactional and emotional loyalty. It scaffolds from general loyalty theory into specific mechanisms and methods deployed by the modern retailer, thereby critically engaging in loyalty programme structures within the FMCG retail sector.

This literature review builds its structure through logical scaffolding from general to specific information. This review starts by defining consumer loyalty while providing context about transactional and emotional loyalty basics. The next section examines loyalty programmes, which serve as standard tools for controlling consumer actions, and evaluates their success across various contexts. The review then concentrates on South Africa's loyalty structure through an analysis of the local retail market normalities.

Consumer loyalty has been largely seen as the holy grail of marketing by both the marketer of the past and the present (Khan, 2013:168; Srivastava & Rai, 2018:207). Naturally, this has led to the topic being one of the most academically investigated subjects in all business studies (Bobalca, 2014:995; Reddy, Reddy, & Azeem, 2011:351). The ambiguity seeds further, with even the determinants of engendering consumer loyalty remaining at large, with modern academia citing an inherent, prevailing unpredictability attached to the process (Bobalca, 2014:995; Cant & du Toit, 2012:1223).

Definitions of consumer loyalty have remained largely consistent over time. Jacoby and Chestnut (1978), from Oliver (1997:35), found that repeat purchase behaviour can be incidental or convenience-driven as opposed to reflecting true loyalty. This in turn demonstrated how behavioural loyalty should be included within a broader psychological framework which incorporates affect (emotional preference) and connotation (repurchase intent) (Oliver, 1997:35). Dick and Basu (1994:99) defines consumer loyalty by stating that a consumer can only suit the loyalty label once this behavioural expression has persisted over a significant period. Oliver (1999:34) slightly extends this by defining consumer loyalty as a significantly held commitment to repurchase or reuse a product or service, despite attempts from competitors to sway such actions. Oliver (1997:35) adds two items to this framework in cognitive loyalty (awareness-based) and action loyalty (habitual repurchase). This new framework would be called the 'four-phase model of loyalty', in which each of these phases illustrates how loyalty progresses over time and is not simply measured by purchase intention (Oliver, 1997).

Dowling and Uncles (1997:74) vaguely define this period as requiring years and further extend the label to only apply to an individual demonstrating continued repurchase or reusage within a particular category as significant when compared to alternatives. Downling (1997:74) also states that the amount of repurchase or reusage being no less than twice from the same organisation to be labelled loyal and refers to this as a form of "polygamous loyalty". This definitional addition was met with hesitation, with a perspective shift being proposed to individuals who would recommend the product or service to peers publicly, or to those who sport an emotional attachment or consumer intimacy to the product or service (Hallberg, 2004:232; Kincald, 2003:13).

From a modern perspective, Tam (2012:205) posits a dual conditional definition in which the consumer must demonstrate repeat purchase over time and demonstrate preference for said product or service considering competition to the extent of public defence and recommendation. Khan (2013:168) defines consumer loyalty as the continued act of product or service purchase, usage, or engagement. Srivastava and Rai (2018:207) state that an element of irrationality should be applied to consumer loyalty definitions when consumers are faced with competitive options.

Most pertinent to this research is Srivastava and Rai (2018:208) requirement of understanding the difference between repurchasing a product out of loyalty emotionally or simply transactionally. Thus, this research must distinguish between transactional loyalty (repeat purchase driven by either habit or incentives) and emotional loyalty (a deep-seated preference based upon identity and affect). Without this distinction, retailers risk misidentifying habitual buyers as true loyalists instead of price loyalists.

Ideally, the modern marketer will use tools to engender loyalty directed towards the brand - this can provide a spectrum of benefits (Srivastava & Rai, 2018:207). On the lesser end, this can result in consumers increasing their average baskets, repeat product usage intentions, and increased return purchase intentions (Srivastava & Rai, 2018:207). Whilst on the greater end, this can increase brand recommendations among peers (Srivastava

& Rai, 2018:207). This word-of-mouth response, if encouraged and powerful enough, can result in brand advocates: individuals who are willing to purchase from your brand beyond a degree of rationality and likely to engage in discourse among peers in defence or support of the brand (Omowale & Fajoye, 2021:48-49). This phenomenon is therefore heralded as a great source of competitive advantage (Khan, 2013:169).

Despite this, businesses and academia have seemingly been at a loggerhead on what predictably engenders consumer loyalty (Cant & du Toit, 2012: 1223). Lafley and Martin (2017), group the endless pursuit of increasing repurchase intentions with a misunderstanding of competitive advantage. Eanschitzky, Raamaseshan, Woisetschlager, Richeslen, Blut, and Backhaus (2011:2) argue a distinction between consumers being loyal to the brand and being loyal to the brand's attempts at making them loyal, such as incredible discounts or specialised treatment.

This discovery is not new. Yi and Jeon (2003:229-230) argue that the reward, measured against timing and type, plays a crucial role in what type of loyalty is being formed and to what the consumer is loyal to. Kincald (2003:31) humorously states that lowering prices will provide a business loyalty until the next lower price is offered. Dowling and Uncles (1997:73) eloquently describe the leaky bucket theory, which posits that brands are constantly losing consumers due to this fiscal compensation frenzy and that the sole purpose of the marketer is to ensure churn rates are met at equilibrium through added consumer retention strategies.

The ‘satisfaction trap’, as described by Reichheld (1996) in Srivastava and Rai (2018:211), suggests that consumer satisfaction alone is insufficient for long-term loyalty engenderment. Reichheld (1996) found that up to 85% of satisfied consumers will still defect considering compelling competitive offers; this highlights that emotional attachment is a stronger predictor of true loyalty than satisfaction alone. This complements other seminal theory, in which Sirgy, Johar, Samli, and Claiborne (1991:363) noted that identity and self-image alignment increases resistance against competitor offerings significantly and makes the individual less likely to be tempted by financial incentivisation.

For this research, the combination of the transactional incentivisation and emotional congruency indicates loyalty. Srivastava and Rai (2018:208) find the distinction necessary, as brands may be simply feeding into a superficial form of loyalty in which “bargain hunting” is encouraged and the “loyalty” experienced by the brand will last only as long as their financial incentive allows it.

The role of the marketer is to effectively target the consumer-brand relationship so as to increase consumer satisfaction (Abror 2019:2). Loyalty programmes are among the most popular relationship marketing tools today (Abror 2019:2). This rings especially true within the South African context, as local consumers are treated to the likes of ClicksClub, Dis-Chem Rewards, Checkers Xtra Savings, Woolworths Rewards, SPAR Rewards (Dicey, 2024).

The true effectiveness of loyalty programmes, and that of a loyal consumer, has always been a contentious question (Dowling & Uncles, 1997). Dowling and Uncles (1997:72) reference how loyalty programmes became widely adopted due to evidence in the 1970s showcasing that a loyal consumer is cheaper to serve, less price sensitive, more likely to recommend your products and services, and typically had increased spend when compared to non-loyal consumers. However, Dowling and Uncles (1997:72) provide added context to the groundbreaking beneficial claims of loyal consumers in question by highlighting that this information was sourced from a business-to-business perspective, not a consumer goods perspective, as well as the definition of what a loyal consumer effectively was.

Yi and Jeon (2003:229) note that the more competitive the market, the more loyalty programmes, or the likes thereof, consumers will generally be faced with. This is due to the traditional viewpoint that loyalty programmes provide added value to the consumer based upon a level of brand-consumer engagement: a brand willing to sacrifice their margin for added product differentiation (Yin & Jeon, 2003:229). This led to the creation of the most widely adopted model for a loyalty programme in the ‘pay-to-play’ approach, whereby consumers would have to either buy a brand's product to receive a benefit or pay for access to then receive the benefit (Hallberg, 2003:231). These stylised programmes were effective, as they would raise switching costs for consumers and reduce consumer defection, all due to repeated patronage, as consumers would prioritise a single programme over others to maximise their reward (Maharaj, 2003:28).

In the modern South African context, Morrison, Shambare, and Ruluni (2023:13) confirmed that a repurchase intention has a statistically significant relationship with consumer engagement, consumer satisfaction, loyalty programmes, and consumer loyalty. Furthermore, the South African consumer expects loyalty programmes to host utilitarian, hedonic, or symbolic values as benefits of said loyalty programme (Morrison, Shambare, & Ruluni, 2023:13). Most notably, the item shown to have the greatest statistical relevance to repurchase intent is the reward type.

These findings are consistent within the historical South African consumer context, as empirically demonstrated by how satisfaction had a significant impact on consumer loyalty and trust within the context of repurchase retention (Chinomona & Dubihlela, 2014:30). Corbishley (2017:42) notes a specific on what garners the most satisfaction and concluded that South African consumers enjoyed financial rewards most and were neutral/unengaged with charity donations. Furthermore, a major influence on satisfaction is price and the product delivered - the loyalty programme itself (Corbishely, 2017:42).

This is particularly interesting when paired with international findings from Bobalca (2014:996), which produced the key determinants of consumer loyalty as trust, consumer satisfaction, consumer involvement (personalisation), perceived risk, routine, and switching costs.

Using this information in concert with findings from KPMG (2021:8) which found that within retail, product differentiation is near identical, as well as Masojada (2021) proclamation of South Africa's retail scene being hyper-competitive and at a near price war, a clear future of loyalty programmes begins to emerge: the most effective loyalty programme is the programme that can entice the most satisfaction, which, when met with consistent integrity, is what keeps consumers engaged.

Chapter 2 expands this foundation by reviewing loyalty through distinct but interconnected perspectives. It begins by distinguishing between brand, customer, and consumer loyalty before examining models that trace their development and effects. The discussion then transitions to loyalty typologies and programmes, followed by the methodological and contextual frameworks that locate this research within South Africa's formal retail confines.

This review presents both theoretical foundations and empirical evidence surrounding consumer loyalty within three contexts: engenderment determinants, loyalty programmes, and loyalty programmes within South Africa. This chapter now proceeds to its research methodology section.

1.3 Research design and methodology

This chapter thus far has discovered a cause for research, defined the desired outcome of this research, and has given academic context to this research. The method that informs action is research methodology (Hofstee, 2006:107). Hofstee (2006:107) places utmost importance onto research methodology, by saying:

"*A result can only be accepted, rejected, checked, replicated, or even understood in the context of how you got there.*"

In defining the method, this research leverages the methodological orientation of the research onion, which can be seen in the figure below.

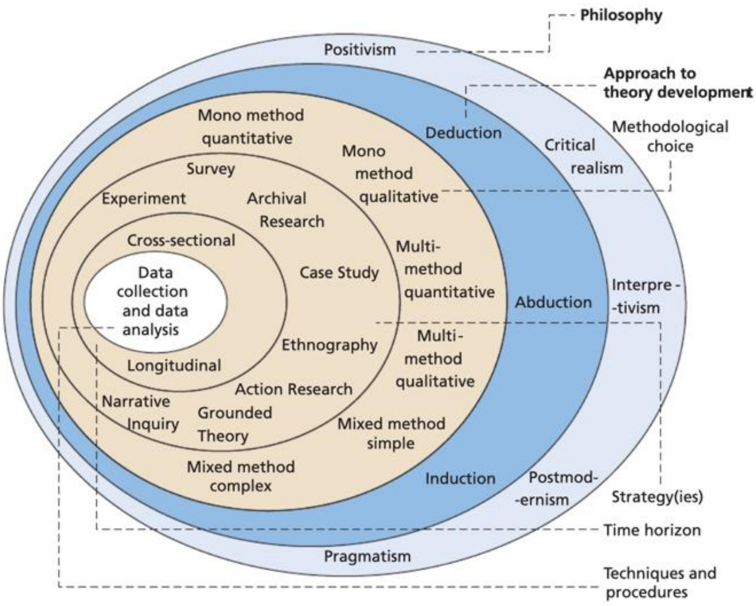

Figure 1: The research onion (Saunders et al., 2019:130).

Saunders (2019:131) defines the research onion as a structured framework that depicts the layered decisions new research methodology should take. Each aspect of this research's method follows this scaffolding.

1.3.1 Research paradigm

Bougie and Sekaran (2020:22) postulate that to find the truth behind a problem, one first needs to understand their perspective on the truth. To do this, we first address the ontology and epistemology of this research.

Ontology is the belief that reality exists independently of social actors or influences and can be objectively observed (Bougie & Sekaran, 2020:23). It addresses assumptions about the nature and structure of reality and whether it exists independently of human perception (Al-Ababneh, 2020:79).

Within deductive research, observation is foundational. Similar to how a research problem is derived from an actualised reality, observation will be used to satisfy this research's objectives upon a seen, emergent reality (Bougie & Sekaran, 2020:20).

Constructs such as loyalty will be treated as actualised and measurable phenomena. The underlying assumption here is that these constructs will exist consistently across the research population, which allows for an analysis of their relationship through empirical means.

Epistemologically, this research aligns with positivism, whereby knowledge is that which can be observed and measured - opposite to superimposed agendas (Bougie & Sekaran, 2020:23). The field of epistemology investigates both valid knowledge definitions and methods for obtaining such knowledge (Al-Ababneh, 2020:80).

1.3.2 Research methodology

To be empirical is to be objective (Bougie & Sekaran, 2020:23). The perspective of this research will thus be positivist in nature. Bougie and Sekaran (2020:23) define positivism as the objective viewpoint of the world, whereby scientific results are derived from observation of cause-and-effect relationships.

Positivism is most suitable, as it provides a foundation for scientific inquiry (Bougie & Sekaran, 2020:23). This approach therefore allows for the research means to be replicated and scrutinised. This, in turn, allows for the observations to be generalised (Bougie & Sekaran, 2020:23).

For this research, the ability to generalise results is vital, as Checker's Xtra Savings Plus is available nationwide. Since this research solely includes consumers from the Western Cape, the ability to contribute universal findings is required if they are to be meaningful.

1.3.3 Research design

Bougie and Sekaran (2020:103) relate research design to a blueprint: a specific outline of all the steps to be taken to ensure research integrity. This involves selecting the appropriate tools and tactics to satisfy the research objectives. Notably, Hofstee (2006:108) places a different title on this specific description: research methodology. This presents definitional tension. For this research, the research design will refer to the choices used to implement the greater research strategy as outlined within the research methodology.

This research follows a mono-method, quantitatively orientated design approach. Quantitative research is well-suited to the positivist paradigm, as it supports the collection of structured and measurable data that can be analysed for statistical inference (Saunders, Lewis & Thornhill, 2019:3). An empirical approach naturally reinforces this orientation by grounding the exploration in observable evidence (Saunders, Lewis & Thornhill, 2019:47). A deductive nature is therefore leveraged, as data is gathered to address clearly stated objectives rather than to form new theoretical propositions (Saunders, Lewis & Thornhill, 2019:51).

In alignment with this orientation, this research adopts a cross-sectional time horizon, whereby data are collected from the target population at a single point in time as to examine the relationships between subscription-based loyalty programme features and the associated loyalty constructs (Bougie & Sekaran, 2020:112).

1.3.3.1 Population and sampling

Bougie and Sekaran (2020:222) define a population as the complete group of individuals or elements relevant to a research objective. In this research, the population refers to all current users of Checkers' Xtra Savings Plus programme residing in the Western Cape. A sample can be defined as a subset of the population selected for participation within the research (Bougie & Sekaran, 2020:223). For this research, a proposed sample of 150 active subscribers will be selected using convenience sampling, due to logistical constraints.

The unit of observation is the specific data collected from each respondent (Bougie & Sekaran, 2020:223). In this case, it is the respondent's perceived loyalty and subscription-related behaviours.

The unit of analysis refers to the level at which data is aggregated for interpretation and conclusion (Bougie & Sekaran, 2020:223). Complementarily, the unit of analysis is the individual consumer, as this research is concerned with analysing trends within consumer perceptions and their behavioural responses to subscription-based loyalty services.

1.3.3.2 Research instrument

Hofstee (2006:115) defines research instruments as any tools which enable the collection of analysable data. An electronic and online survey will be used as the scale instrument since it enables the systematic collection of perceptions and behavioural indicators from a wide range of consumers in a logistically feasible manner whilst not compromising research integrity (Bougie & Sekaran, 2020:144).

According to Bougie and Sekaran (2020:143-144) the operationalisation of constructs needs defined measurement scales to achieve consistency. Behavioural research requires ordinal scale structures; therefore, a 5-point Likert scale will be employed to measure attitudes across emotional and transactional loyalty dimensions (Bougie & Sekaran, 2020:204).

Since retail subscription loyalty programmes are still in their infancy in South Africa, a custom scale instrument will be developed. Custom scale items will be refined based on clarity, consistency, and alignment with loyalty theory.

1.3.3.3 Data collection

The scale instrument will be a self-administered, online survey. This survey method provides high efficiency when researchers need to collect extensive primary data with limited resources (Bougie & Sekaran, 2020:144). The survey data collection will occur through survey software that supports mobile and desktop platforms. The digital platform for data collection aligns with consumer behaviour because Xtra Savings Plus users are already digital platform users through Sixty60.

1.3.3.4 Data analysis

Data analysis transforms raw survey responses into actionable insights. As Hofstee (2006:117) argues, data by itself 'just is' until meaning is imposed through structured analysis. This study will use descriptive statistics to summarise the profile of the sample and response patterns. Following this, correlation matrices will be used to preliminarily explore relationships between loyalty constructs.

The primary technique will be structural equation modelling (SEM), as it allows for the modelling of complex, latent behavioural variables such as brand attachment and repurchase intention simultaneously (Owolabi, Ayandele, & Olaoye, 2020:28). SEM is particularly suitable for loyalty research because it accommodates both direct and indirect paths of influence, yielding insights into what relationships exist, how strong they are and why they manifest.

The use of SEM therefore supports both confirmatory analysis and theory development within an exploratory research framework.

1.3.4 Reliability and validity

The following subsections define and justify how reliability and validity will be established within this research.

1.3.4.1 Reliability

A research instrument demonstrates reliability when it generates consistent outcomes from repeated measurements under identical circumstances (Bougie & Sekaran, 2020:270). A reliable instrument produces measurements which are stable and coherent because it prevents erratic results from appearing in the data collection process (Bougie & Sekaran, 2020:270). The most popular method for evaluating internal consistency reliably uses Cronbach's alpha to establish the correlation between separate items that measure the same concept (Bougie & Sekaran, 2020:270).

Internal consistency for this research will be evaluated using Cronbach's alpha since scores above 0.7 indicate acceptable reliability (Bougie & Sekaran, 2020:271). The measurement of emotional and transactional loyalty depends on multi-item scales; thus, this assessment is essential. The evaluation of split-half reliability will test the instrument's uniformity by comparing the correlation between two halves of the item set (Bougie & Sekaran, 2020:270-271).

The degree of response consistency will be evaluated using descriptive statistics, which include standard deviations and variances (Bougie & Sekaran, 2020:275). Unstable results would appear through high data variability, while narrow data distribution around the mean shows measurement reliability.

1.3.4.2 Validity

A valid instrument proves its ability to measure the specific concepts it claims to assess (Bougie & Sekaran, 2020:271). The method validates results by ensuring accurate and suitable conclusions from data analysis. The SEM analysis will test construct validity alongside convergent and discriminant validity within this research.

The survey items will be verified through factor analysis in SEM to ensure they correctly load onto transactional and emotional loyalty latent variables in construct validity assessment. Each construct will demonstrate convergent validity through high inter-item correlations which show that expected related items associate with each other (Bougie & Sekaran, 2020:273). The discriminant validity test requires assessment of unrelated constructs such as brand attachment and price incentive to show they do not correlate at high levels, thus demonstrating conceptual distinctness.

Multiple assessment techniques will validate the study's results by showing reliable and consistent perceptions of loyalty mechanisms in subscription-based retail environments.

1.3.4 Limitations

Every research study comes with inherent limitations that must be acknowledged for the integrity of its findings (Hofstee, 2006:117).

The use of an online survey may lead to low response rates and non-response bias because participants who decide to opt out may have characteristics that differ significantly from those who participate (Bougie & Sekaran, 2020:157). These differences may skew the results and reduce the generalisability of findings, especially if high- or low-involvement consumers opt out in large numbers.

Secondly, this research employs a mono-method approach, relying solely on a structured survey. This approach is methodologically consistent, but it does not allow for the use of multiple methods to cross-validate the findings, which is a strategy that is often used to enhance the credibility of the results (Bougie & Sekaran, 2020:157). As a result, the insights are bounded by the perspective captured via survey responses alone, without observational or qualitative depth.

Thirdly, the study is cross-sectional in nature, collecting data at a single point in time. This design is practical and efficient, but it restricts causal inference and the ability to track changes over time, especially regarding evolving perceptions of loyalty or delayed behavioural shifts (Bougie & Sekaran, 2020:112).

Since this research follows a mono-method, quantitative, self-administered online survey, it inherently will be high in reliability but low in validity. This, in tandem with the elected sampling method, could hinder generalisability.

1.3.5 Delimitations

The research design follows specific boundaries which maintain alignment with the research aim and ensure focus. The research focuses exclusively on Checkers' Xtra Savings Plus programme because it serves as South Africa's best retail subscription-based loyalty model (Shoprite Holdings, 2023). The research focuses exclusively on the variables related to this programme by excluding all other competitors and loyalty mechanisms.

The research investigates transactional and emotional loyalty dimensions while excluding all other loyalty types. The research excludes cognitive and habitual loyalty constructs to maintain theoretical clarity and achieve manageable scope. The survey targets only Western Cape subscribers of Checkers who belong to an urbanised and economically active region to provide localised consumer insights.

The research boundaries create conditions that allow for detailed analysis while maintaining internal consistency through a narrow research framework.

In support of the methodology discussed, Table 2 below consolidates the key design components that underpin this research.

Item	Research Application
Ontology	Objectivist.
Epistemology	Positivist.
Research Design	Quantitative, deductive, mono-method, cross-sectional.
Unit of Analysis	Individual consumers using Checkers Xtra Savings Plus.
Unit of Observation	The perceived loyalty behaviour and subscription perceptions reported by these individual consumers.
Sampling Method	Convenience sampling.
Population	Active Xtra Savings Plus users in the Western Cape.
Sample	150 respondents
Data Collection Method	Structured, self-administered online survey.
Scale Type	5-point Likert.
Scale Instrument	Custom-developed based on loyalty literature.
Data Analysis	Structural Equation Modelling.

Table 2: Research Methodology Outline

This section has therefore defined how the research will be methodically executed to satisfy its stated aim. The final sections now turn to ethical considerations and the anticipated contributions of this research.

1.4 Ethical considerations

Research ethics defines the moral rules which apply to designing research studies as well as conducting experiments and publishing results (Bougie & Sekaran, 2020:159). For surveys, Bougie and Sekaran (2020:159) outline several rules that should be followed for ethical purposes. This research adheres to those rules:

- All participant information will be treated as strictly confidential. No personally identifiable data will be collected. Completed responses will remain inaccessible to any third party, including internal stakeholders, and will be deleted after five years from the collection date.

- No intrusive or personal scale items will be included. Where behavioural indicators such as trust or satisfaction are measured, they will be asked using neutral language and only for reasonable theoretical purposes.

- Participation will be voluntary, with the right to withdraw at any moment. This will be outlined in the survey description.

- No participant will be forced to complete the survey and may end participation at any moment.

- Survey invitations will adhere to the relevant distribution channels, anti-spam legislation and community guidelines.

- This research will be from an objective perspective and impose no distortion or manipulation of results. Results will be collected via an online survey platform in which no participant results can be altered.

Hofstee (2006:118) states research must adhere to the relevant institute's ethical guidelines; thus, ethical clearance from the Independent Institute of Education' ethical clearance will be obtained before any survey distribution commences.

lastly, In line with ethical best practice, the optional lucky-draw cash prize offered for participation is framed as a token of appreciation rather than inducement, and does not influence voluntary consent or the ability to withdraw without consequence.

1.5 Anticipated contributions of the research

This research aims to contribute both theoretically and practically to the study of consumer brand loyalty within subscription-based retail models. It develops a methodological framework based on loyalty literature and offers a structured basis for empirical inquiry into brand- and consumer-loyalty constructs. In doing so, this research also delivers a custom scale instrument designed specifically for measuring these constructs within the South African FMCG retail context.

Furthermore, the research introduces new empirical evidence regarding the existence of a loyalty threshold, as shaped by perceptions of subscription-based loyalty programmes. These findings are especially valuable given the limited academic exploration of subscription models within South African retail - despite extensive international literature on the topic. The results will help contextualise global loyalty theory within local market conditions, filling a significant empirical gap.

On a practical level, this research provides insights that may guide South African retailers seeking to optimise or implement subscription-driven loyalty mechanisms, offering clarity on consumer commitment triggers in a highly competitive, price-sensitive environment. As a result, the research enables more informed decision-making for retail strategists and loyalty programme designers navigating a rapidly digitalising consumer landscape.

1.6 Proposed chapter outline

Table 3 depicts the proposed chapter outline.

Chapter 1	Research proposal
Chapter 2	Literature review
Chapter 3	Research methodology
Chapter 4	Data analysis
Chapter 5	Findings, recommendations and conclusions

Table 3*:* Proposed chapter outline.

The above table reflects the logical progression of this research, ensuring that each chapter builds upon the next in pursuit of satisfying the research objectives and aim.

1.7 Conclusion

This chapter has systematically defined the intended research, beginning with a research background, rationale, problem statement, research aim, and objectives. After academic contextualisation within the preliminary literature review, this chapter culminated in a detailed research methodology to guide execution.

In alignment with the defined delimitations, ethical safeguards, and methodological boundaries set forth in this research, Chapter 1 positioned the research within a credible and transparent framework. These foundations ensure that the ensuing investigation is both empirically rigorous and ethically sound, while its significance lies in clarifying how loyalty manifests within subscription-based retail contexts. Building on this groundwork, Chapter 2 advances the discussion into the theoretical sphere, tracing the evolution of loyalty thinking and the mechanisms through which brand and consumer relationships are formed and sustained within South Africa’s fast-moving consumer goods sector

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter builds the theoretical base that underpins the research by synthesising literature across marketing, consumer behaviour, and loyalty strategy. Anchored within the field of business and economic sciences, the review provides an indication of how loyalty has been conceptualised, measured, and operationalised in both academic and applied settings.

The discussion begins at a wide conceptual level before focusing on constructs which directly relate to subscription-based loyalty in South Africa's FMCG retail environment. This narrowing approach is done in accordance with Hofstee's (2006:96) recommended funnelling approach; a literature review should begin on the widest conceptual plane of related theory and be explored into a theoretical pinhole. Bougie and Sekaran (2020:71) state that a literature review needs to organise relevant findings in a structured, cumulative way, which this research uses to establish an original framework for interpreting loyalty mechanisms.

Loyalty exists as multiple interconnected elements (Dick & Basu, 1994:100; Oliver, 1999:34; Fourie, 2020:110). The review examines the routine purchasing patterns associated with transactional loyalty and the deep emotional connections that characterise emotional loyalty (Srivastava & Rai, 2018:208; Hossain & Kibria, 2024:222). Research shows that these two loyalty types coexist, but their prevalence differs between consumer groups and shopping environments (Rahmani et al., 2017, as cited in Ogwuche & Onah, 2024:294; Yeh, Wang & Yieh, 2016:246). This distinction becomes increasingly significant when considering the mechanisms used to elicit and sustain loyalty (Yi & Jeon, 2003:229; Chen, Mandler & Meyer-Waarden, 2021:179).

Whereas traditional programmes reward past behaviour, subscription-based models appear to operate on a reversed logic, thereby offering upfront value to secure early commitment (Hallberg, 2003:231; Esmark, Noble & Bell, 2016:771; Augustyn, 2021:20). The implications of this shift are both structural and psychological, requiring consumers to weigh long-term engagement before experiencing the brand in full (Mulhern & Duffy, 2004:66; Noble, Esmark & Noble, 2014:362). This strategic repositioning is a central concern in contemporary loyalty design (Corbishley, 2017:57; Chen et al., 2021:182; Harmse, 2019:13).

Attention is then turned to how loyalty influences, and in some cases precedes, the formation of brand equity (Ozcifci, 2017:1169; Ogwuche & Onah, 2024:293). Emotional ties, repeated engagement, and perceptions of fairness tend to colour how consumers evaluate brand strength (Louis & Lombart, 2010:116; Chua et al., 2015:778; Dlamini & Chinje, 2019:242). The relationship, while reciprocal, appears to be shaped by programme structure and the consumer's underlying motivation for participating (Omar et al., 2011:146; Lee, Tsang & Pan, 2015:18; Noble & Bell, 2016:788).

South African conditions introduce further complexity (Dlamini, 2019:235; Augustyn, 2021:7). Shopping patterns are often shaped by practical constraints such as income volatility, store accessibility, and promotional timing (Malander Advisory, 2024:4; Provincial Economic Review and Outlook 2024, 2024:142). The research examines moderators such as household income and purchase frequency as active forces which determine both the intensity and structure of loyalty responses (Morrison, Shambare & Ruluni, 2023:13; Bobalca, 2014:996). The research maintains its market-based focus through context-specific dynamics which keep it grounded in real market realities (South African FMCG Corporate Retail Sector Demonstrated Remarkable Resilience and Growth in 2024, 2024:1; Shoprite Holdings Integrated Report 2024, 2024:491).

The chapter ends with five propositions which derive from observed patterns in the literature. The propositions function as specific testable assumptions which will be evaluated through empirical research in upcoming chapters.

2.1 Loyalty

The concept of loyalty is a key focus area for marketers (Steyn et al., 2010:355; Corbishley, 2017:103). The literature provides various definitions of loyalty, but most of them focus on consumer actions without explaining the underlying reasons (Oliver, 1999:34). These definitions, whilst helpful in tracking actions, might fall short of capturing the internal psychological mechanisms underlying loyalty (Oliver, 1999:34). It is therefore important to explore not only what loyalty looks like in application but also what motivates and sustains it.

The definition of loyalty describes a dedicated promise to select a preferred product or service for future use even when situational factors and competitor marketing activities exist (Oliver, 1999:34; Sondoh, Omar, Wahid, & Ishak, 2007:83; Nikhashemi & Valaei, 2018:87; Dickson, 2015:5). The concept of loyalty functions as a power that fights against the attraction of alternative options (Sondoh et al., 2007:89). Loyalty develops from positive experiences and perceived value, which can defeat logical cost-benefit assessments. Topics of experience and perception are correlated herein with satisfaction (Kincaid, 2003, as cited in Srivastava & Rai, 2018:208; Sondoh et al., 2007:83). Uncles, Dowling, and Hammond (2003:294), describe loyalty as the consumer's tendency to favour a brand out of a set of options, often with overlapping or shared usage, a phenomenon referred to as "brand polygamy".

It is apparent that loyalty is not static or binary; it is contingent on a range of affective and behavioural influences (Rosário & Casaca, 2025:1132; Ekakitie-Emonena, 2025:1129).

While many of these definitions appear to overlap, a closer synthesis reveals that loyalty is not a single act but a layered state involving both behaviour and mindset. The definitions should not be considered redundant because their minor variations show how loyalty develops differently across retail and service settings and through satisfaction-based or value-anticipating triggers. The layered perspective enables scholars and practitioners to select appropriate definitions based on their strategic needs for customer retention, emotional engagement or share-of-wallet expansion.

2.2 Brand Loyalty

Within loyalty discourse, brand loyalty emerges as a critical focal point for marketers seeking to drive long-term engagement (Khan, 2013:169; Hossain & Kibria, 2024:222). Brand loyalty describes why customers choose to buy the same brand instead of direct alternatives (Khan, 2013:169). Over time, this loyalty transitions from being habitual to increasingly emotional, as consumers develop bonds of trust and identity with their chosen brands (Hossain & Kibria, 2024:222). What makes the business case for brand loyalty particularly potent is its potential to increase customer retention and enhance brand equity, which could drive long-term profitability (Hossain & Kibria, 2024:222). Loyal customers act as consistent revenue sources and as informal brand ambassadors, extending recommendations into their social circles via word-of-mouth (Hossain & Kibria, 2024:222).

The concept of brand loyalty emerged in the early 20th century as a behavioural construct that studied purchase sequences and brand leadership in specific categories (Rosário & Casaca, 2025:1132). The initial emphasis on frequency and function, which included quality, price, and consistency, evolved into more complex relationship-based definitions. The shift from behaviourism to affective loyalty marked a recognition that consumers often believe in the brands they buy, not just the product or service (Rosário & Casaca, 2025:1132). Modern theorists treat brand loyalty often as a patchwork of behavioural patterns, attitudinal preferences, relationship quality, and brand equity; thus, positioning brand loyalty as a multidimensional construct (Hossain & Kibria, 2024:222).

2.2.1 Models and Development of Brand Loyalty

Ribbink, Van-Riel and Liljander (2014:448) demonstrate that when customer satisfaction is combined with emotional goodwill, repurchase intentions will heighten. Brands that fail to establish trustworthiness through communication and delivery will experience customer loss because trust proves more impactful than satisfaction in building loyalty (Zboja & Voorhees, 2006:383; Chiu et al., 2019:762). The factors of price and convenience take precedence over trust and satisfaction as loyalty determinants in routine or low-involvement categories, including grocery retail and fast fashion. The research findings of Rahmani et al. (2017), which Ogwuche and Onah (2024:294) cite, demonstrate that value and habit loyalty effects surpass emotional and relational factors in these contexts. The importance of trust as a loyalty driver varies based on sector characteristics and consumer expectations, so it should not be considered the dominant factor across all situations.

The constructs of self-congruity together with identity alignment and symbolic brand value act as additional factors that influence brand loyalty (Nikhashemi & Valaei, 2018:86; Prateeba & Rajamani, 2022:116). Nikhashemi and Valaei (2018:86) and Prateeba and Rajamni (2022:116) prove that personal identity drives brand preference because consumers favour brands that reflect their desired values and attributes. Consumers develop lasting brand preferences because self-image congruence strengthens their loyalty more than price and feature comparisons (Sirgy, Johar, Samli, & Claiborne, 1991:364).

Brand loyalty evolves through rational and affective processes that depend on personal relevance combined with sustained satisfaction and emotional salience and trust and commitment to the brand (Oliver, 1999:35; Matthews & Watchravesringkan, 2014:27; Anisimova & Weiss, 2022:1479). The phases explain how loyalty transforms from cognitive understanding to emotional bonding before developing into automatic commitment because loyalty exceeds simple repeat transactions (Oliver, 1999:35).

Perceived value emerges as a recurring indicator of brand loyalty because customers assess brand worth through multiple evaluation perspectives (Louis & Lombart, 2010:116). The creation of robust perceived value stands as the essential foundation for all organisational value, while firms typically make it their main goal to achieve this for long-term customer engagement (Krisnanto, 2017:18). The perception of value encompasses practical advantages and emotional significance and social indicators and price equity and quality standards, which influence loyalty development through unique patterns based on consumer perspectives and product types (Chua et al., 2015:778).

Loyalty is influenced by three key elements of functional utility, emotional resonance, and social affiliation, as research demonstrates (Yeh, Wang, & Yieh, 2016:246-247; Deghan, Alizadeh, & Mirzaei-Alamouti, 2015:175). The multiple dimensions of value transform transactional satisfaction outcomes into symbolic alignment and affective fulfilment. When customer value creation maintains consistency while minimising ambiguity, it directly generates stronger customer loyalty (Nikhashemi & Valaei, 2016:86; Rahmani et al., 2017, as cited in Ogwuche & Onah, 2024:294).

Research has demonstrated that perceived product value enhances brand connection and consumer emotional dedication, which acts as a bridge between value and customer-based brand equity (Qiao et al., 2022, as cited in Ogwuche & Onah, 2024:294). A brand that develops such resonance will maintain loyal customers who remain devoted even after considering price or convenience factors.

Moreover, a heightened emotional connection must be cultivated if the goal is to transcend utilitarian value and secure enduring preference. The development of attachment depends heavily on emotional involvement (Barusman & Riorini, 2016:4865). Research shows that supermarket customers who identify with brands tend to develop trust and commitment, which leads to brand loyalty (Dhurup et al., 2018:168). The research shows that high-frequency retail environments rely on meaning rather than habit to maintain customer repeat patronage.

The analysis of brand loyalty foundations now shifts to its practical business impact. The following section investigates the commercial value creation of established brand loyalty through its impact on profitability, market competition resistance and strategic long-term benefits.

2.3 Effects of Brand Loyalty

The establishment of brand loyalty creates major commercial advantages together with strategic benefits. Strong customer trust relationships enable brands to gain higher purchasing power, which results in increased sales and market share and enduring long-term profitability (Ogwuche & Onah, 2024:293). Brand loyalty stands as a fundamental element of brand equity together with brand awareness and perceived quality (Ozcifci, 2017:1169). The individual components enhance customer perception while simultaneously increasing purchase intention, which creates a feedback loop between reputation and revenue (Ozcifci, 2017:1169).

Strong brands invest in the systematic development of brand equity, knowing that loyalty is not merely an outcome but a reinforcing driver of continued engagement (Fourie, 2020:110). A loyal customer base enhances brand performance by making decisions easier for customers while improving their perception of reliability and decreasing their price sensitivity (Fourie, 2020:111). The psychological efficiencies lead consumers to develop mental shortcuts, which cause them to select the brand repeatedly because they prefer it over other options.

In FMCG categories, where choice overload is common and differentiation is often thin, this kind of embedded loyalty can be a decisive competitive advantage (Sobhani & Kaya, 2024:211). It enables deeper client relationships and reduces the rate of switching, especially in environments where performance metrics are tightly coupled with volume and frequency (Sobhani & Kaya, 2024:211).

The literature therefore points to a reinforcing dynamic: loyalty improves sales outcomes, and those outcomes then strengthen the conditions under which loyalty can thrive.

2.4 Customer Loyalty

The literature surrounding customer loyalty overlaps with, but remains distinct from, brand loyalty. Customer loyalty refers to an individual's ongoing commitment to a service provider or retailer, expressed through repeated behaviour and attitudinal attachment (Srivastava & Rai, 2018:208). It is increasingly defined as a multidimensional construct comprising the 3Ps: preference (repurchase intentions), patronage (recommendation), and premium behaviours (willingness to pay more or resist switching) (Srivastava & Rai, 2018:213). In such contexts, customer value, the consumer's perceived evaluation of what they receive relative to what they give, is considered a foundational precursor to satisfaction and, ultimately, loyalty (Woodruff, 1997:144).

It is necessary to clarify the distinction between brand loyalty and customer loyalty to avoid conceptual ambiguity. Brand loyalty describes how consumers develop psychological and behavioural bonds with product brands through emotional connections and perceived value and symbolic meanings. Customer loyalty represents the continuous dedication to service providers or retail entities that stems from satisfaction with service quality and functional benefits and relational consistency. These constructs exist independently because they develop through separate interactions that produce different effects on business strategy. The distinction between these concepts becomes essential when brands and platforms operate together in retail ecosystems or subscription-based services. This distinction matters because subscription ecosystems often drive continued usage through habitual convenience or sunk cost bias, rather than emotional attachment to a brand. In such contexts, consumer loyalty may be misattributed if brand choice is influenced more by functional lock-in than by genuine brand preference.

These loyalty dynamics carry significant strategic implications. As Empen, Loy, and Wiess, 2011:3) suggest, brand loyalty behaviours shape how retailers position value and structure promotions. With rising competition and channel saturation, firms increasingly view loyalty as a critical retention tool and performance lever (Kamran-Disfani et al., 2017:14).

2.4.1 Models and Development of Customer Loyalty

The study of customer loyalty development requires analysis through both behavioural and attitudinal constructs. Behavioural loyalty describes the practice of buying from the same brand or store multiple times (Khan, 2013:183; Shih-I, 2011:149). The measurable nature of behavioural loyalty makes it observable, but it does not guarantee emotional or psychological commitment from customers. Attitudinal loyalty describes a positive store or brand orientation that commonly appears before or during repeated customer interactions (Shih-I, 2011:149; Kamran-Disfani, 2017:16). The distinction matters because attitudinal loyalty, which is also known as commitment loyalty, measures relational depth through customer intentions and brand attachments and sentiment (Oliver, 1999: 34; Nikhashemi & Valaei, 2018:87).

Multiple research studies have established that customer satisfaction directly influences different loyalty dimensions. For example, satisfaction has been positively associated with relative attitude (Dick & Basu, 1994:99), repurchase intentions (Reichheld & Sasser, 1990; Fornell, 1992:7), and word-of-mouth advocacy (Howat & Murray, 1999:1). Further research indicates that satisfaction reduces customer complaints, promotes future behavioural intent, and fosters emotional goodwill toward the brand (Bitner, Booms, & Tetreault, 1990:80; Jones & Suh, 2000:152; Faullant, Matzler, & Fuller, 2008: 163)

However, Reichheld and Teal (1996), as cited in Srivastava and Rai (2018:212), warn that satisfaction alone does not guarantee loyalty, and instead brands should be fearful of the ‘satisfaction trap’. This trap occurs when brands misinterpret customers being satisfied with their offering as opposed to the method deployed to garner said satisfaction in the first place (Reichheld & Teal, 1996, as cited in Srivastava & Rai, 2018:212). The linkages between these elements become crucial in retail environments. A positive customer experience creates future interaction expectations, which strengthens the cycle of repeat purchases and psychological investment (Srivastava & Rai, 2018:16).

The quality of service at a high level stands as one of the main factors that predicts customer loyalty, according to research, especially when there are limited differentiators in the market (Iddrisu, Nooni, Fianko & Mensah, 2015:15). While promotional efforts may draw initial attention, it is often service excellence that sustains long-term engagement (Banik & Sinha, 2020:2138). When attachment to a service provider is developed through repeated positive experiences, it operates as a proxy for loyalty, especially in industries like telecommunications, where switching costs are low and alternatives are abundant (Ekakitie-Emonena, 2025:1292).

Brands that fulfil their promises and deliver concrete value and meet expectations consistently help customers build both rational trust and emotional dependence. The combination of expected performance and actual experience creates loyalty, which remains strong against market changes and competitor threats (Jobber, 2019:211). The development of loyalty surpasses price and conveni sence factors because it transforms into automatic behaviour that connects to personal identity and remains challenging to replace.

Customer satisfaction together with merchandise quality and service quality determines store loyalty (Oliver, 1999:34; Toyin & Collier, 2012:39; Reddy, Reddy, & Azeem, 2011:352). This connection is not incidental. The brand establishes repeat patronage and positive association through these everyday touchpoints. The cumulative weight of consistency demonstrates how loyalty develops from repeated trust-building acts, which people often view as high-level constructs.

2.5 Loyalty Typologies: Consumer, Brand, and True Loyalty

Dick and Basu (1994) identified fifty different operational definitions of loyalty. Consumer and brand loyalty share common elements through satisfaction and trust and perceived value (Bloemer & Ruyter, 1998:500; Dick & Basu, 1994:100). The main difference between these two types of loyalty exists in their focus between brand promise and brand experience (Bloemer & Ruyter, 1998:500; Dick & Basu, 1994:100).

Behavioural loyalty motivates consumer loyalty as it is observed through repeated purchases, but it does not necessarily imply psychological attachment (Gyulavári, 2010: 2; Marshall, 2010:76; Shih-I, 2011:154; Fourie, 2020:110; Dick & Basu, 1994:101). The attitudinal loyalty concept, which drives brand loyalty, describes how consumers develop positive emotional connections with brands or retailers through advocacy and resistance to change and internal brand alignment (Oliver, 1999:34; Nikhashemi & Valaei, 2018:87).

A customer who buys only because there are no other options or because it is convenient appears loyal, but their loyalty exists only in this specific situation. The ‘spurious loyalty’ pattern shows high behavioural scores but low attitudinal scores according to Day (1969:31) and Bloemer & Ruyter (1998:500). The mistaken belief that this type of loyalty represents true commitment occurs because it stems from either habit or external limitations (Marshall, 2010:76). Latent loyalty describes customers who maintain strong positive attitudes yet make few actual purchases because of environmental restrictions or pricing factors (Day, 1969; Kamran-Disfani et al., 2017:15).

The two states fail to match the long-lasting loyalty that marketers actively pursue. True loyalty emerges when both loyalty dimensions exist together (Fourie, 2020:103). True loyalty stands as the goal for loyalty development according to Corbishely (2017:116). True loyalty is the ‘highest status to aim for’ within loyalty (Corbishely, 2017:116). True loyalty is ‘preferred by any business’ (Radder et al., 2015:95). Dick & Basu (1994) suggested both dimensions to be required if a consumer is to be considered loyal, and modernity rarely views loyalty dimensions outside of an ‘attitude-behaviour continuum’ (Fernandes, Harry, & Koekemoer, 2024:4).

The consumer maintains positive brand feelings, which lead to repeated behaviour, according to Dick and Basu (1994:100). Trust should not be considered the sole dominant factor that determines loyalty. Research shows that convenience and economic value surpass trust and satisfaction as main engagement drivers in routine price-sensitive environments, including grocery retail and fast fashion (Rahmani et al., 2017, as cited in Ogwuche & Onah, 2024:294; Chua et al., 2015:778; Krisnanto, 2017:18). The findings indicate that low-involvement categories exhibit loyalty behaviours that stem from habit rather than relational connections (Yeh, Wang & Yieh, 2016:246).

The research indicates trust maintains its importance, yet its predictive power differs between industries, so businesses must evaluate its impact against other drivers that influence customer behaviour. Kumar, Pozza, and Ganesh (2013:256) state that loyalty behaviour without attitudinal commitment will not endure in commoditised sectors, including grocery and telecommunications, because consumers face minimal barriers to switching. Retailers and brands need to develop strategies that support both emotional and behavioural loyalty development.

The development of loyalty requires attention to trust and satisfaction alongside perceived value and quality of products and services and positive customer experiences, which form both loyalty foundations and strategic opportunities (Ogwuche & Onah, 2024:3; Srivastava & Rai, 2018: 208; Munyoro & Mapfunde, 2023:154; Hossain & Kibria, 2024:222; Duh & Pwaka, 2023:102).

Construct	Definition	Primary object of loyalty	Measurement orientation
Attitudinal loyalty	A consumer's psychological commitment to a brand or provider, expressed through preference, advocacy, or emotional alignment (Dick & Basu, 1994:101; Shih-I, 2011:154; Fourie, 2020:110).	Brand or provider	Affective or cognitive
Behavioural loyalty	Observable actions such as frequent repeat purchases or consistent usage of a product or service (Gyulavári, 2010:2; Marshall, 2010:76).	Brand or provider	Behavioural
Customer loyalty	Loyalty is formed through interactions with a service provider, where satisfaction and value shape sustained patronage and retention (Woodruff, 1997:144; Kamran-Disfani et al., 2017:14). This is interchangeable with transactional loyalty.	Retailer or service provider	Relational or behavioural
Brand loyalty	Consistent repurchase behaviour paired with emotional commitment to a specific brand over alternatives (Oliver, 1999:34; Hossain & Kibria, 2024:222). This is interchangeable with emotional loyalty.	Brand	Affective and behavioural
True loyalty	A mature state of loyalty in which both psychological attachment and repeated purchasing coexist over time (Dick & Basu, 1994:100; Bloemer & Ruyter, 1998:500).	Brand or retailer	Dual-dimensional

Table 4: Loyalty typologies defined.

The table presents a structured typology of loyalty constructs, which provides clear terminology and demonstrates their importance in present-day consumer-brand relationships. The visual distinction between theoretical orientations and empirical applications of each construct replaces the need to revisit established definitional debates. The assessment of customer loyalty in service contexts depends on satisfaction and quality perceptions (Woodruff, 1997:144; Kamran-Disfani et al., 2017:14), but brand loyalty represents an abstract emotional bond with a brand as an entity (Oliver, 1999:34; Hossain & Kibria, 2024:222). The distinct characteristics help explain how loyalty appears in various operational environments.

The table enables researchers to determine which construct best fits the research requirements. True loyalty emerges as the most conceptually robust option because it measures both sustained engagement and psychological commitment.

2.6 Loyalty Programmes

Loyalty is seen as essential for long-term profitability (Woodruff, 1997:144). A longstanding challenge in cultivating loyalty is the phenomenon known as the "leaky bucket" theory, which highlights the continuous need to acquire new customers because existing ones are inevitably lost (Dowling & Uncles 1997:73). The data shows why retention strategies are crucial. The cost of acquiring new customers exceeds the cost of keeping current customers by six times (Farhat & Khan, 2011:7; Kron, 2015:92; Munyoro & Gorejena, 2020:62; Romachandran & Balasubramanian, 2020:2).

Within retention strategies, loyalty programmes serve as a widely used marketing tool (Ogwuche & Onah, 2024:291). Omar, Wel, Musa, and Nazri (2011:145) consider loyalty programmes as a defensive tactic designed to keep existing customers and increase the value customers derive from them. The primary objective herein is to increase sales by boosting purchase and usage levels across a wider product range while simultaneously deepening the brand-consumer connection (Omar et al., 2011:146).

Loyalty programmes have long occupied a pivotal role in relationship marketing. They are increasingly recognised not merely as tools for reward but as structural frameworks to manage customer lifetime value (Baran, Galka & Strunk, 2008, as cited in Zakaria et al., 2014:23; Chen, Mandler & Meyer-Waarden, 2021:179). The broader field of customer relationship management includes these systems, which operate as either frequency reward systems for single merchant repeat purchases or coalition-based mechanisms that allow reward collection across multiple participating brands (Goel, Kamble, Banerjee & Goel, 2017:15). Their twin objectives are reflected in the logic underpinning their widespread deployment across sectors.

Structured to identify, acquire, and cultivate loyal customer bases, loyalty programmes affect not only transactional patterns but also shape brand-consumer dynamics (Omar et al., 2011:146). In practice, this includes altering perceptions of consumer status, often by way of tiered participation or symbolic recognition (Tsele, 2020:43). According to Yi and Jeon (2003:229), loyalty programmes actively segment and privilege profitable customers. This results in differentiated value offerings. Status perception, whether economic or symbolic, remains central to the overall efficacy of these programmes.

Key to their effectiveness is the reward structure, which comprises both tangible incentives such as rebates and coupons and intangible ones like preferential treatment or social recognition (Mimouni-Chaabane & Volle, 2010:33). Research confirms that loyalty programmes succeed when customers perceive the balance between effort and reward to be favourable (Lee et al., 2015:17; Bolton, Kannan & Bramlett, 2000:95).

These rewards are often divided into ‘hard’ benefits, meaning monetary incentives, and ‘soft’ benefits, referring to affective or psychological rewards. Consumers tend to gravitate toward programmes that simultaneously deliver utility and emotional gratification (Leenheer et al., 2007:35).

Within the loyalty architecture, the dual pillars of behavioural and attitudinal loyalty remain distinct yet interconnected. Behavioural loyalty refers to the repeat purchase or continued engagement of customers. Attitudinal loyalty encompasses psychological commitment, trust, and emotional alignment with the brand (Evanschitzky et al., 2012:1208; Agudo, Crespo & del Bosque, 2012:1325). Notably, when the two diverge, the phenomenon of spurious loyalty may arise. This occurs when behaviour does not stem from genuine commitment (Leenheer, Van Heerde, Bijmolt & Smidts, 2007:44).

The magnitude of loyalty programme influence has often been overestimated in models that do not account for customer self-selection. In empirical terms, the real behavioural lift associated with loyalty programme participation has been found to be significantly lower than initial projections. Specifically, Leenheer et al. (2007:32) identify that the positive impact on share of wallet is seven times smaller than that suggested by naive estimates. This observation reveals the importance of context in determining loyalty programme effectiveness. While loyalty programmes remain a key part of retention strategies, their success is conditional on thoughtful design and accurate segmentation.

Programmes that assume uniform behavioural uplift across all customers may misallocate resources if they fail to consider self-selection effects. Evaluating success should therefore go beyond enrolment rates and include the programmes’ ability to create perceived value, drive repeat behaviour, and align rewards with meaningful consumer motivations.

Nevertheless, the overarching goal of loyalty programmes remains the consolidation of repeat purchasing behaviours and deepening of customer-brand bonds (Chen et al., 2021:179). Loyal customers yield increased spend, reduced acquisition costs, and brand advocacy effects through word-of-mouth marketing (Reichheld & Saaser,1990). The defensive role of loyalty programmes becomes more evident in turbulent economic times because firms attempt to increase customer switching costs and reduce customer defections (Zakaria et al., 2014:23).

The functional value of loyalty programmes emerges from their role in facilitating satisfaction and trust and commitment constructs (Dlamini & Chinje, 2019:236; Zakaria et al., 2014:24). These variables serve not only as outcomes but also as intermediaries that link. For example, Dlamini and Chinje (2019:242) confirm trust as a more robust mediator than commitment, with customer satisfaction emerging as the most influential among the three.

Modern loyalty programmes use social identity theory, behavioural learning theory, and social exchange theory as theoretical frameworks in addition to traditional reward systems (Chen et al., 2021:182). These frameworks explain how consumers perceive value and build associations, which leads to their eventual loyalty enactment. According to Jones, Reynolds, and Arnold (2006:979), loyalty programme satisfaction and programme loyalty act as antecedents to broader store loyalty. This suggests a cascading effect from specific programme experience to general brand affinity. Moreover, attitude and behavioural intention are shown to be moderated by constructs such as communication quality, trust, reward perception, and personalisation (Harmse, 2019:10).

Regionally, the South African retail environment presents a compelling case for loyalty programme proliferation. With over 70% of South African’s enrolled in loyalty programmes, alongside the average consumer being enrolled in 5.6 schemes, penetration levels are high (Cromhout & Netto, 2020:5). The market has reached saturation. However, numerous studies exist either as unpublished research or proprietary information, which demonstrates why academic research matters for detecting new market trends and consumer patterns (Harmse, 2019:2). The loyalty programmes are integrated into the main retail stores of Pick n Pay, Edcon, Woolworths, and Clicks (Dlamini, 2019:235). Academic exploration has increasingly focused on South African youth, whose participation in retail loyalty programmes reflects both opportunity and complexity (Dlamini & Chinje, 2016:1).

From a management perspective, the implementation of loyalty schemes requires systematic planning. Clear articulation of programme goals, robust customer segmentation, and ongoing programme calibration are critical to sustained success (Lee et al., 2015:18). Retailers are advised to design initiatives that align operational goals with consumer expectations. Strategic partnerships and cross-industry collaborations are also encouraged given their potential to expand programme relevance and usage (Dlamini, 2019:243).

Though many loyalty programmes are offered at no cost to consumers, a notable evolution in loyalty strategy involves the introduction of subscription-based or fee-based models (Esmark, Noble & Bell, 2016:771; Augustyn, 2021:20). Selective programmes target profitable segments through exclusive perks and higher-tiered benefits (Omar et al., 2011:150). Fee-based access functions as both a revenue stream and an exclusive indicator that loyalty programmes eliminate users with low engagement (Mulhern & Duffy, 2004:66). Consumers who pay to join programmes tend to recognise greater value in their membership. They also remember it better and make decisions based on accumulated benefits (Mulhern & Duffy, 2004:66).

The financial evaluation of loyalty programmes requires assessment of their net contribution. While loyal customers typically yield higher margins, these benefits must outweigh programme costs (Omar et al., 2011:146; Corbishely, 2017:57). Companies implementing tiered structures, particularly those targeting VIP customers, often report stronger outcomes in both engagement and customer lifetime value (Esmark, Noble & Bell, 2016:789).

The value that consumers perceive in loyalty programmes consists of economic benefits together with hedonic experiences, according to Leenheer et al (2007:35) and Corbishely (2017:52). Consumer benefits that create emotional responses or promote social status or inclusion tend to strengthen affective commitment more than incentives and switching costs do (Noble, Esmark & Noble, 2014:362; Marshall, 2010:67).

Loyalty programmes provide multiple advantages, yet they impose specific limitations. The redemption process complexity, together with unfair tiering systems and privacy concerns, restricts consumer participation in loyalty programmes (Corbishley, 2017:37; Lakshman, 2021:45; Leenheer et al., 2007:35). The combination of difficult reward accessibility and strict programme rules makes customers lose trust and emotional commitment (Lee, Tsang & Pan, 2015:18; Noble, Esmark, & Noble, 2014:367).

Hybrid programmes that implement tiered access (such as silver, gold, and platinum) unite the broad inclusivity of open models with the exclusive prestige of selective systems (Harmse, 2019:13). These systems enable broad customer engagement through strategic rewards for their most valuable segments. Symbolic rewards, including recognition, insider status, and priority treatment, prove more powerful than monetary rewards in mature brand relationships (Noble & Bell, 2016:788).

2.7 Methodological framework

A methodological framework serves as a structured guide or tool to complete a process or procedure (McMeekin, Wu, Germeni & Briggs, 2020:1). It can be understood as a body of methods, rules, and postulates; a set of structured principles; an approach for structuring how a given task is performed; or a sequence of methods (McMeekin et al., 2020:2). Although the term 'methodological framework' lacks a single universally agreed-upon definition, it is generally accepted as a practical and iterative tool that organises methods and procedures for a particular field of inquiry (McMeekin et al., 2020:2).

The utility of methodological frameworks lies in their ability to:

- Improve consistency, robustness, and reporting of research activities (McMeekin et al., 2020:6),
- Enhance research quality (McMeekin et al., 2020:6),
- Standardise methodological approaches (McMeekin et al., 2020:6), and
- Maximise the trustworthiness of findings (McMeekin et al., 2020:6).

McMeekin et al. (2020:4-5) propose a three-phase consensus process for developing methodological frameworks:

1. Identifying evidence, such as existing frameworks, literature, qualitative research, and expert insights,
2. Developing the framework, using synthesis and categorisation of extracted data through an iterative process involving stakeholders, and
3. Evaluation and refinement, by piloting the framework and revising it in response to expert and practical feedback.

Furthermore, inconsistent terminology remains a key challenge. Frameworks are frequently labelled using alternative terms such as "conceptual framework" or "toolkit", often omitting relevant keywords altogether, which complicates discovery and synthesis during literature reviews (McMeekin et al., 2020:7-8). The authors argue that standardised definitions and development procedures are necessary to improve clarity and replicability in future methodological design (McMeekin et al., 2020:8-9).

2.7.1 Research Relevance

A methodological framework is relevant to this research, as it addresses the difficulty of measuring authentic consumer loyalty, which combines attitudinal attachment with repeat behavioural commitment (Dick and Basu, 1994:101; Oliver, 1999:35). The South African FMCG retail environment shows that customers tend to develop transactional loyalty because of discounts and easy access rather than building strong brand connections. Behavioural measures become prone to mistaking inertia for loyalty when they fail to consider attitudinal dynamics (Omar et al., 2011:133).

This research recognises multiple typologies, which include transactional versus emotional loyalty (Goel et al., 2017:4), active versus passive loyalty (Chen et al., 2021:259) and programme-related loyalty outcomes (Tsele, 2020:27). Psychological mechanisms such as self-congruity (Sirgy, 1982: 287) and perceived brand innovativeness (Kumari et al., 2023:2) are also incorporated to understand how subscription models may reinforce or distort conventional loyalty pathways. These constructs were selected based on their empirical relevance to subscription-based loyalty programme design and their demonstrated influence on both retention and commitment.

To systematically translate these interlocking constructs into a coherent measurement approach, a methodological framework is required. Without such a structure, the study risks conceptual fragmentation, where constructs are introduced independently but lack integration in the research design. The framework serves as a theoretical and operational bridge, linking literature-derived variables to research instrument design. This not only improves internal consistency but also ensures that loyalty is interpreted through both its behavioural indicators and the underlying cognitive and affective processes that sustain it (Yi and Jeon, 2003:55; Lee et al., 2015:289).

2.8 Research Propositions

As discussed by Neuland (2022:78), propositions serve as the critical interpretive mechanism between theoretical synthesis and empirical validation. Their purpose is to translate abstract constructs into measurable, directional relationships that can later form the basis for hypothesis testing. The following propositions were derived from the construct clusters established in Sections 2.3 through 2.7, with specific attention to the mechanisms through which subscription-based loyalty programmes influence consumer loyalty in South Africa's formal FMCG retail context.

Propositions are formulated around the causal chain linking subscription-based programme mechanisms to both emotional and transactional loyalty and, subsequently, to perceived brand equity. The segmentation logic of differing consumer loyalty orientations is also acknowledged, given its theoretical importance in the literature.

2.8.1 Propositions

Propositions function as a critical link between theory and measurement, allowing the researcher to translate conceptual relationships into empirically testable statements (Cooper and Schindler, 2014:58). Rather than remaining at the level of abstract discussion, propositions clarify which relationships are assumed to exist between specific constructs. In this research, the focus lies on understanding how the mechanisms within subscription-based loyalty programmes relate to the development of consumer loyalty and how this loyalty may in turn influence perceptions of brand equity.

The constructs used in these propositions are derived directly from the theoretical framework established in Sections 2.1 through 2.7. Each proposition reflects a directional assumption based on prior literature and conceptual synthesis. These assumptions will guide the formulation of hypotheses and null hypotheses, which are presented in Chapter 3 in preparation for empirical validation (Neuland, 2022:78).

2.8.1 Propositions

Proposition 1: *Subscription-based loyalty programme mechanisms are positively, but moderately correlated with consumer loyalty.*

1.1 Perceived value (exclusive discounts, cashback, and bundled delivery benefits) relates positively, but moderately with transactional loyalty.
1.2 Programme exclusivity (member-only access, personalised offers, early product access) relates positively, but moderately with emotional loyalty.
1.3 Programme convenience (ease of use, digital opt-in simplicity, service accessibility) relates positively, but moderately with transactional loyalty.

Proposition 2: *Consumer loyalty is positively, and strongly correlated with perceived brand equity.*

Transactional loyalty (repeat purchase, engagement frequency, subscription duration) relates positively, and strongly with perceived brand equity.
Emotional loyalty (brand attachment, affective resonance, word-of-mouth behaviour) relates positively, and strongly with perceived brand equity.

Proposition 3: *The effectiveness of subscription-based loyalty mechanisms is enhanced when programme attributes align with the consumer's dominant loyalty orientation.*

Consumers with a transactional orientation (focused on rewards, utility, and price efficiency) will respond more positively to value-based features.

Consumers with a relational orientation (focused on trust, identity, and brand affinity) will respond more positively to emotionally resonant or exclusive features.

Proposition 4: *Transparency and perceived fairness in programme design are positively correlated with emotional loyalty.*

Clear reward mechanics, visible pricing, and equitable terms support the formation of trust, which enhances emotional loyalty over time.

Proposition 5: *Subscription-based programmes that offer community-orientated or socially embedded features are positively correlated with emotional loyalty.*

Programme components such as cause-based benefits, member networks, and shared identity cues enhance brand identification and affective loyalty outcomes.

2.8.2 Inclusion and Exclusion Rationale

While over fifty constructs were explored across the literature review, not all were elevated to the propositional framework. As Neuland (2022) cautions, propositions should only reflect those constructs that are (a) theoretically core, (b) causally central, and (c) suitable for direct empirical measurement.

The table below documents key constructs reviewed but excluded from this study’s core model, along with reasons for their omission:

Construct	Description / Use in Literature	Rationale for Exclusion from Propositional Framework
Self-congruency	Degree of fit between brand image and consumer identity (Sirgy, 1982; Ha & Janda, 2014:531)	Acts as a psychological antecedent to emotional loyalty; not measured directly or structurally pivotal enough to model causally
Perceived switching costs	Cost of leaving a brand (monetary, effort, risk) (Jones et al., 2000:262; Berman, 2006:127)	Important inhibitor of churn; used to contextualise loyalty retention but not part of loyalty creation mechanism in subscription models
Habit	Repeated behaviour without conscious loyalty (Oliver, 1999:35))	Forms part of transactional loyalty's behavioural layer; not operationalised separately
Affective commitment	Deep emotional investment in brand relationship (Fullerton, 2005:137; Berman, 2006:128)	Embedded within emotional loyalty; redundant as a distinct measured pathway
Trust	Confidence in brand reliability and integrity (Morgan & Hunt, 1994:23; Chaudhuri & Holbrook, 2001:87)	Used as a mediating mechanism in Proposition 4; not isolated as a primary construct.
Relationship quality	Overall evaluation of the consumer-brand bond (Garbarino & Johnson, 1999:74)	Theoretical glue behind emotional loyalty; not discrete in operational terms
Customer satisfaction	Short-term fulfilment post-purchase (Yi & Jeon, 2003:38; Oliver, 1997:13)	Not sufficient to explain sustained loyalty; reviewed in contrast to commitment and attachment
Perceived risk	Anticipated negative consequences of switching (Dowling & Uncles, 1997:73)	Indirectly accounted for through trust (Proposition 4); not modelled explicitly.
Value co-creation	Customer involvement in shaping the offering (Prahalad & Ramaswamy, 2004:6)	Relevant to broader engagement literature, but not structurally central to the programme mechanics evaluated in this research.
CSR alignment	Fit between brand values and societal causes (Mohr & Webb, 2005:125)	Rarely mentioned in subscription programme typologies; not developed in this context
Brand love / passion	Strong positive affective emotion toward brand (Batra et al., 2012:3; Carroll & Ahuvia, 2006:79)	Interchangeable with emotional loyalty in operationalisation; not split out
Customer engagement	Active interaction with brand across touchpoints (Brodie et al., 2011:259)	Informative for brand health but outside this loyalty-equity causal chain
Perceived innovativeness	Seen as forward-thinking and modern (Chandy & Tellis, 1998:474)	Conceptually rich but not developed deeply in the review and not central to the model's logic
Referral intent / advocacy	Likelihood to recommend (Reichheld, 2003:47; Keiningham et al., 2007:20)	Treated as part of emotional loyalty outcomes; not measured separately
Psychological ownership	Sense of brand as part of self (Pierce et al., 2001:299; Avey et al., 2009:175)	Overlaps with brand identification and is captured within Proposition 5 rather than modelled separately.

Table 5: Key construct inclusion and exclusion.

Many of these constructs remain essential to the theoretical terrain, as they offer crucial insight into how and why consumer loyalty operates in retail ecosystems. However, they are not elevated as primary pillars of empirical testing. Their role is to enrich interpretation, not to form standalone hypotheses.

2.9 South African Context

The retail sector of South Africa functions as a vital economic driver because it generates

13.2% of national GDP, according to Q2 2024 data from Malander Advisory (2024:2). Retail in South Africa functions beyond its commercial role because it connects directly to employment opportunities and social accessibility and household survival needs. Yet the terrain is volatile. The industry remains stagnant because of inflation together with unstable energy supplies and limited consumer spending power. The early 2024 retail sales growth reached 1.2%, while the previous year's sales increased to 2.4% because consumers focused on essential purchases (Malander Advisory, 2024:4).

The fast-moving consumer goods segment of corporate retail stands as one of the few sectors that demonstrates resilience through its combination of scale and innovative approaches and market-relevant strategies. Most consumers cannot do without essential items, which include groceries together with hygiene products and household necessities.

As such, corporate retailers have evolved from integrating digital infrastructure, optimising pricing through predictive systems, and experimenting with loyalty mechanisms to retain frequency and deepen customer relationships (South African FMCG Corporate Retail Sector Demonstrated Remarkable Resilience and Growth in 2024, 2024:1).

2.9.1 From National Frame to Western Cape Focus

Within this broader national picture, the Western Cape emerges as both an economic engine and a test bed for modern retail strategies. The province accounts for around 14.1% of South Africa's GDP and houses a population of approximately 7.2 million people (Provincial Economic Review and Outlook 2024, 2024:142). The Western Cape also distinguishes itself with its economic performance. Economic growth is forecast at 2.0% annually until 2026, which is well above the national average of 1.3% (2024-25 Municipal Economic Review and Outlook: Cape Metro, 2024:30).

At the centre of this growth lies the Cape Metro, the province's densest and most economically active district. Responsible for over 72% of the Western Cape's gross regional product, the Metro is home to approximately 5 million residents (2024-25 Municipal Economic Review and Outlook: Cape Metro, 2024:58, 74). Employment concentration is equally high: 62.9% of the Western Cape's formal employment is located here (Provincial Economic Review and Outlook 2024, 2024:159). Retail and wholesale activity constitutes 13.1% of the Cape Metro's output (2024-25 Municipal Economic Review and Outlook: Cape Metro, 2024:45), confirming the area as a critical node of supply chain, service, and sales activity.

2.9.2 From Macro Context to Loyalty Penetration

To narrow from population-level indicators to loyalty programme relevance, it is necessary to estimate a realistic funnel. South Africa's total population of approximately 61 million reduces to 7.2 million in the Western Cape and further to around 5 million in the Cape Metro. Of these, about 3.1 million residents are formally employed (Provincial Economic Review and Outlook 2024, 2024:159). This forms the base against which potential loyalty adoption can be modelled.

Shoprite Holdings, the country's largest food retailer by volume and value, is headquartered in the Western Cape. Its layered loyalty architecture includes both the Xtra Savings card and the Xtra Savings Plus subscription product. The Xtra Savings programme enrolled more than 31 million South Africans during June 2024, which represented more than 85% of group revenue (Shoprite Holdings Integrated Report 2024, 2024:492, 515).

The exact number of Cape Metro subscribers remains unknown, but the urban nature of the area combined with its high digital connectivity indicates that subscribers are more likely to be from this region. The estimated number of Xtra Savings users among formally employed Metro residents ranges from 900,000 to 1.2 million based on a conservative adoption rate of 30-40%. The subscription-based Xtra Savings Plus service, which costs R99/month, has become popular among users who receive free deliveries and in-store discounts and personalised offers.

National growth in this segment has already tripled expectations. A plausible Cape Metro penetration rate of 6-8% would yield a subscriber base of roughly 200,000 to 250,000 users (Shoprite Holdings Integrated Report 2024, 2024:492).

2.9.3 Strategic Infrastructure and Loyalty Mechanics

Xtra Savings Plus is not a standalone offering. The system obtains its strength through its integration of digital logistics (Sixty60) and pricing intelligence (CheckIQ) and customer targeting (Insight) and store-level ERP operations (Rex). Sixty60 operates in 539 stores throughout South Africa while controlling 80% of the online grocery delivery market with 58.1% annual growth (Shoprite Holdings Integrated Report 2024, 2024:491). The Cape Metro area provides the perfect environment for Sixty60 and loyalty programme testing because of its high delivery density and advanced logistics capabilities and strong purchasing power.

Xtra Savings Plus members receive unlimited Sixty60 delivery services for orders above R350, and they get 10% off their major monthly in-store purchase up to R200 and digital rewards through the group's app network (Terms and Conditions: Xtra Savings Plus, 2024:3).

These benefits are reinforced by real-time stock management and granular personalisation technologies that allow for behaviourally responsive retailing (Shoprite Holdings Integrated Report 2024, 2024:495, 520).

2.9.4 Why Cape Metro Is Empirically Justified

In methodological terms, Cape Metro offers a bounded yet information-rich field for analysing the uptake and impact of subscription-based loyalty models. The area demonstrates South African economic stratification through its combination of wealthy and disadvantaged populations and its dense digital infrastructure and diverse retail sector. The region maintains high GDP levels and advanced logistics capabilities which support ongoing subscription customer retention.

The headquarters of Shoprite Holdings in the province enables better alignment between corporate innovation and consumer reality. Loyalty in this context is not only a marketing artefact but a live mechanism through which behaviour, affordability, and emotional attachment are shaped. The Cape Metro thus becomes more than a case; it becomes a lens for understanding broader structural shifts in South African retail.

2.10 Contribution of the Literature Review and Identified Research Gap

Taken together, the preceding sections assemble a layered view of loyalty that spans attitudinal and behavioural dimensions, traditional and subscription-based programmes, and global theory and local practice. By juxtaposing classic typologies of true, spurious, brand, and customer loyalty with contemporary perspectives on fee-based and hybrid schemes, the review sketches a consolidated understanding of how loyalty is currently understood in retail contexts. This synthesis provides the conceptual scaffolding on which the subsequent empirical model rests.

At the same time, the literature reveals a notable imbalance. Much of the established work on loyalty programmes focuses on free, points-based systems in airlines, banking, and general retail, often in mature markets, while South African FMCG studies tend to emphasise youth segments or traditional loyalty programmes. Research on subscription-based loyalty models that bundle delivery, discounts, and personalised rewards remains sparse, particularly where the aim is to distinguish genuine, enduring loyalty from habit, lock-in, or pure deal-seeking behaviour. The question of how such subscription mechanisms reshape the balance between customer and brand loyalty in grocery retail therefore appears underexplored.

A further gap emerges in the limited integration of programme mechanics with consumer-based brand equity in the South African context. Existing studies typically examine satisfaction, trust, or perceived value in isolation, rather than modelling how specific subscription attributes (such as convenience, exclusivity, and perceived fairness) may channel both customer and brand loyalty into stronger brand equity perceptions. Very few studies explicitly theorise a “loyalty threshold” in which subscription utility must reach a certain experiential level before loyalty shifts from superficial repetition to true attitudinal commitment.

By concentrating on Checkers Xtra Savings Plus within the Cape Metro, this review therefore positions this research at the intersection of three underdeveloped areas: subscription-based FMCG loyalty in an emerging market, the distinction between customer and brand loyalty outcomes, and the link from those outcomes to perceived true loyalty. The propositions formulated at the end of the chapter crystallise these gaps into a focused empirical agenda, specifying how subscription programme features may plausibly nurture or distort true loyalty within South Africa’s formal retail sector.

2.11 Conclusion

The first and second research objectives have been addressed through a comprehensive review of the literature on loyalty typologies and loyalty programme design, with a focus on the South African FMCG retail space.

In keeping with Hofstee’s (2006:91) recommendation for progressive narrowing, the chapter started by laying the conceptual foundations of loyalty theory before isolating the constructs relevant to this research.

Initial sections clarified the psychological and behavioural dynamics of loyalty, distinguishing between transactional habits and deeper emotional bonds. This laid the groundwork for analysing how modern loyalty programmes, particularly subscription-based models, engage consumers through upfront value exchange rather than deferred rewards. Emphasis was placed on the unique strategic logic of these programmes, which seek to establish engagement early in the consumer journey.

Further inquiry unpacked how loyalty orientations relate to perceived brand equity, suggesting that loyalty is not merely an outcome of brand value but also a conduit through which value perceptions are reinforced. Moderators such as income and shopping frequency were identified as relevant variables that may alter the strength of these relationships, adding a layer of complexity to how loyalty mechanisms function across consumer segments.

To conclude the chapter, five propositions were developed. Each one reflects a theoretical assumption about the way loyalty programme features interact with consumer loyalty types and, in turn, influence brand equity perceptions. These propositions form the conceptual foundation for the empirical hypotheses that will be tested in the following chapter.

Chapter 3 now turns to the practical question of how these assumptions will be explored. It outlines the methodological strategy chosen for the research, including the paradigm, research design, sample plan, data collection process, and ethical safeguards.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Research methodology refers to the systematic framework of techniques and procedures used to generate credible findings and address predefined objectives (Patil & Aditya, 2020:3). Methodological transparency is critical, as Hofstee (2006:107) asserts:

"A result can only be accepted, rejected, checked, replicated, or even understood in the context of how you got there."

This chapter satisfies the third research objective by detailing the scientific, methodical, and ethical procedures used to examine the relationships between subscription-based loyalty mechanisms, consumer loyalty (emotional and transactional), and brand equity perception.

The chapter follows a structured sequence of logical progression. First presenting formal hypotheses which directly stem from the conceptual propositions established in Chapter 2. The research paradigm receives its philosophical foundation through the definition of its ontological and epistemological stance, which follows the presentation of the paradigm. The research design section follows the paradigm establishment to describe the selection of a mono-method quantitative structure and its supporting rationale.

The following sections describe the process of developing the sampling strategy and data collection methods and research instrument to achieve research objectives. Special emphasis is placed on the operationalisation of constructs through scale items, with a description of how these will be measured using a structured, self-administered online survey. The procedures for data analysis are then outlined, followed by a detailed discussion of reliability and validity testing techniques.

Finally, the chapter sets out the boundaries of the research by specifying its limitations and delimitations, followed by a review of the ethical safeguards embedded throughout the process. Each methodological component contributes to the broader effort to translate abstract constructs into measurable indicators within a framework that is both conceptually coherent and practically sound.

3.2 Hypotheses

Empirical research formalises theoretical assumptions into testable statements, allowing latent constructs to be examined through observable data. In this research, the hypotheses are derived directly from the conceptual propositions articulated in Chapter

2 and operationalised through nine first-order constructs that collectively measure subscription-related consumer loyalty. These constructs, namely shopping habits, value and benefits, routine, behavioural shifts, perceptions, trust, perks, relationship quality, and loyalty, were identified through the synthesis of academic literature and represent distinct mechanisms through which subscription-based programmes may influence both transactional and emotional loyalty.

The inclusion of null hypotheses for each construct ensures that each proposed relationship can be statistically falsified, reinforcing the positivist orientation of this research and its deductive logic (McCoach & Cintron, 2022:85). Together, these hypotheses form the analytical foundation for the structural equation model (SEM), enabling the evaluation of direct effects, mediating roles, and the moderating influences of purchase frequency.

H1: Shopping habits are positively associated with higher levels of consumer loyalty, as measured by purchase frequency and subscription continuity.
$H0_1$: Shopping habits have no significant association with consumer loyalty.

H2: Value and benefits (e.g., exclusive discounts, gifts, and free delivery) are positively associated with consumer loyalty through increased utilitarian satisfaction.
$H0_2$: Value and benefits have no significant association with consumer loyalty.

H3: Routine (habitual use and engagement patterns) is positively associated with consumer loyalty, reflecting the reinforcement of purchase behaviour over time.
$H0_3$: Routine has no significant association with consumer loyalty.

H4: Behavioural shifts (substitution of non-subscribed behaviours with subscription-driven ones) are positively associated with consumer loyalty, indicating lock-in effects.
$H0_4$: Behavioural shifts have no significant association with consumer loyalty.

H5: Perceptions of fairness, transparency, and programme clarity are positively associated with consumer loyalty by strengthening trust and psychological safety.
$H0_5$: Perceptions have no significant association with consumer loyalty.

H6: Trust in the retailer and its subscription programme is positively associated with consumer loyalty, functioning as a relational anchor for long-term engagement.
$H0_6$: Trust has no significant association with consumer loyalty.

H7: Perks (exclusive features, early access, bonus rewards) are positively associated with consumer loyalty by creating a sense of privilege and exclusivity.
$H0_7$: Perks have no significant association with consumer loyalty.

H8: Relationship quality between consumer and retailer is positively associated with consumer loyalty, reflecting emotional alignment and commitment to the brand.
$H0_8$: Relationship quality has no significant association with consumer loyalty.

H9: Loyalty (attitudinal and affective attachment) is positively associated with subscription Usage Type and duration and mediates the link between subscription utility and brand equity perceptions.
$H0_9$: Loyalty has no significant mediating effect between subscription utility and brand equity perceptions.

Collectively, these hypotheses ensure that each component of the model is empirically scrutinised, allowing for a nuanced understanding of how subscription-based loyalty programmes shape both consumer behaviour and brand equity perception within the South African FMCG retail sector

3.3 Research Paradigm

The fundamental philosophical beliefs about knowledge acquisition and interpretation and application methods define research paradigms (Keong & Husin, 2023:5858). The research paradigms extend beyond qualitative versus quantitative methods because they include fundamental ontological and epistemological positions which shape the inquiry structure and logic. According to Bougie and Sekaran (2020:22), researchers must clarify their philosophical stance to validate any knowledge claim.

3.3.1 Ontology and Epistemology

The researcher's beliefs about reality and existing entities form the basis of ontology (Bougie & Sekaran, 2020:23). This research adopts a realist ontology, which holds that phenomena exist independently of human perception and can therefore be studied as objectively real (Al-Ababneh, 2020:79). The three constructs of emotional loyalty, transactional loyalty and brand equity function as permanent consumer behaviour elements which researchers can assess through standardised measurement tools for population segments.

Weber (2004:4) differentiates between ontologies that treat phenomena as single external realities and those that treat them as multiple social constructs. The research follows the former approach because it seeks to discover uniform patterns of brand-related actions among different people. The research makes the assumption that consumer reactions to subscription-based loyalty systems demonstrate a universal behavioural pattern which can be identified in a controlled retail setting.

The process of knowledge creation and validation and understanding by researchers is known as epistemology (Bougie & Sekaran, 2020:23). The research adopts a positivist epistemology because it accepts that social phenomena can be measured objectively through empirical methods (Keong & Husin, 2023:5860). Positivism assumes that cause-and-effect relationships can be systematically tested and that generalisable insights can emerge through repeated observation.

This stance holds that the role of the researcher is not to interpret meaning subjectively and to maintain distance from the research context in order to avoid bias. The positivist approach, according to Scotland (2012, cited in Keong & Husin, 2023:5860) views knowledge as something that is discovered rather than constructed and emphasises replicability, consistency, and statistical validation. This approach aims to find the structural relationships between loyalty mechanisms, consumer loyalty types, and brand equity outcomes without any interpretive bias or researcher subjectivity.

According to Healy and Perry (2000:118) paradigms determine both the researcher's worldview, and the methodological rules through which knowledge is pursued. A positivist paradigm naturally leads to the adoption of a quantitative research design, with clearly defined constructs, testable hypotheses, and statistical tools for analysis. The research design follows a deductive approach because of its mono-method design and preference for measurable indicators which derive from these philosophical foundations.

The ontological and epistemological stance of this research serves as the foundation for all subsequent methodological choices which maintain internal consistency between philosophical assumptions and design strategy and analytical techniques.

3.4 Research Design

The research design functions as the architectural framework of an empirical investigation, guiding the logical sequence through which data are gathered, interpreted, and connected to theory (Bougie & Sekaran, 2020:103). It provides clarity on how the methodological choices align with the research philosophy and how these decisions enable the objectives of the research to be met with validity and coherence. Hofstee (2006:113) develops this perspective by showing how research design combines ontological and epistemological assumptions with operational tools to create a unified plan which connects research questions to data collection and interpretation methods.

This research adopts a positivist paradigm through its mono-method quantitative design, which involves numerical data collection from a sample followed by statistical procedures to identify construct associations. This allows for deductive reasoning to test theoretical hypotheses by collecting observable data which can be analysed to establish relationships (Wahyuni, 2012:70). Saunders, Lewis and Thornhill (2019:161) argue that such designs are best suited to hypothesis-driven research because they can measure stable relationships between variables.

Apuke (2017:40) reinforces this by noting that quantitative designs are best suited to studies requiring objectivity, precision, and replicability. This approach is particularly relevant to the present research, which investigates how various subscription-based loyalty programme features influence emotional and transactional loyalty, and how these in turn relate to brand equity perceptions. The assumptions underpinning the design rest on the belief that these constructs can be operationalised and measured using validated scale items in a structured survey setting.

The structure of this research further adopts a cross-sectional design, which allows for the collection of data at a single point in time (Du Plooy-Cilliers et al., 2014:149). Lavrakas (2008:171-172) describes cross-sectional studies as snapshots that capture population characteristics at a fixed moment, suitable for investigating existing attitudes and behaviours without requiring longitudinal tracking. Although data collection may occur over several days or weeks, the assumption is that population-level characteristics remain stable within this timeframe (Hair, Black, Babin, & Anderson, 2017:31).

The research design uses a cross-sectional approach because the measured constructs have reached a mature level of development. The existing research literature provides well-defined operational measures and theoretical support for scales, which reduces the need for exploratory methods or longitudinal or mixed-method approaches (Saunders et al., 2019:162). The research seeks to validate a conceptual framework through hypothesis testing, which makes an exploratory design both unnecessary and unsuitable for this study.

The following section explains the methods which support the design implementation, starting with population and sampling.

3.5 Research Methodology

The procedural system which controls data collection, measurement, and analysis for solving research problems is referred to as research methodology. The mono-method quantitative approach used in this research relies on structured research instruments and statistical methods to reduce researcher bias and facilitate replicable findings (Bougie & Sekaran, 2020:162; Apuke, 2017:39). The research uses a deductive approach to verify the proposed relationships between loyalty programme features and types of loyalty and brand equity perceptions through numerical data collection and analysis.

The survey strategy matches the research design because it allows researchers to gather data from various population groups while enabling statistical hypothesis testing (Saunders et al., 2019:163). Survey methodology functions well within positivist paradigms because it enables researchers to measure and quantify attitudes and behaviours, which allows for generalisation (Wahyuni, 2012:71). The study evaluates Checkers Xtra Savings Plus subscription-based loyalty programme consumer responses through systematic assessment within this framework.

The survey will adopt a cross-sectional time horizon, with all data collected within a delimited period. While longitudinal designs offer the advantage of tracking change over time, they are not appropriate in this context due to the fixed nature of the constructs and the project's time constraints (Lavrakas, 2008:172). A cross-sectional approach offers a pragmatic balance between analytical depth and feasibility, especially when the objective is to determine the presence and strength of theoretical relationships at a given point in time.

This methodology is implemented through five core dimensions: population and sampling, the research instrument, data collection procedures, data analysis, and tests for reliability and validity. Each of these is discussed in detail below.

3.5.1 Population and Sampling

According to Bougie and Sekaran (2020:222) the population consists of all relevant individuals or entities who host prosperities suited to satisfying the research objective. In this research, the target population comprises active Checkers Xtra Savings Plus subscribers residing in the Western Cape province of South Africa. These individuals are digitally active grocery consumers who are familiar with subscription-based loyalty programmes and thus qualified to evaluate the constructs under investigation.

The research environment, together with logistical constraints, requires the use of nonprobability convenience sampling as the sampling method. The research participants will be chosen based on their willingness to participate, their availability and their relevance to the research topic instead of random selection (Saunders et al., 2019:296). The research method of convenience sampling is acceptable in applied consumer behaviour research because it helps to model theoretical relationships instead of predicting broader population trends (Du Plooy-Cilliers et al., 2014:142).

The unit of analysis is the individual consumer, while the unit of observation comprises their self-reported perceptions and behaviours concerning loyalty features and brand relationships. A minimum of 132 completed responses is required, based on statistical benchmarks for structural equation modelling and multivariate analysis involving latent constructs (Hair et al., 2017:31). 132 responses also hold contextual relevance. South Africa has a national population exceeding 60 million, with roughly 25 million individuals participating in the workforce (Stats SA, 2022; Masojada, 2021). Within this pool, Shoprite Holdings (2024) has reported that over 10 million people are enrolled in the free Xtra Savings programme. However, the paid Xtra Savings Plus tier logically represents a much smaller and more engaged segment. If one applies the Western Cape’s proportional share of both the national population (12.3%) and workforce (14%), the regional pool of Xtra Savings users sits somewhere around 1.3 million. It’s impossible to verify how many of these are Plus subscribers, but even a conservative estimate suggests the target sample reflects a meaningful cross-section of that tier. However, at a 98% confidence level and assuming a regional population of approximately 1.3 million, a target of 136 complete responses produces a margin of error of ±9.99%, which remains within acceptable bounds for consumer research involving digitally active but numerically limited segments.

For the purposes of exploratory SEM, where insights are more valuable than generalisability, the sample is both justified and appropriate (Bougie & Sekaran, 2020:223).

The survey will be distributed via digital channels, including Reddit forums, WhatsApp referrals, and social media peer-sharing links, to increase sample diversity. The methods adapt to digital user behaviour while delivering economical ways to reach qualified participants. The collected data will include demographic information about age, gender and income level for segmentation and robustness testing during analysis (Bougie & Sekaran, 2020:225).

The self-selecting nature of online survey participation makes random sampling impractical for this research. The selected sampling method hosts a balance between operational feasibility and obtaining relevant theoretical insights.

3.5.2 Research Instrument

The primary data collection tool for this research consists of a structured self-administered online survey. According to Hofstee (2006:122) surveys function effectively to measure attitudes and behaviours through a standardised and replicable procedure.

The approach follows positivist values by minimising interviewer bias and ensuring objectivity (Wahyuni, 2012:70). The online survey implements a five-point Likert scale from "Strongly Disagree" to "Strongly Agree", which enables the transformation of ordinal data into interval data under certain conditions for using statistical methods like factor analysis and regression (Hair et al., 2017:31).

Each construct in the framework is operationalised using multiple items that reflect theoretical definitions and empirical indicators. The online survey covers:

- Subscription-based loyalty features: perceived value, convenience, exclusivity.
- Transactional loyalty: purchase frequency, repeat behaviour.
- Emotional loyalty: trust, brand identification, emotional attachment.
- Perceived brand equity: perceived quality, brand preference, and brand distinctiveness.
- Moderating variables: demographic information (such as income, age, and Usage Type).

Items used in the survey were adapted directly from Marketing Scales Handbook: Volume 11 by Bruner (2021), which provides validated multi-item constructs for consumer behaviour research. Scale dimensions were carefully selected to match the operational definitions of this research's key constructs, including perceived value, convenience, exclusivity, emotional and transactional loyalty, and perceived brand equity. Minor rewording was applied to ensure contextual relevance; however, the original item structures were preserved to ensure psychometric integrity. The scale items have minimal wording adjustments to adapt the items for South African FMCG retail while keeping the original item structures intact to maintain psychometric integrity.

A formal pilot test was not conducted before ethical clearance to avoid contaminating the limited target population and to ensure adherence to the approved methodological process. Instead, the survey underwent face-validity checks by the supervisor and peers to refine clarity and ensure construct alignment.

The survey design was fixed, while the mono-method cross-sectional approach limited the study to one-time data collection, thus precluding pilot testing. The survey instrument compilation involved conducting face validity checks on all items followed by clarifying ambiguous language to finalise the instrument for use.

The survey completion reward system consists of a lucky draw for monetary prizes which aims to increase participant engagement. According to Saunders et al. (2019:210) this incentive system succeeded in increasing survey response rates without compromising ethical standards of voluntary participation.

3.5.3 Data Collection

Primary data will be collected using a structured, self-administered survey hosted on Google Forms. The digital link will be distributed through peer-to-peer sharing and strategically selected online communities on Reddit such as r/southafrica, r/AskSouthAfrica, r/Capetown. Reddit was selected due to its ability to access a demographically broad and digitally literate population of app-based users who may have interacted with the Checkers Xtra Savings Plus programme.

To mitigate non-response bias, the survey link will also be shared via Facebook community groups, WhatsApp broadcast lists, and targeted university and alumni mailing lists to extend reach and improve response diversity.

The data collection process will begin following institutional ethical clearance and will remain open for a fixed time window. The survey starts with a consent form which explains research objectives and voluntary participation and data protection measures to participants. The research maintains complete participant anonymity because no personal information will be collected. All references to the Checkers Xtra Savings Plus programme are drawn exclusively from publicly available sources and participant-reported experiences, ensuring the investigation remains entirely consumer-focused without requiring formal permission from the brand.

The survey completion process includes a prize draw for a small cash prize to participants. Research shows that using this type of motivation leads to better garner response rates when implemented ethically and transparently (Saunders, Lewis & Thornhill, 2019:210).

3.5.4 Data Analysis

The data analysis process will begin by removing survey responses that show incomplete data or uniform answering patterns or signs of cognitive fatigue such as straight-lining or satisficing. The valid survey entries will receive both descriptive and multivariate statistical analysis through two distinct analytical phases.

The first step involves Exploratory Factor Analysis (EFA) to study dimensionality and understand how items group together around underlying constructs. The research method proves useful for behavioural studies because theoretical constructs often contain multiple sub-dimensions (Hair, Black, Babin & Anderson, 2017:41). The EFA results will show item loadings to develop a logical factor model.

The analysis will proceed to test structural paths between latent constructs after the model fit proves acceptable through Structural Equation Modelling (SEM).

Multiple complementary procedures will be used throughout to confirm internal consistency, construct robustness, and theoretical relevance (Sürücü & Maslakçi, 2020:2723).

3.5.1 Reliability and validity

The psychometric quality of the instrument will be evaluated through a structured assessment of reliability and validity. The criteria establish both consistency and accuracy of measured constructs, which leads to better credibility of research findings and their theoretical implications.

A research instrument demonstrates reliability when it generates consistent outcomes from repeated measurements under identical circumstances (Bougie & Sekaran, 2020:270). A reliable instrument produces measurements which are stable and coherent because it prevents erratic results from appearing in the data collection process (Bougie & Sekaran, 2020:270). The most popular method for evaluating internal consistency reliably uses Cronbach's alpha to establish the correlation between separate items that measure the same concept (Bougie & Sekaran, 2020:270).

Internal consistency for this research will be evaluated using Cronbach's alpha since scores above 0.7 indicate acceptable reliability (Bougie & Sekaran, 2020:271). The measurement of emotional and transactional loyalty depends on multi-item scales; thus, this assessment is essential. The evaluation of split-half reliability will test the instrument's uniformity by comparing the correlation between two halves of the item set (Bougie &

Sekaran, 2020:270-271).

The degree of response consistency will be evaluated using descriptive statistics, which include standard deviations and variances (Bougie & Sekaran, 2020:275). Unstable results would appear through high data variability, while narrow data distribution around the mean shows measurement reliability.

A valid instrument proves its ability to measure the specific concepts it claims to assess (Bougie & Sekaran, 2020:271). The method validates results by ensuring accurate and suitable conclusions from data analysis. The SEM analysis will test construct validity alongside convergent and discriminant validity within this research.

The survey items will be verified through an exploratory factor analysis to ensure they correctly load onto brand and consumer loyalty latent variables in a construct validity assessment. Each construct will demonstrate convergent validity through high inter-item correlations which show that expected related items associate with each other (Bougie & Sekaran, 2020:273). The discriminant validity test requires assessment of unrelated constructs such as brand attachment and price incentive to show they do not correlate at high levels, thus demonstrating conceptual distinctness.

Multiple assessment techniques will validate the study's results by showing reliable and consistent perceptions of loyalty mechanisms in subscription-based retail environments.

3.6 Survey Design

A research framework functions as more than a visual map of constructs; it is a logic model that binds conceptual assumptions to measurable outcomes. Bougie and Sekaran (2020:38-39) argue that any rigorous research process must begin with the clarification of abstract constructs, as these serve to translate intangible behaviours into structured variables. The survey instrument (see Appendix A.2) reflects this translation by operationalising the identified constructs through clearly defined scale items and ethically approved procedures (see Appendix A.3). The nature of constructs makes them impossible to observe directly. The constructs emerge from patterns in empirical behaviour which researchers interpret through multiple dimensions and indicators.

The research construct scaffolding appears in Figure 2. The framework originated from theoretical models presented in Chapter 2 and demonstrates the necessary layered structure to measure both behavioural observations and psychological mechanisms that drive loyalty development.

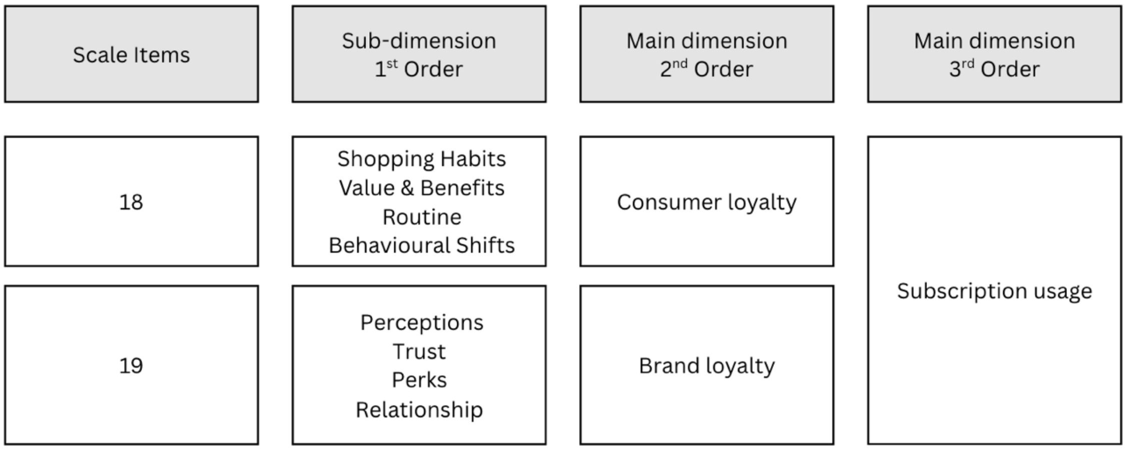

Figure 2: Dimension Outline.

As shown, first-order sub-dimensions represent specific behavioural or attitudinal factors such as Shopping Habits, Value and Benefits, Routine, Behavioural Shifts, Perceptions, Trust, Perks, and Relationship. These are grouped into second-order dimensions (consumer loyalty and brand loyalty) which each reflect a distinct strand of the loyalty experience. While consumer loyalty is more functional and tied to usage behaviours, brand loyalty captures emotional affinity and psychological attachment. Together, they inform the broader construct of subscription usage, which reflects how embedded the Checkers Xtra Savings Plus programme becomes in everyday consumer routines.

The framework uses structured survey statements to operationalise each scale item, which enables quantitative measurement of the discussed constructs. The model design combines depth through attitudinal substructure with breadth through behavioural repetition and preference.

The model includes true loyalty as its dependent construct, which represents actual loyal behaviour instead of superficial intentions. There are 5 dedicated scale items for true loyalty. The model measures true loyalty through observable shopping recurrence and channel consistency and basket volume and touchpoint engagement. The outcomes serve as direct evidence of continued engagement, especially in subscription-based retail operations.

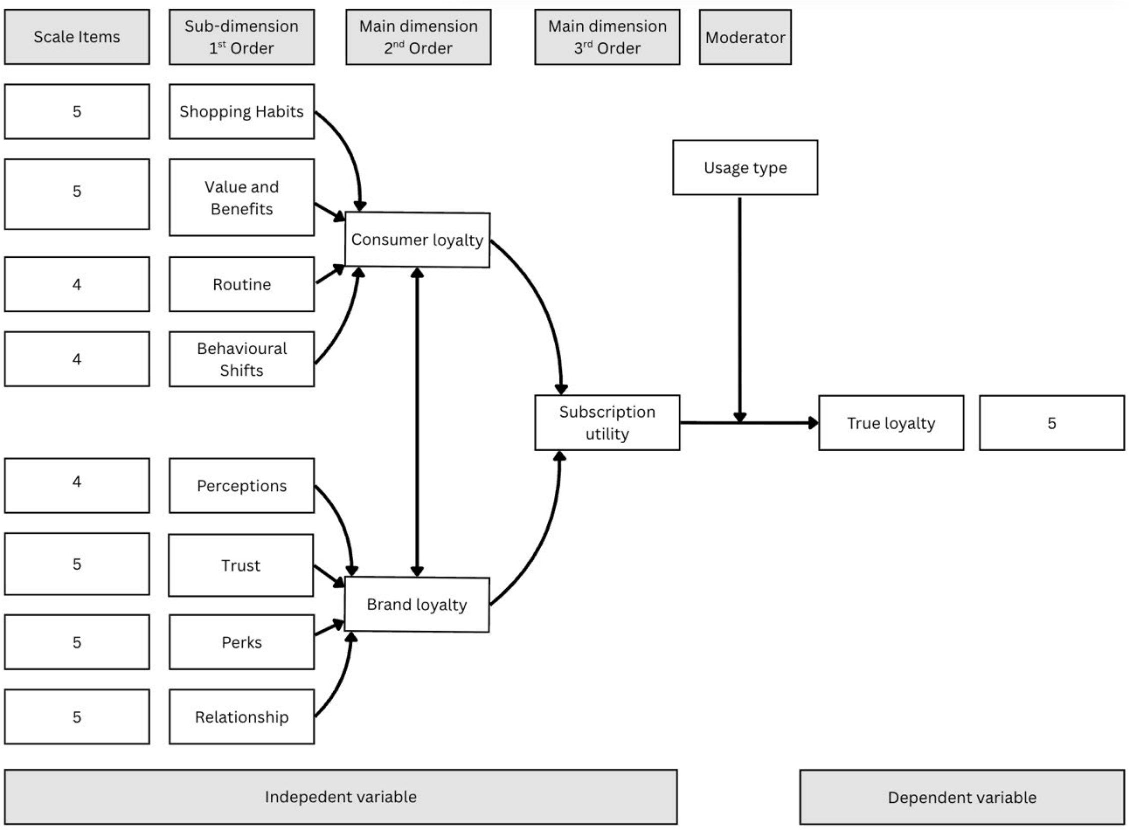

Figure 3: Scale Structure.

Figure 3 depicts how each dimension is connected, with subscription utility mediating the link between loyalty constructs and behavioural loyalty outcomes. The variable usage type is integrated as a moderator, enabling the analysis to explore whether frequency of interaction amplifies or dampens the effect of loyalty drivers on behavioural output. While not included as standalone constructs in the original propositions, indicators such as shopping recurrence, channel consistency, basket volume, and touchpoint engagement are treated as observable measures of the broader True Loyalty construct introduced during scale operationalisation.

The scale logic was used to guide the survey design. Each item corresponds to a specific construct and reflects either behavioural frequency, attitudinal strength, or usage consistency. The alignment between metrics and research objectives enables clear analytical results that fulfil the research purpose.

The following section explains the boundaries of this framework through its limitations and delimitations. The proper interpretation of findings requires understanding these factors to maintain appropriate caution and context.

3.7 Limitations

The research design includes deliberate elements to achieve its goals, yet researchers need to recognise unavoidable limitations in their study.

The online self-administered survey method creates potential sampling bias as a result. The survey participants who use Reddit for distribution may not accurately represent the entire Checkers customer demographic. For example, the typical Reddit user in South Africa tends to skew younger, urban, and digitally literate: traits that may correlate with specific attitudes toward subscription-based loyalty programmes. This could inadvertently limit the diversity of responses. As Bougie and Sekaran (2020:157) point out, non-response bias may arise when certain subgroups opt out, creating gaps in representation that affect generalisability.

This research deploys a single-method approach. While a quantitative approach is suited to maintain internal coherence and methodological clarity, it prevents the use of qualitative methods like interviews or focus groups for triangulation. The data collection methods might reveal patterns, but they fail to uncover the deeper consumer motivations which open-ended interviews could better reveal (Keong & Husin, 2023:5859).

The decision to use a cross-sectional design is another practical but limiting choice. Data will be gathered at one point in time, which restricts the ability to observe behavioural change or delayed loyalty effects. As noted by Bougie and Sekaran (2020:112), while such designs are efficient, they cannot support causal inference or trend mapping.

The convenience sampling method introduces another limitation to the research. The method allows researchers to access willing participants, but it might prevent less active individuals who do not use the internet or live outside the Western Cape from participating. The study will attempt to minimise this limitation by distributing the survey through WhatsApp networks and Facebook community groups that focus on grocery deals and regional lifestyle content.

Taken together, these limitations do not undermine the value of the findings but rather contextualise their scope, encouraging appropriate caution in interpretation and application.

3.8 Delimitations

To remain focused and manageable, this research has been intentionally limited in scope through several clear delimitations.

The research investigates the Checkers Xtra Savings Plus programme as its sole focus. The research study focuses exclusively on the Checkers Xtra Savings Plus programme without including any other loyalty models from competitors or coalitions. The research team chose this focus because Checkers Xtra Savings Plus stands as a leading programme in South African retail (Shoprite Holdings, 2023) and because its subscription model provides valuable insights into emotional and transactional loyalty.

The research investigates two loyalty types, which are emotional and transactional. The research excludes cognitive and habitual loyalty constructs because the investigators wanted to achieve theoretical clarity and minimise instrument complexity. The research includes identification, convenience, and perceived value as antecedents that lead to loyalty outcomes.

Geographically, the research is limited to the Western Cape. This urbanised region offers high mobile penetration, consistent internet access, and a concentration of digitally engaged consumers - conditions that support reliable data collection through online channels.

Finally, the research excludes non-subscribers and inactive users. Only active Xtra Savings Plus members will be surveyed, ensuring that loyalty attitudes and behaviours are grounded in recent and relevant experience.

These delimitations are not seen as weaknesses but rather as decisions that allow for tighter alignment between the research aim, its theoretical model, and the data collection strategy.

3.9 Ethical Considerations

Research ethics defines the moral rules which apply to designing research studies as well as conducting experiments and publishing results (Bougie & Sekaran, 2020:159). For surveys, Bougie and Sekaran (2020:159) outline several rules that should be followed for ethical purposes. This research adheres to those rules:

- All participant information will be treated as strictly confidential. No personally identifiable data will be collected. Completed responses will remain inaccessible to any third party, including internal stakeholders, and will be deleted after five years from the collection date.

- No intrusive or personal scale items will be included. Where behavioural indicators such as trust or satisfaction are measured, they will be asked using neutral language and only for reasonable theoretical purposes.

- Participation will be voluntary, and participants hold the right to withdraw at any moment. This will be outlined in the survey description.

- No participant will be forced to complete the survey and may end participation at any moment.

- Survey invitations will adhere to the relevant distribution channels' anti-spam legislation and community guidelines.

- This research will be from an objective perspective and impose no distortion or manipulation of results. Results will be collected via an online survey platform in which no participant results can be altered.

Hofstee (2006:118) states research must adhere to the relevant institute's ethical guidelines; thus, ethical clearance from the Independent Institute of Education' ethical clearance will be obtained before any survey distribution commences.

3.10 Conclusion

The third research objective required transforming theoretical findings into a practical scale instrument. This chapter concentrated on creating the measurement instrument which would assess how loyalty programme features affect consumer loyalty and brand equity perceptions. The analytical core of the model consisted of hypotheses which directly derived from the earlier propositions.

The chapter established each construct through validated scale items that were chosen for their relevance and modified for the South African retail environment. The ontological and epistemological stance led to the adoption of a mono-method quantitative design because it supports the measurement of observable construct relationships with consistency. The project adopted a cross-sectional survey design because it provided structured findings while keeping the research duration within reasonable limits.

Each methodological choice, from the sampling frame to the selection of statistical procedures, was shaped by both the conceptual intent and the practical constraints of implementation. Careful emphasis was placed on ensuring reliability, validating construct structure, and embedding ethical safeguards at every stage. The resulting framework does not simply support data collection; it operationalises the key dimensions of the research model in a way that appears both theoretically sound and methodologically coherent.

Chapter 3 has therefore provided the set of methods for turning the learnings of largely international literature into insightful data with a Western Cape sample.

CHAPTER 4: RESEARCH RESULTS

4.1 Introduction

The analysis starts by assigning codes to each construct to maintain conceptual framework consistency with upcoming statistical procedures. The first requirement requires a framework to be created which transforms data into descriptive statistics that show how responses distribute across different items. The summary showcases both the average values in the data and how participants interacted with the instrument.

The assessment moves to analyse the connections between the studied constructs after completing the first review. The first correlation results enable to be detected through their direction and strength before they proceed with advanced modelling techniques. These patterns are approached with caution because correlation between variables does not prove that one causes the other.

The principal stage of analysis makes use of structural equation modelling (SEM). This method allows several latent relationships to be examined at once, while also testing how accurately the measurement model represents its theoretical structure. The evaluation of reliability and validity occurs through two methods, which include internal consistency indicators and convergent and discriminant property assessments. The verification process establishes measurement system credibility, which enables reliable interpretation of future data.

Each hypothesis is then revisited considering both the statistical outcomes and their theoretical plausibility. The chapter concludes by presenting a summary table which connects the research objectives to analytical results to determine which null hypotheses can be rejected and which remain valid based on the collected data.

4.2 Population and Sample Size

The target population and sampling design were defined in Chapter 3 to maintain alignment with this research's aim of exploring consumers' perceptions of Xtra Savings Plus. Accordingly, the population comprised active subscribers of Checkers' Xtra Savings Plus programme residing in the Western Cape.

This group represents the relevant consumer segment through which this research could explore whether subscription-based loyalty mechanisms influence loyalty dimensions such as transactional and emotional loyalty.

A total of 146 responses were initially recorded, with Reddit being designated as the primary distribution channel. This would later be redacted due to subreddit compliance breaches. Instead, large lifestyle estates within the Western Cape were identified, and paper QR codes were distributed to residents. 300 paper QR codes were distributed across these lifestyle estates:

Lifestyle estate	Area
Avalon estate.	Durbanville, Cape Town.
Sagewood estate.	Table View, Cape Town.
Sitari Country estate.	Somerset West, Cape Town.
Blue Mountain Village estate.	Central Close, George.
Rheebok Village estate.	Reebok.

Table 6: Lifestyle estate locations

Minor data procedures were then conducted to remove incomplete or invalid submissions and exclude respondents who indicated they were not subscribed to the Xtra Savings Plus programme. After data cleaning, 134 valid responses remained, forming the final dataset used for analysis.

Figure 4 illustrates the screening outcome, showing that 91.8% of respondents (n = 134) were confirmed subscribers, while 8.2% (n = 12) were excluded from further analysis.

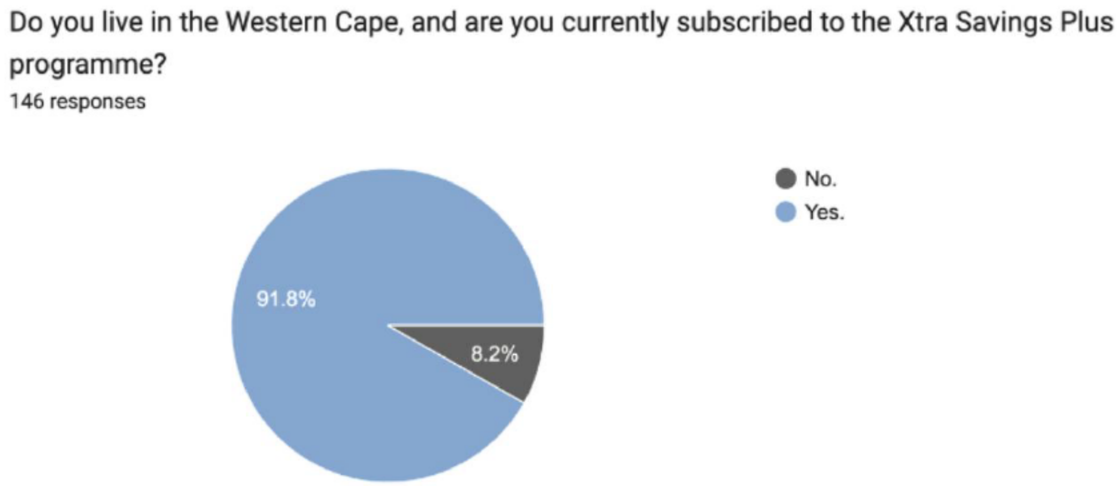

Figure 4: Survey screening

The resulting sample was therefore scientifically adequate for the planned analyses. In quantitative behavioural research, sample adequacy is often evaluated in relation to the number of observed variables rather than the total population size (Field, 2009:647; Bougie & Sekaran, 2020:223). With 134 valid observations and 9 measured components, the achieved ratio of 15:1 exceeds the minimum threshold of five cases per variable, satisfying recommended norms for structural equation modelling.

Consequently, the analysis proceeded using the cleaned dataset of 134 responses, which provides a robust empirical foundation for the descriptive, correlational, and structural analyses presented in the subsequent sections.

4.3 Scale Assessment

At this stage of the research, attention turns to the empirical assessment of the conceptual model developed in Chapter 3.

This assessment commenced with the codification of the first-order constructs outlined in the model, for which descriptive statistics were employed to summarise the dataset and to assess the central tendencies and variability across each scale item. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity were performed to determine if the data met the requirements for factor analysis. An Exploratory Factor Analysis (EFA) was subsequently performed; however, given the number of extracted factors observed, a Monte Carlo Parallel Analysis was conducted to determine the optimal number of factors to retain.

4.3.1 Propositions, Hypotheses, Conceptual Model and Coding.

Table 7 showcases the propositions and hypotheses as articulated in chapters 2 and 3, respectively.

Propositions	Hypotheses
1. Subscription-based loyalty programme mechanisms are positively, but moderately correlated with consumer loyalty.	**H1:** Shopping habits are positively associated with higher levels of consumer loyalty. **H2:** Value & benefits are positively associated with consumer loyalty through increased utilitarian satisfaction. **H3:** Routine is positively associated with consumer loyalty, reflecting reinforcement of purchase behaviour.
2. Consumer loyalty is positively and strongly correlated with perceived brand equity.	**H9:** Higher levels of consumer loyalty are positively associated with perceived brand equity.
3. The effectiveness of subscription-based loyalty mechanisms is enhanced when programme attributes align with the consumer's dominant loyalty orientation.	**H4:** Behavioural shifts are positively associated with consumer loyalty, indicating lock-in effects. **H7:** Perks are positively associated with consumer loyalty by creating a sense of privilege and exclusivity.
4. Transparency and perceived fairness in programme design are positively correlated with emotional loyalty.	**H5:** Perceptions of fairness, transparency, and programme clarity are positively associated with consumer loyalty. **H6:** Trust in the retailer and its subscription programme is positively associated with consumer loyalty.
5. Subscription-based programmes that offer community-orientated or socially embedded features are positively correlated with emotional loyalty.	**H8:** Relationship quality is positively associated with consumer loyalty by reinforcing affective attachment and commitment.

Table 7: Propositions and hypotheses

Table 8 provides an overview of all scale items and their description. Scale items are grouped into sections defined by key constructs identified in chapter 2.

Scale Item	Description
SH1	I choose Sixty60 so I can avoid going to malls or physical stores.
SH2	The delivery fee rebate was important in my decision to subscribe to Xtra Savings Plus.
SH3	The access to exclusive Xtra deals was important in my decision to subscribe to Xtra Savings Plus.
SH4	I find myself shopping more frequently at Checkers since subscribing to Xtra Savings Plus.
SH5	I shop less frequently at competitor supermarkets since having Xtra Savings Plus.
VB1	The value-for-money aspect of Xtra Savings Plus is clear to me.
VB2	I use Sixty60 mostly for my monthly shopping.
VB3	I use Sixty60 mostly for small top-up shopping.
VB4	The features of Xtra Savings Plus match my shopping habits.
VB5	I will renew my subscription to Xtra Savings Plus based on current benefits.
RE1	I would consistently shop through Sixty60 without the subscription to Xtra Savings Plus.
RE2	I enjoy the shopping experience through the Sixty60 app.
RE3	I shop on Sixty60 out of habit rather than active preference.
RE4	The free gifts or benefits included in the programme influence my loyalty.
BS1	I now prefer app-based grocery shopping to in-store shopping.
BS2	Since subscribing to Xtra Savings Plus, I have reduced impulse purchases at convenience stores.
BS3	The Sixty60 app makes me feel like a more efficient shopper.
BS4	I rely more on Checkers now for regular purchases than I used to.
PS1	Xtra Savings Plus makes Checkers stand out from its competitors.
PS2	Xtra Savings Plus feels modern and innovative.
PS3	Xtra Savings Plus offers consistently good value.
PS4	I would miss Xtra Savings Plus if it were no longer available.
TT1	I find it inconvenient to shop elsewhere now.
TT2	Checkers receives most of my monthly grocery budget.
TT3	Switching to another brand would be disruptive for me.
TT4	Paying for Xtra Savings Plus discourages me from trying other brands.
TT5	I make more repeat purchases with Checkers now that I've subscribed to Xtra Savings Plus.
PK1	The subscription to Xtra Savings Plus enhances my trust in Checkers.
PK2	My subscription to Xtra Savings Plus creates a sense of connection with Checkers.
PK3	I appreciate the personalisation and attention in my Sixty60 app interactions.
PK4	I enjoy the surprise and delight features such as gifts and rewards I get occasionally from Sixty60.
PK5	The service reinforces my preference for Checkers over other brands.
RP1	I speak positively about Sixty60 to friends and family.
RP2	I would recommend Xtra Savings Plus to others.
RP3	Checkers is my first choice when talking about online groceries.
RP4	I share my positive experiences with Sixty60 on social media.
RP5	I feel proud to be a Checkers customer.
TT1	I trust Checkers more now than before I subscribed to Xtra Savings Plus.
TT2	My trust in Checkers is growing the longer I stay subscribed to Xtra Savings Plus.
TT3	I feel loyal to Checkers due to the subscription benefits of Xtra Savings Plus.
TT4	Xtra Savings Plus makes me feel more valued as a customer.
TT5	I have recommended the Xtra Savings Plus subscription to others.

Table 8: Scale item descriptions

This table can be escalated one stage further to showcase exactly which theoretical concepts each of the scale items relate to, as well as the relevant codes assigned to said scale items. These codes will be used to describe a particular scale item in both chapters 4 and 5.

Codified Scale Items				
Independent Variable		**Dimension Order**	**Scale Items**	**Code Assigned**
Subscription utility		**3rd order**		**SU [CL, BL]**
Consumer loyalty		**2nd order**	**18**	**CL [CL.SH, CL.VB, CL.RE, CL.BS]**
1.1	Shopping habits	**1st order**	5	CL.SH [SH_1, SH_2, SH_3, SH_4, SH_5]
1.2	Value and benefits		5	CL.VB [VB_1, VB_2, VB_3, VB_4, VB_5]
1.3	Routine		4	CL.RE [RE_1, RE_2, RE_3, RE_4]
1.4	Behavioural shifts		4	CL.BS [BS_1, BS_2, BS_3, BS_4]
Brand loyalty		**2nd order**	**20**	**BL [BL.PS, BL.TT, BL.PK, BL.RP]**
2.1	Perceptions	**1st order**	4	BL.PS [PS _1, PS _2, PS _3, PS _4]
2.2	Trust		5	BL.TT [TT _1, TT _2, TT _3, TT _4, TT _5]
2.3	Perks		5	BL.PK [PK _1, PK _2, PK _3, PK _4, PK _5]
2.4	Relationship		5	BL.RP [RP _1, RP _2, RP _3, RP _4, RP _5]
Dependent Variable		**Dimension Order**	**Scale Items**	**Code Assigned**
True loyalty			**5**	**TL [TL]**
3.1	True loyalty		5	TL [TL_1, TL_2, TL_3, TL_4, TL_5]

Table 9: Codified scale items

4.3.2 Descriptive statistics.

Descriptive statistics form the first analytical stage of data examination and provide an overview of how the observed responses align with the assumptions of normal distribution (Pallant, 2020:57). Measures of central tendency and dispersion, namely, the mean and standard deviation, describe the general pattern of responses and the degree to which participants' answers vary around the mean (Field, 2013:55). These indicators are supplemented by skewness and kurtosis, which together evaluate the symmetry and shape of the response distributions (Field, 2013:57).

Skewness assesses whether responses are evenly distributed around the mean. This concentration of high values corresponds to a set of positive kurtosis scores, most notably VB_3 (4.889) and SH_3 (2.822), indicating moderately peaked distributions in which participants' evaluations converged around similar high-agreement responses (Field, 2013:141).

Within the Routine (RE_1-RE_4) and Behavioural Shifts (BS_1-BS_4) constructs, the means remain stable (3.3-4.1), and the distributions exhibit mild negative skewness coupled with positive kurtosis (e.g., BS_4 = 3.126), reflecting slight clustering toward agreement and some peakiness in response concentration. The Perceptions (PS_1-PS_4) and Trust (TT_1-TT_5) dimensions maintain this pattern, showing high mean scores (around 4.1) with kurtosis values extending up to TT_2 (2.649) and TT_5 (1.615), suggesting sharper peaks in participant consensus (Hair et al., 2022:66).

A small number of items depart from this overall trend. The variable RP_4 (M = 2.50; skewness = 0.308) displays a modest right-skewed shape, implying relatively fewer high-agreement responses for social-sharing behaviour. Conversely, VB_4 and VB_5, with means of 3.16 and 3.58 respectively, exhibit flatter, less concentrated distributions (kurtosis = -1.589 and -1.894), indicating greater variability in perceived renewal motivation and benefit sensitivity (Field, 2013:141).

Descriptive Statistics

Scale Item	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
SH_1	134	1	5	4,25	879	-1,717	209	3,660	416
SH_2	134	1	5	3,57	1,253	-713	209	-581	416
SH_3	134	1	5	4,41	825	-1,629	209	2,822	416
SH_4	133	1	5	4,26	843	-1,303	210	1,865	417
SH_5	134	1	5	4,05	999	-1,117	209	864	416
VB_1	134	2	5	4,31	730	-1,036	209	1,231	416
VB_2	133	2	5	4,25	732	-895	210	945	417
VB_3	133	1	5	4,50	794	-1,994	210	4,889	417
VB_4	133	1	5	3,16	1,397	441	210	-1,589	417
VB_5	134	1	5	3,58	1,473	-135	209	-1,894	416
RE_1	134	1	5	3,38	1,320	-255	209	-1,150	416
RE_2	134	1	5	4,13	964	-1,092	209	552	416
RE_3	134	1	5	3,28	1,248	-437	209	-841	416
RE_4	133	1	5	3,85	1,104	-1,136	210	1,015	417
BS_1	134	1	5	4,11	955	-1,384	209	2,079	416
BS_2	134	1	5	3,98	1,000	-1,009	209	622	416
BS_3	134	1	5	3,99	938	-707	209	-73	416
BS_4	134	1	5	4,22	906	-1,567	209	3,126	416
PS_1	134	2	5	4,28	742	-1,072	209	1,417	416
PS_2	134	2	5	4,26	745	-909	209	798	416
PS_3	134	1	5	4,16	707	-1,024	209	2,810	416
PS_4	134	1	5	4,19	777	-1,022	209	1,738	416
TT_1	134	1	5	3,92	1,012	-1,116	209	881	416
TT_2	134	1	5	4,25	915	-1,544	209	2,649	416
TT_3	134	1	5	4,01	922	-1,009	209	942	416
TT_4	134	1	5	3,84	1,035	-905	209	312	416
TT_5	134	1	5	4,24	815	-1,144	209	1,615	416
PK_1	134	1	5	4,13	789	-882	209	1,265	416
PK_2	134	1	5	4,04	789	-719	209	932	416
PK_3	134	2	5	4,02	770	-239	209	-745	416
PK_4	134	1	5	4,31	797	-1,061	209	1,193	416
PK_5	133	1	5	4,25	811	-1,091	210	1,431	417
RP_1	134	2	5	4,40	613	-683	209	568	416

RP_2	134	2	5	4,33	691	-817	209	574	416
RP_3	134	1	5	4,43	818	-1,792	209	3,965	416
RP_4	134	1	5	2,50	1,375	308	209	-1,218	416
RP_5	134	1	5	4,10	912	-814	209	422	416
TL_1	134	1	5	3,97	858	-813	209	1,019	416
TL_2	134	1	5	4,03	840	-906	209	1,381	416
TL_3	134	1	5	3,98	969	-1,363	209	2,191	416
TL_4	134	1	5	4,01	845	-849	209	1,202	416
TL_5	134	1	5	4,25	890	-1,563	209	2,987	416

Table 10: Descriptive statistics

These descriptive stats thus allow for exploratory factor analysis to begin.

4.3.2 Exploratory factor analysis.

The purpose of the exploratory factor analysis (EFA) was to uncover whether the measured items converged around shared latent dimensions that might explain broader behavioural tendencies among respondents. Factor analysis, as Field (2009:628) observes, assists researchers in reducing large sets of interrelated variables into smaller clusters that represent underlying patterns of thought or behaviour. In contexts where constructs such as loyalty or trust cannot be observed directly, this approach allows correlations among indicators to reveal the unseen variables that organise them (Field, 2009:629).

Rather than isolating constructs, the analysis examined all scale items together, since consumer and brand loyalty dimensions were theoretically aligned and likely to overlap in practice. Examination of the correlation matrix showed that inter-item relationships were sufficiently strong, with numerous coefficients exceeding 0.30, a level generally accepted as suitable for factor analysis (Field, 2009:629). Indicators of sampling adequacy reinforced this suitability. The Kaiser-Meyer-Olkin (KMO) value surpassed the 0.60 guideline, reflecting that shared variance among items was adequate for identifying latent patterns. Likewise, Bartlett's test of sphericity achieved statistical significance ($p < 0.05$), implying that the observed correlations were unlikely to be random occurrences (Field, 2009:647; 660).

Once these assumptions were met, factor extraction was guided by several complementary criteria. Kaiser's eigenvalue rule, the visual inflection point on the scree plot, and results from the Monte Carlo parallel analysis were compared to determine the most defensible factor solution (Field, 2009:639-641; 664). While the original conceptual model outlined nine potential constructs, the empirical results indicated that a more concise structure provided a clearer and statistically coherent representation of the data.

The convergence of evidence across these tests suggested the retention of four core factors, each representing a meaningful consolidation of related variables. This finding implies that within this context, consumer loyalty behaviour may be shaped by a smaller number of integrated perceptions rather than the larger set of discrete categories proposed at the outset.

The inter-item correlations summarised in Table 11 indicate that many of the variables shared meaningful associations, with several coefficients surpassing the 0.30 guideline commonly considered sufficient to justify factor analysis (Field, 2009:629). To further assess whether the dataset was appropriate for dimensional reduction, measures of sampling adequacy and sphericity were examined.

Correlation Matrix																																										
	SH_1	SH_2	SH_3	SH_4	SH_5	VB_1	VB_2	VB_3	VB_4	VB_5	RE_1	RE_2	RE_3	RE_4	BS_1	BS_2	BS_3	BS_4	PS_1	PS_2	PS_3	PS_4	TT_1	TT_2	TT_3	TT_4	TT_5	PK_1	PK_2	PK_3	PK_4	PK_5	RP_1	RP_2	RP_3	RP_4	RP_5	TL_1	TL_2	TL_3	TL_4	TL_5
SH_1	1	0.215	-0.013	0.05	0.178	0.225	0.21	-0.044	-0.025	0.191	0.09	0.264	0.126	0.065	0.354	0.063	0.102	0.199	0.212	0.121	0.076	0.117	0.099	0.187	0.139	0.215	0.059	0.228	0.114	0.128	0.161	0.232	0.035	0.116	0.105	0.058	0.134	0.135	0.206	0.223	0.145	-0.007
SH_2	0.215	1	0.062	0.237	0.258	0.134	0.239	0.182	-0.054	0.025	-0.095	0.11	0.347	0.355	0.37	0.152	0.219	0.364	0.216	0.14	0.085	0.151	0.372	0.464	0.369	0.222	0.278	0.288	0.188	0.107	0.205	0.205	0.095	0.163	0.13	0.093	0.14	0.122	0.168	0.234	0.203	0.244
SH_3	-0.013	0.062	1	0.053	0.143	0.236	0.195	0.05	0.004	0.143	0.132	0.175	0.067	0.097	0.072	-0.021	0.087	0.04	-0.031	0.024	0.012	0.067	0.154	0.118	0.092	-0.007	0.046	0.199	-0.078	0.035	0.107	0.111	0.162	0.107	0.081	0.022	-0.046	0.187	0.184	0.059	0.121	0.203
SH_4	0.05	0.237	0.053	1	0.322	0.085	0.321	0.317	0.136	0.187	-0.042	0.035	0.119	0.16	0.265	0.12	0.189	0.406	0.212	0.262	0.306	0.346	0.348	0.256	0.291	0.182	0.333	0.23	0.339	0.254	0.205	0.337	0.182	0.273	0.322	0.129	0.195	0.254	0.235	0.247	0.135	0.357
SH_5	0.178	0.258	0.143	0.322	1	0.18	0.164	0.193	0.062	0.122	0.035	0.316	0.147	0.147	0.206	0.235	0.275	0.38	0.324	0.294	0.118	0.159	0.534	0.376	0.416	0.27	0.321	0.407	0.295	0.151	0.21	0.448	0.194	0.258	0.256	0.044	0.246	0.275	0.292	0.244	0.165	0.234
VB_1	0.225	0.134	0.236	0.085	0.18	1	0.415	0	-0.029	0.267	0.237	0.325	-0.022	0.016	0.154	0.113	0.298	0.213	0.166	0.301	0.283	0.229	0.19	0.154	0.174	0.034	0.256	0.359	0.16	0.086	0.206	0.287	0.347	0.341	0.167	0.195	0.274	0.287	0.245	0.184	0.302	0.358
VB_2	0.21	0.239	0.195	0.321	0.164	0.415	1	0.243	-0.037	0.187	-0.036	0.189	0.023	0.109	0.267	0.296	0.302	0.401	0.245	0.348	0.256	0.382	0.273	0.167	0.354	0.098	0.212	0.404	0.241	0.26	0.265	0.401	0.329	0.316	0.128	0.061	0.162	0.249	0.324	0.257	0.375	0.294
VB_3	-0.044	0.182	0.05	0.317	0.193	0	0.243	1	0.06	0.113	-0.174	0.09	0.085	0.094	0.274	0.19	0.225	0.363	0.142	0.061	0.007	0.148	0.262	0.257	0.341	0.146	0.243	0.055	0.07	0.082	0.061	0.18	0.218	0.123	0.12	-0.058	-0.032	0.146	0.11	0.078	-0.079	0.062
VB_4	-0.025	-0.054	0.004	0.136	0.062	-0.029	-0.037	0.06	1	-0.028	0.073	0.127	-0.014	-0.03	0.095	-0.029	0.118	0.032	0.001	0.066	0.09	0.131	-0.049	0.047	-0.14	-0.258	0.062	-0.039	0.11	0.143	0.132	-0.019	0.096	0.203	0.031	0.114	-0.043	0.08	0.189	0.089	0.053	0.05
VB_5	0.191	0.025	0.143	0.187	0.122	0.267	0.187	0.113	-0.028	1	0.148	0.187	-0.208	-0.111	0.186	0.082	0.103	0.221	0.174	0.214	0.274	0.363	0.101	0.202	0.031	-0.079	0.224	0.01	-0.094	0.111	0.044	0.059	0.184	0.345	0.208	-0.102	0.115	0.086	0.12	0.082	0.074	0.178
RE_1	0.09	-0.095	0.132	-0.042	0.035	0.237	-0.036	-0.174	0.073	0.148	1	0.325	-0.12	-0.225	-0.018	-0.189	-0.054	-0.136	-0.058	-0.019	0.115	0.08	-0.068	0.064	0.036	-0.088	0.147	-0.08	-0.017	0.069	0.007	0.005	0.051	0.113	0.133	0.09	0.218	-0.031	-0.011	-0.097	-0.045	0.016
RE_2	0.264	0.11	0.175	0.035	0.316	0.325	0.189	0.09	0.127	0.187	0.325	1	0.084	0.045	0.235	0.115	0.213	0.185	0.304	0.287	0.129	0.104	0.169	0.197	0.111	0.018	0.234	0.229	0.272	0.285	0.16	0.24	0.32	0.22	0.308	-0.041	0.268	0.181	0.178	0.135	0.155	0.1
RE_3	0.126	0.347	0.067	0.119	0.147	-0.022	0.023	0.085	-0.014	-0.208	-0.12	0.084	1	0.429	0.18	0.083	0.092	0.169	0.138	-0.003	0.007	0.16	0.241	0.087	0.118	0.303	0.081	0.371	0.239	-0.007	0.118	0.131	-0.032	0.066	-0.093	0.155	0.061	0.296	0.218	0.249	0.178	0.252
RE_4	0.065	0.355	0.097	0.16	0.147	0.016	0.109	0.094	-0.03	-0.111	-0.225	0.045	0.429	1	0.156	0.147	0.271	0.331	0.289	0.248	0.182	0.107	0.277	0.253	0.38	0.468	0.289	0.45	0.361	0.087	0.346	0.371	0.126	0.071	0.214	0.003	0.126	0.338	0.355	0.361	0.236	0.161
BS_1	0.354	0.37	0.072	0.265	0.206	0.154	0.267	0.274	0.095	0.186	-0.018	0.235	0.18	0.156	1	0.283	0.482	0.452	0.315	0.172	0.285	0.302	0.373	0.242	0.313	0.196	0.16	0.286	0.107	0.196	0.23	0.28	0.085	0.244	0.132	-0.036	0.022	0.242	0.213	0.31	0.098	0.191
BS_2	0.063	0.152	-0.021	0.12	0.235	0.113	0.296	0.19	-0.029	0.082	-0.189	0.115	0.083	0.147	0.283	1	0.532	0.303	0.222	0.201	0.193	0.126	0.279	0.156	0.172	0.131	0.133	0.202	0.262	0.083	0.211	0.142	0.055	0.071	0.042	-0.083	0.027	0.144	0.161	0.238	0.189	0.12
BS_3	0.102	0.219	0.087	0.189	0.275	0.298	0.302	0.225	0.118	0.103	-0.054	0.213	0.092	0.271	0.482	0.532	1	0.396	0.307	0.31	0.343	0.248	0.3	0.132	0.378	0.275	0.295	0.329	0.205	0.158	0.254	0.359	0.087	0.247	0.179	-0.087	0.036	0.337	0.351	0.393	0.251	0.164
BS_4	0.199	0.364	0.04	0.406	0.38	0.213	0.401	0.363	0.032	0.221	-0.136	0.185	0.169	0.331	0.452	0.303	0.396	1	0.386	0.269	0.329	0.305	0.449	0.361	0.276	0.229	0.332	0.321	0.186	0.13	0.262	0.461	0.307	0.325	0.334	-0.003	0.026	0.255	0.265	0.274	0.214	0.196
PS_1	0.212	0.216	-0.031	0.212	0.324	0.166	0.245	0.142	0.001	0.174	-0.058	0.304	0.138	0.289	0.315	0.222	0.307	0.386	1	0.469	0.292	0.168	0.345	0.268	0.405	0.319	0.256	0.418	0.305	0.198	0.169	0.412	0.288	0.25	0.338	-0.236	0.144	0.296	0.247	0.401	0.218	0.231
PS_2	0.121	0.14	0.024	0.262	0.294	0.301	0.348	0.061	0.066	0.214	-0.019	0.287	-0.003	0.248	0.172	0.201	0.31	0.269	0.469	1	0.376	0.246	0.258	0.177	0.302	0.202	0.335	0.384	0.28	0.341	0.316	0.491	0.305	0.343	0.183	-0.044	0.171	0.259	0.36	0.229	0.301	0.277
PS_3	0.076	0.085	0.012	0.306	0.118	0.283	0.256	0.007	0.09	0.274	0.115	0.129	0.007	0.182	0.285	0.193	0.343	0.329	0.292	0.376	1	0.552	0.25	0.293	0.331	0.247	0.391	0.194	0.197	0.179	0.284	0.355	0.365	0.425	0.221	0.127	0.242	0.33	0.283	0.317	0.241	0.365
PS_4	0.117	0.151	0.067	0.346	0.159	0.229	0.382	0.148	0.131	0.363	0.08	0.104	0.16	0.107	0.302	0.126	0.248	0.305	0.168	0.246	0.552	1	0.245	0.223	0.262	0.116	0.414	0.237	0.165	0.323	0.26	0.237	0.255	0.48	0.18	0.102	0.173	0.342	0.31	0.304	0.337	0.432
TT_1	0.099	0.372	0.154	0.348	0.534	0.19	0.273	0.262	-0.049	0.101	-0.068	0.169	0.241	0.277	0.373	0.279	0.3	0.449	0.345	0.258	0.25	0.245	1	0.452	0.518	0.438	0.234	0.437	0.395	0.083	0.264	0.392	0.23	0.28	0.208	0.092	0.199	0.346	0.33	0.365	0.273	0.283
TT_2	0.187	0.464	0.118	0.256	0.376	0.154	0.167	0.257	0.047	0.202	0.064	0.197	0.087	0.253	0.242	0.156	0.132	0.361	0.268	0.177	0.293	0.223	0.452	1	0.429	0.278	0.396	0.233	0.205	0.163	0.244	0.376	0.32	0.342	0.307	0.112	0.297	0.168	0.182	0.149	0.146	0.296
TT_3	0.139	0.369	0.092	0.291	0.416	0.174	0.354	0.341	-0.14	0.031	0.036	0.111	0.118	0.38	0.313	0.172	0.378	0.276	0.405	0.302	0.331	0.262	0.518	0.429	1	0.591	0.351	0.422	0.373	0.216	0.302	0.54	0.297	0.207	0.333	0.053	0.24	0.241	0.252	0.384	0.281	0.249
TT_4	0.215	0.222	-0.007	0.182	0.27	0.034	0.098	0.146	-0.258	-0.079	-0.088	0.018	0.303	0.468	0.196	0.131	0.275	0.229	0.319	0.202	0.247	0.116	0.438	0.278	0.591	1	0.268	0.435	0.378	0.053	0.244	0.479	0.091	0.082	0.183	0.064	0.167	0.353	0.269	0.449	0.163	0.129
TT_5	0.059	0.278	0.046	0.333	0.321	0.256	0.212	0.243	0.062	0.224	0.147	0.234	0.081	0.289	0.16	0.133	0.295	0.332	0.256	0.335	0.391	0.414	0.234	0.396	0.351	0.268	1	0.228	0.218	0.144	0.409	0.456	0.328	0.397	0.386	0.077	0.302	0.272	0.318	0.273	0.139	0.339
PK_1	0.228	0.288	0.199	0.23	0.407	0.359	0.404	0.055	-0.039	0.01	-0.08	0.229	0.371	0.45	0.286	0.202	0.329	0.321	0.418	0.384	0.194	0.237	0.437	0.233	0.422	0.435	0.228	1	0.565	0.313	0.397	0.561	0.221	0.345	0.144	0.134	0.283	0.519	0.477	0.44	0.461	0.399
PK_2	0.114	0.188	-0.078	0.339	0.295	0.16	0.241	0.07	0.11	-0.094	-0.017	0.272	0.239	0.361	0.107	0.262	0.205	0.186	0.305	0.28	0.197	0.165	0.395	0.205	0.373	0.378	0.218	0.565	1	0.367	0.452	0.397	0.198	0.257	0.238	0.17	0.409	0.368	0.338	0.337	0.519	0.28
PK_3	0.128	0.107	0.035	0.254	0.151	0.086	0.26	0.082	0.143	0.111	0.069	0.285	-0.007	0.087	0.196	0.083	0.158	0.13	0.198	0.341	0.179	0.323	0.083	0.163	0.216	0.053	0.144	0.313	0.367	1	0.342	0.271	0.256	0.372	0.244	-0.033	0.13	0.145	0.161	0.214	0.325	0.223
PK_4	0.161	0.205	0.107	0.205	0.21	0.206	0.265	0.061	0.132	0.044	0.007	0.16	0.118	0.346	0.23	0.211	0.254	0.262	0.169	0.316	0.284	0.26	0.264	0.244	0.302	0.244	0.409	0.397	0.452	0.342	1	0.51	0.39	0.399	0.274	0.18	0.343	0.313	0.392	0.341	0.475	0.436
PK_5	0.232	0.205	0.111	0.337	0.448	0.287	0.401	0.18	-0.019	0.059	0.005	0.24	0.131	0.371	0.28	0.142	0.359	0.461	0.412	0.491	0.355	0.237	0.392	0.376	0.54	0.479	0.456	0.561	0.397	0.271	0.51	1	0.465	0.443	0.372	0.091	0.232	0.306	0.414	0.335	0.31	0.285
RP_1	0.035	0.095	0.162	0.182	0.194	0.347	0.329	0.218	0.096	0.184	0.051	0.32	-0.032	0.126	0.085	0.055	0.087	0.307	0.288	0.305	0.365	0.255	0.23	0.32	0.297	0.091	0.328	0.221	0.198	0.256	0.39	0.465	1	0.534	0.491	0.109	0.359	0.187	0.233	0.137	0.229	0.311
RP_2	0.116	0.163	0.107	0.273	0.258	0.341	0.316	0.123	0.203	0.345	0.113	0.22	0.066	0.071	0.244	0.071	0.247	0.325	0.25	0.343	0.425	0.48	0.28	0.342	0.207	0.082	0.397	0.345	0.257	0.372	0.399	0.443	0.534	1	0.378	0.14	0.285	0.425	0.415	0.242	0.287	0.611
RP_3	0.105	0.13	0.081	0.322	0.256	0.167	0.128	0.12	0.031	0.208	0.133	0.308	-0.093	0.214	0.132	0.042	0.179	0.334	0.338	0.183	0.221	0.18	0.208	0.307	0.333	0.183	0.386	0.144	0.238	0.244	0.274	0.372	0.491	0.378	1	-0.064	0.298	0.092	0.196	0.276	0.21	0.29
RP_4	0.058	0.093	0.022	0.129	0.044	0.195	0.061	-0.058	0.114	-0.102	0.09	-0.041	0.155	0.003	-0.036	-0.083	-0.087	-0.003	-0.236	-0.044	0.127	0.102	0.092	0.112	0.053	0.064	0.077	0.134	0.17	-0.033	0.18	0.091	0.109	0.14	-0.064	1	0.306	0.335	0.231	0.119	0.247	0.182
RP_5	0.134	0.14	-0.046	0.195	0.246	0.274	0.162	-0.032	-0.043	0.115	0.218	0.268	0.061	0.126	0.022	0.027	0.036	0.026	0.144	0.171	0.242	0.173	0.199	0.297	0.24	0.167	0.302	0.283	0.409	0.13	0.343	0.232	0.359	0.285	0.298	0.306	1	0.279	0.27	0.183	0.34	0.313
TL_1	0.135	0.122	0.187	0.254	0.275	0.287	0.249	0.146	0.08	0.086	-0.031	0.181	0.296	0.338	0.242	0.144	0.337	0.255	0.296	0.259	0.33	0.342	0.346	0.168	0.241	0.353	0.272	0.519	0.368	0.145	0.313	0.306	0.187	0.425	0.092	0.335	0.279	1	0.681	0.538	0.465	0.483
TL_2	0.206	0.168	0.184	0.235	0.292	0.245	0.324	0.11	0.189	0.12	-0.011	0.178	0.218	0.355	0.213	0.161	0.351	0.265	0.247	0.36	0.283	0.31	0.33	0.182	0.252	0.269	0.318	0.477	0.338	0.161	0.392	0.414	0.233	0.415	0.196	0.231	0.27	0.681	1	0.594	0.497	0.4
TL_3	0.223	0.234	0.059	0.247	0.244	0.184	0.257	0.078	0.089	0.082	-0.097	0.135	0.249	0.361	0.31	0.238	0.393	0.274	0.401	0.229	0.317	0.304	0.365	0.149	0.384	0.449	0.273	0.44	0.337	0.214	0.341	0.335	0.137	0.242	0.276	0.119	0.183	0.538	0.594	1	0.465	0.323
TL_4	0.145	0.203	0.121	0.135	0.165	0.302	0.375	-0.079	0.053	0.074	-0.045	0.155	0.178	0.236	0.098	0.189	0.251	0.214	0.218	0.301	0.241	0.337	0.273	0.146	0.281	0.163	0.139	0.461	0.519	0.325	0.475	0.31	0.229	0.287	0.21	0.247	0.34	0.465	0.497	0.465	1	0.405
TL_5	-0.007	0.244	0.203	0.357	0.234	0.358	0.294	0.062	0.05	0.178	0.016	0.1	0.252	0.161	0.191	0.12	0.164	0.196	0.231	0.277	0.365	0.432	0.283	0.296	0.249	0.129	0.339	0.399	0.28	0.223	0.436	0.285	0.311	0.611	0.29	0.182	0.313	0.483	0.4	0.323	0.405	1

Table 11: Correlation matrix

The Kaiser-Meyer-Olkin statistic reached 0.806, reflecting a strong degree of common variance among items, while Bartlett's test of sphericity produced a highly significant result ($\chi^2 = 2454.019$; $df = 1861$; $p < 0.001$). Together, these results confirm that the correlations observed across the items were unlikely to have occurred by chance and that the data matrix was suitably patterned for factor analysis (Field, 2009:647-648).

KMO and Bartlett's Test			Required thresholds for good 'factorability'
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.806	>0.6
Bartlett's Test of Sphericity	Approx. Chi-Square	2454.019	
	df	1861	
	Sig.	0.000	<0.05

Table 12: KMO and Bartlett's Test

The 42 scale items distributed across both the independent construct (Subscription Utility) and the dependent construct (True Loyalty) were subjected to principal component analysis to determine the number of underlying dimensions suitable for further modelling. The initial extraction yielded four components with eigenvalues greater than 1.0; however, the Monte Carlo parallel analysis indicated that only two factors exceeded the randomly generated eigenvalues. Consequently, two factors were retained for interpretation, as shown in table 13.

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
1	10,603	25,245	25,245	10,603	25,245	25,245	7,443
2	2,863	6,817	32,062	2,863	6,817	32,062	3,937
3	2,448	5,830	37,892	2,448	5,830	37,892	6,754
4	1,897	4,516	42,408	1,897	4,516	42,408	4,941
5	1,726	4,109	46,517				
6	1,615	3,845	50,362				
7	1,395	3,322	53,684				
8	1,326	3,156	56,841				
9	1,244	2,961	59,802				
10	1,181	2,811	62,613				
11	1,068	2,544	65,157				
12	1,015	2,418	67,574				

13	1,000	2,382	69,956
14	951	2,264	72,221
15	868	2,068	74,288
16	814	1,939	76,227
17	768	1,829	78,057
18	753	1,794	79,850
19	701	1,668	81,519
20	616	1,467	82,986
21	569	1,355	84,341
22	547	1,303	85,644
23	539	1,284	86,928
24	498	1,186	88,114
25	485	1,154	89,268
26	439	1,044	90,312
27	422	1,006	91,318
28	405	964	92,282
29	362	862	93,144
30	341	811	93,955
31	325	773	94,729
32	313	745	95,474
33	285	679	96,153
34	250	596	96,750
35	230	549	97,298
36	205	488	97,787
37	194	462	98,249
38	184	437	98,686
39	160	381	99,067
40	148	352	99,419
41	124	295	99,713
42	120	287	100,000

Table 13: Total variance

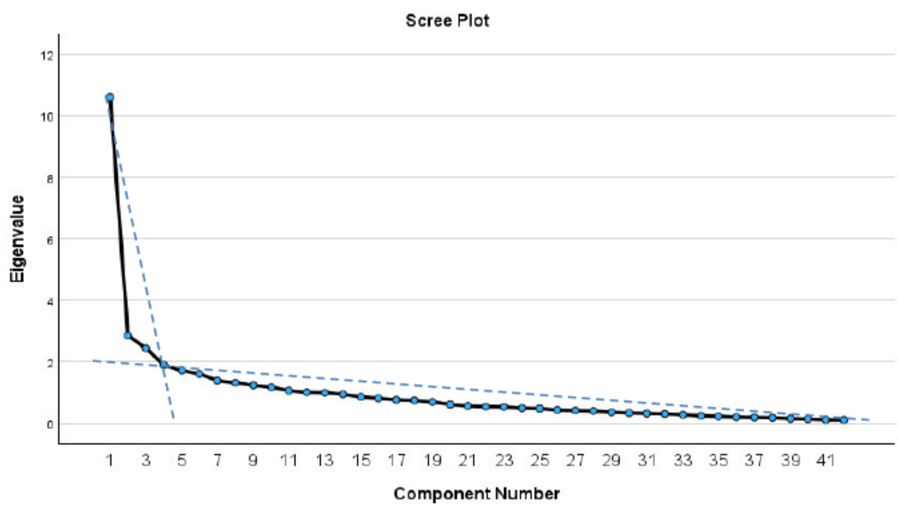

Figure 5: Scree plot

Field (2009:640) advises that factors to the left of the inflection point, or "elbow," on the scree plot should be retained. As shown in Figure 13, the elbow occurs around the fourth component, indicating that the first three components account for the majority of the shared variance. This visual interpretation aligns with the eigenvalue threshold of greater than 1.0 and suggests a sharp dimensional reduction relative to the eight first-order sub-dimensions originally proposed within the conceptual model. The data therefore consolidate several theoretically distinct aspects of Subscription Utility, including consumer- and brand-loyalty dimensions, into a smaller set of empirically supported components suitable for subsequent pattern-matrix interpretation.

Pattern Matrix									
Scale Item	Component				Scale item	Component			
	1	2	3	4		1	2	3	4
SH_1	00,164				PS_4		00,544		
SH_2				00,309	TT_1	00,388			
SH_3		00,199			TT_2	00,667			
SH_4	00,299				TT_3	00,585			
SH_5	00,503				TT_4			-00,424	
VB_1		00,449			TT_5	00,554			
VB_2		00,370			PK_1			-00,647	
VB_3				00,495	PK_2			-00,597	
VB_4		00,386			PK_3		00,290		
VB_5		00,526			PK_4			-00,459	
RE_1	00,35				PK_5	00,583			
RE_2	00,449				RP_1	00,624			
RE_3			-00,561		RP_2		00,540		
RE_4			-00,503		RP_3	00,704			
BS_1				00,639	RP_4			-00,505	
BS_2				00,579	RP_5	00,523			
BS_3				00,631	TL_1			-00,705	
BS_4				00,589	TL_2			-00,643	
PS_1	00,393				TL_3			-00,580	
PS_2	00,301				TL_4			-00,674	
PS_3		00,414			TL_5			-00,422	

Table 14: Pattern matrix

The exploratory factor analysis (EFA) altered the way in which the original Subscription Utility items loaded across components. The eight first-order sub-dimensions proposed in the conceptual model (namely shopping habits, value and benefits, routine, behavioural shifts, perceptions, trust, perks and relationship) were empirically reduced through the rotation process. The pattern matrix indicated that several items loaded together in ways that differed from the original theoretical structure, resulting in a more compact three-component solution.

This reduction suggests that respondents did not necessarily distinguish between all eight loyalty-related themes when evaluating their relationship with the programme. Instead, their perceptions clustered around three broader underlying factors that capture the principal dimensions of Subscription Utility and True Loyalty. These restructured factors are presented in Table 14, with their corresponding loadings and assigned codes. Inter-component correlations are provided in Table 15, supporting the related yet distinct nature of these extracted components.

Component Correlation Matrix				
Component	1	2	3	4
1	1,000	242	-315	267
2	242	1,000	-125	17
3	-315	-125	1,000	-230
4	267	17	-230	1,000

Table 15: Component correlation matrix

4.3.2.1 Moderating variable

The moderating variable Usage Type captures the underlying behavioural orientation that shapes how subscribers interact with the Sixty60 platform. Rather than focusing on frequency alone, this construct identifies the style of shopping engagement preferred by users. It differentiates between consumers who use the platform for larger, infrequent purchases and those who rely on it for smaller, more frequent transactions.

The construct is operationalised through two scale items (2.2 and 2.3) that together represent alternative forms of grocery behaviour. The first item refers to the use of Sixty60 for monthly shopping, which reflects larger basket sizes and a more planned, infrequent approach to consumption. The second item refers to small top-up shopping, representing smaller basket sizes and shorter replenishment cycles. These items therefore describe distinct temporal and behavioural patterns within subscription-based grocery use, providing a more nuanced account of consumption orientation than simple measures of Usage Type.

The inclusion of usage type as a moderating variable enables the study to test whether the relationship between subscription utility and true loyalty is conditioned by how subscribers engage with the platform. By incorporating this variable, the model accounts for the possibility that different shopping orientations may alter the perceived value and loyalty outcomes of subscription participation. Accordingly, usage type functions as a contextual mechanism that may influence the strength or direction of the relationships specified within the broader structural model.

4.3.3 The Conceptual Model

4.3.3.1 Structural equation modelling

Structural equation modelling (SEM) comprises a set of statistical procedures designed to evaluate how theoretical constructs relate to one another when those constructs are not directly measurable (Hair et al., 2021:3). The method links several regression-type equations within a single framework so that both measurement and structural relationships can be estimated at the same time (Hair et al., 2021:4). In practice, SEM merges the principles of factor analysis and path modelling, which allows the researcher to test complex models while also controlling for measurement error (Dion, 2008:5). This focus on error adjustment is central, as it improves the accuracy of inferences drawn from latent variables.

In this research, the technique was applied to explore how the main conceptual elements of the model interact in a subscription-based retail setting. These elements cannot be observed directly because they describe attitudes and evaluations rather than concrete actions. For that reason, they were represented through groups of survey items that together approximate the theoretical meaning of each construct (Dion, 2008:5). The indicators therefore serve as indirect evidence of the psychological dimensions under investigation, permitting the analysis to move from raw responses toward the abstract relationships the study seeks to test (Hair et al., 2021:6).

The modelling process followed the standard two-phase sequence described in the PLS-SEM literature. The first phase involved assessing the measurement model. Factor loadings, internal consistency, and convergent validity were examined to verify that the observed variables captured their intended constructs adequately. When the indicators displayed sufficient reliability and coherence, the procedure advanced to the structural model, where the hypothesised links among constructs were estimated and their statistical significance evaluated (Hair et al., 2022:19). In this analytical view, the latent constructs function as conceptual representations of consumer perceptions, whereas the observed indicators operate as empirical expressions of those underlying ideas (Dion, 2008:7).

This research adopted partial least squares SEM because the data and research design met the typical conditions for its use. The sample of 134 participants was moderate in size, and the model had not yet been tested in the South African retail loyalty context. PLS-SEM was thus selected for its capacity to handle smaller samples and non-normal data distributions while still yielding stable estimates in exploratory models (Hair et al., 2021:22). Estimation was carried out in SmartPLS 4, which provides a variance-based platform suited to analysing several interconnected constructs simultaneously.

4.3.3.1 The measurement model

Before analysing the hypothesised relationships, it was first necessary to confirm that the latent constructs were measured with acceptable precision. The research follows PLS-SEM guidelines which Hair et al. established. 2021:83; Field, 2009:640), several complementary tests were conducted to evaluate the reliability and validity of the indicators. The research focused on four distinct measurement quality aspects which included internal consistency and convergent validity and discriminant validity and potential multicollinearity. Establishing these foundations ensured that later structural interpretations could rest on statistically sound constructs.

To evaluate internal stability, both Cronbach's alpha and composite reliability were examined. Together these indices capture whether items within a construct operate in a coherent and dependable way. Scores above 0.70 are generally viewed as sufficient, as they indicate that the indicators represent a common underlying dimension (Hair et al., 2021:83). In the present dataset, True Loyalty (ρc = 0.883) and Subscription Utility (ρc = 0.911) showed the highest reliability, revealing strong agreement among their measures. Brand Loyalty (ρc = 0.845) and Customer Loyalty (ρc = 0.876) also achieved consistent internal patterns. Two constructs, Perceived Programme Value (ρc = 0.682) and Usage Type (ρc = 0.654), registered slightly below the conventional benchmark; however, Hair et al. (2021:84) note that moderate coefficients remain acceptable in exploratory designs when theoretical justification is strong and item loadings behave as expected.

The convergence of each construct's indicators was then assessed through the average variance extracted (AVE). This statistic indicates how much variance the latent construct explains relative to measurement error. Field (2009:645) recommends a minimum value of 0.50, meaning that the construct should account for at least half of the indicator variance. The present results approximate this ideal. Subscription Utility (AVE = 0.583) met the threshold, whereas True Loyalty (AVE = 0.443) fell slightly short yet remained conceptually coherent. Constructs with lower AVE values were retained because their theoretical roles within the framework were clear and their internal reliability acceptable. Such decisions are common in early-stage or context-specific research where empirical measures evolve from emerging theoretical assumptions.

To confirm that each construct represented a distinct conceptual field, discriminant validity was reviewed through the Fornell-Larcker criterion and the heterotrait-monotrait (HTMT) ratio. The analyses showed that the square root of each construct's AVE was greater than its inter-construct correlations, and that all HTMT ratios stayed comfortably under 0.85. Together these outcomes indicate that the constructs measured unique aspects of consumer behaviour rather than overlapping expressions of a single dimension. The separation between constructs, therefore, appears both statistically defensible and theoretically meaningful (Hair et al., 2021:90).

Construct	Cronbach's α	Composite Reliability (ρc)	Average Variance Extracted (AVE)
Customer Loyalty	0.852	0.879	0.443
Brand Loyalty	0.845	0.845	0.474
Perceived Programme Value	0.682	0.682	0.401
Subscription Utility	0.911	0.911	0.583
Usage Type	0.654	0.654	0.433
True Loyalty	0.883	0.883	0.443

Table 16: Cronbach's alpha, composite reliability, and average variance extracted

4.3.3.2 Path diagram of the structural model

Figure 6 illustrates the structural relationships among the six latent constructs that were retained for analysis: Customer Loyalty, Brand Loyalty, Perceived Programme Value, Subscription Utility, True Loyalty, and Usage Type. Each construct is represented as a latent variable connected by directional paths that indicate hypothesised relationships. The diagram also incorporates an interaction term (Usage Type × Subscription Utility) to assess potential moderation effects on True Loyalty.

Customer Loyalty exerts direct effects on both Perceived Programme Value and Subscription Utility, while Perceived Programme Value influences Brand Loyalty and Subscription Utility. Both Brand Loyalty and Perceived Programme Value ultimately converge toward Subscription Utility, which then serves as the primary predictor of True Loyalty. Usage Type shows a minor direct effect on True Loyalty, while its interaction with Subscription Utility was included to explore whether the frequency of use strengthens or weakens that relationship.

This configuration allows the model to capture both emotional (Brand Loyalty and True Loyalty) and transactional (Customer Loyalty, Subscription Utility, and Usage Type) dimensions of loyalty within the context of subscription-based FMCG retail programmes.

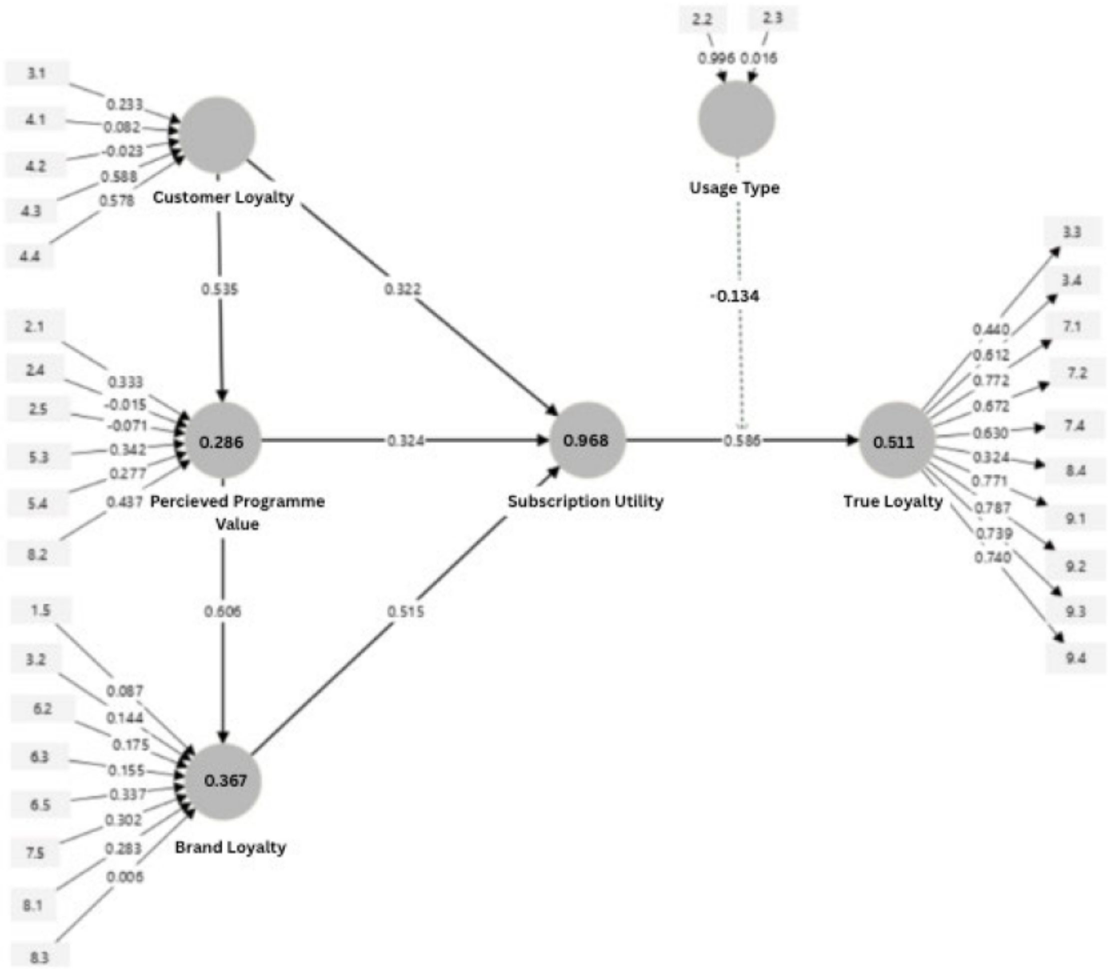

Figure 6: Path coefficients

Table 17 presents the standardised path coefficients obtained through the Smart-PLS structural model estimation. Most paths were positive, though the interaction term carried a small negative weight. This likely points to a slight weakening of the link between Subscription Utility and True Loyalty when Usage Type is considered. Among the direct relationships, the largest estimates appeared between Perceived Programme Value and Brand Loyalty (β = 0.606) and between Subscription Utility and True Loyalty (β = 0.585). Taken together, these values imply that how participants judge a programme's usefulness, and the benefit they feel they receive from it, matter most for the emotional side of loyalty.

Relationship	Path coefficient
Brand loyalty to subscription utility	0.514
Customer loyalty to perceived programme value	0.533
Customer loyalty to subscription utility	0.314
Perceived programme value to brand loyalty	0.606

Perceived programme value to subscription utility	0.332
Subscription utility to true loyalty	0.585
Usage Type to true loyalty	0.025
Usage Type x subscription utility to true loyalty	−0.133

Table 17: Path coefficient per relationship

Table 18 provides an overview of the total and indirect effects. In reviewing these paths, it appears that some of the weaker direct links gain significance once indirect relationships are considered. For instance, Customer Loyalty and Perceived Programme Value both seem to reach True Loyalty mainly through Subscription Utility rather than through any direct route. This pattern suggests that consumers' sense of programme usefulness may act as the key bridge between their attitudes and their eventual loyalty behaviour.

Relationship	Total Effect	Key Indirect Paths
Brand Loyalty to True Loyalty	0.301	Brand Loyalty through Subscription Utility to True Loyalty
Customer Loyalty to True Loyalty	0.385	via Perceived Programme through Subscription Utility to True Loyalty (0.104) and via Brand Loyalty (0.097)
Perceived Programme Value to True Loyalty	0.377	via Brand Loyalty through Subscription Utility to True Loyalty (0.183)
Subscription Utility to True Loyalty	0.585	- -
Usage Type to True Loyalty	0.025	

Table 18: Key indirect relational paths

Table 19 provides the outer loadings for each manifest indicator. Most indicators loaded strongly (≥ 0.60) on their respective constructs, with marginally lower coefficients for Perceived Programme Value and Usage Type. Nonetheless, these values remained acceptable within the exploratory and context-specific parameters of this research.

Construct	Item Codes	Loading Range
Customer Loyalty	3.1 - 4.4	0.428 - 0.820
Brand Loyalty	1.5; 3.2; 6.2-6.5; 7.5; 8.1; 8.3	0.441 - 0.806
Perceived Programme Value	2.1; 2.4-2.5; 5.3-5.4; 8.2	0.143 - 0.817
Subscription Utility	@1.5-@8.3	0.123 - 0.750
True Loyalty	3.3-3.4; 7.1-7.4; 8.4; 9.1-9.4	0.324 - 0.787
Usage Type	2.2; 2.3	0.243 - 1.000

Table 19: Loading ranges

Table 20 displays the model's explanatory strength. The R^2 values suggest that 65.7 percent of variance in Subscription Utility and 58.5 percent of variance in True Loyalty are explained by their respective predictors, indicating a robust overall model with meaningful predictive validity.

Endogenous Construct	R^2	Interpretation
Subscription Utility	0.657	Moderate to strong explanatory power
True Loyalty	0.585	Substantial predictive accuracy

Table 20: Endogenous construct, Rsquared, and interpretations

4.4 Hypotheses

The original nine hypotheses were drawn from a broad international model that set out to explain how different subscription-related factors shape consumer loyalty. Once the data were tested, however, some of these factors did not perform as expected. The Monte Carlo analysis and factor-retention checks showed that several variables were overlapping or measuring almost the same thing.

After reviewing these results, only four constructs were kept in the final version of the model: Customer Loyalty, Brand Loyalty, Perceived Programme Value, and Subscription Utility. These four proved to be the most reliable and best suited to describe loyalty behaviour within the South African FMCG subscription market. The remaining constructs were dropped because their influence was either statistically weak or conceptually duplicated elsewhere in the model.

Table 21 below lists the acceptance or rejection of each original hypothesis, showing which ideas held empirical support and which did not. The Monte Carlo assessment identified cross-loadings among variables such as trust, perceptions, and value benefits, which were consolidated under broader factors that better represented the South African consumer experience. This refinement marks a shift from a largely international model toward an empirically grounded, market-specific structure that focuses on measurable behavioural and attitudinal drivers of subscription loyalty.

Hypothesis	Null Hypothesis	Decision for Null Hypothesis
H1: Shopping habits are positively associated with higher levels of consumer loyalty.	$H0_1$: Shopping habits have no significant association with consumer loyalty.	Rejected - merged under Customer Loyalty
H2: Value and benefits are positively associated with consumer loyalty through increased utilitarian satisfaction.	$H0_2$: Value and benefits have no significant association with consumer loyalty.	Rejected - merged under Perceived Programme Value
H3: Routine is positively associated with consumer loyalty.	$H0_3$: Routine has no significant association with consumer loyalty.	Rejected - absorbed by Usage Type
H4: Behavioural shifts are positively associated with consumer loyalty.	$H0_4$: Behavioural shifts have no significant association with consumer loyalty.	Accepted - construct excluded
H5: Perceptions of fairness and transparency are positively associated with consumer loyalty.	$H0_5$: Perceptions have no significant association with consumer loyalty.	Rejected - merged into Perceived Programme Value
H6: Trust is positively associated with consumer loyalty.	$H0_6$: Trust has no significant association with consumer loyalty.	Rejected - merged into Brand Loyalty
H7: Perks are positively associated with consumer loyalty.	$H0_7$: Perks have no significant association with consumer loyalty.	Accepted - low loading; construct removed
H8: Relationship quality is positively associated with consumer loyalty.	$H0_8$: Relationship quality has no significant association with consumer loyalty.	Rejected - merged into Brand Loyalty
H9: Loyalty mediates the link between subscription utility and brand equity perceptions.	$H0_9$: Loyalty has no significant mediating effect between subscription utility and brand equity perceptions.	Partially supported - refined to True Loyalty

Table 21: Conceptual-based null hypotheses rejection/ acceptance

Building on the validated constructs that emerged from the measurement model - Customer Loyalty, Brand Loyalty, Perceived Programme Value, Subscription Utility, and True Loyalty - a new and simplified set of hypotheses was developed. These reflect the statistically verified relationships identified through the structural equation model and provide a concise summary of the causal pathways that now define the refined framework.

Hypothesis	Null Hypothesis	Decision for Null Hypothesis
H1: Customer Loyalty has a positive effect on Perceived Programme Value.	$H0_1$: Customer Loyalty has no significant effect on Perceived Programme Value.	Reject ($\beta = 0.533$, $p < 0.001$)
H2: Perceived Programme Value positively influences Brand Loyalty and Subscription Utility.	$H0_2$: Perceived Programme Value has no significant effect on Brand Loyalty or Subscription Utility.	Reject ($\beta = 0.606$; $\beta = 0.332$, $p < 0.001$)
H3: Subscription Utility positively predicts True Loyalty.	$H0_3$: Subscription Utility has no significant effect on True Loyalty.	Reject ($\beta = 0.585$, $p < 0.001$)

Table 22: Empirically sound null hypotheses rejection/ acceptance

4.5 Resultant Model

Figures 7 and 8 shows how the original framework changed once it was tested in practice. After the factor and reliability checks, several of the earlier dimensions were found to overlap, while others contributed little to explaining loyalty behaviour. The structure was therefore simplified, keeping only the factors that proved statistically consistent: customer loyalty, brand loyalty, perceived programme value and subscription utility. True loyalty remained positioned as the main outcome, and Usage Type continued to act as a moderating influence between the constructs.

This revised version reflects a model that fits the data rather than the literature alone. Each stage of analysis narrowed the focus to the most stable and relevant relationships. The framework that follows offers a clearer, evidence-based view of how loyalty operates in a subscription setting, grounded in the behaviour of South African consumers rather than inherited theoretical assumptions.

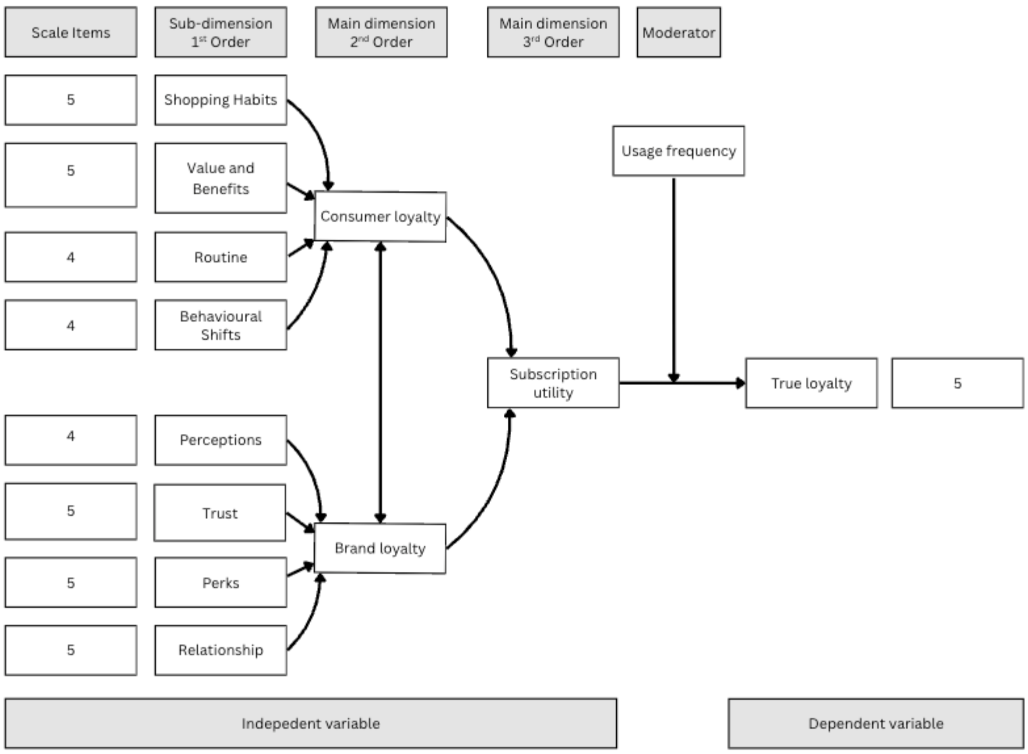

Figure 7: Original methodological construct, derived from over 100 loyalty academic papers.

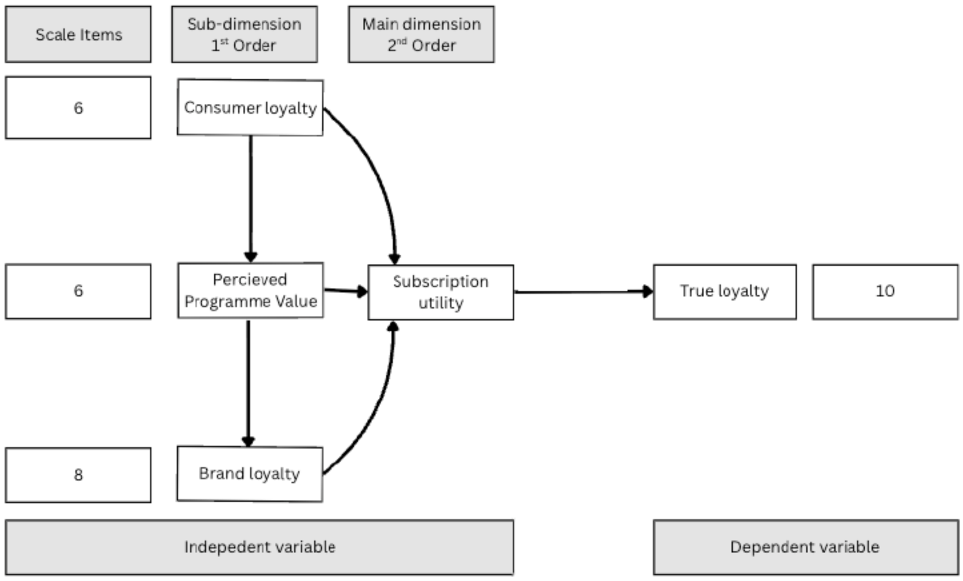

Figure 8: Empirically proven framework created from a Western Cape sample.

4.5 Conclusion

Chapter 4 unfolded through a gradual and methodical process that linked raw data to the study's analytical goals. It began with the definition of the sample, and a description of how incomplete or invalid responses were removed to produce a reliable dataset. Each construct from the theoretical model was then coded so that the relationships proposed earlier could be tracked directly through every stage of the analysis. Descriptive statistics were examined to establish how participants responded across items and to verify that the data met the requirements for subsequent factor testing.

Exploratory factor procedures were then applied to explore the underlying structure of the dataset. The Monte Carlo parallel analysis confirmed which factors were stable and which overlapped conceptually. This step reduced the complexity of the model, leaving only the components that carried genuine explanatory weight. Reliability and validity were examined next, using both internal consistency and convergent and discriminant assessments. These checks confirmed that the measurement model was sufficiently precise to justify structural testing. The chapter then progressed to structural equation modelling, where the strength and direction of relationships among the refined constructs were calculated to complete the analytical sequence.

Chapter 4 marked the movement from a conceptual outline to an empirically tested framework. Each phase-screening, factor analysis, reliability testing, and structural modelling-added a layer of verification, transforming theory into measurable form. The process achieved two core aims of this research: first, to use the scale instrument to empirically determine a threshold for loyalty; and second, to draw scientific conclusions from the analysed data regarding that threshold. Together, these objectives anchored the transition from theoretical reasoning to a data-driven model that can be interpreted with confidence in the following chapter.

Chapter 5 now turns to the presentation of findings, recommendations, and final conclusions, where the tested framework will be interpreted within the broader context of the research problem and objectives.

CHAPTER 5: FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This chapter addresses the primary research objective of the dissertation: to evaluate whether a subscription-based loyalty programme in South Africa's FMCG retail context can demonstrably cultivate true loyalty, rather than merely stimulate transactional repetition. It returns to the original problem framing and synthesises the quantitative results from the structural model to determine whether the programme's experienced utility constitutes a plausible mechanism for enduring loyalty. Findings are presented first, while the remaining subsections will be finalised subsequently.

True loyalty is a mature state of loyalty in which both psychological attachment and repeated purchasing coexist over time. It represents the highest status of loyalty development and is preferred by any business because it combines durable preference (advocacy and resistance to switching) with sustained patronage (repeat purchase), leading to greater revenue stability, reduced price sensitivity, and amplified word-of-mouth.

The empirical lens of this chapter follows the sequential logic evidenced in the model. Customer Loyalty (CL) first shapes Perceived Programme Value (PPV); PPV then elevates Brand Loyalty (BL); CL, PPV, and BL together determine Subscription Utility (SU); and SU, conditioned by Usage Type, explains True Loyalty (TL). Estimates were evaluated using PLS-SEM with 5 000 bootstrap resamples. The analysis focuses on three interpretive anchors: (i) the magnitude and direction of structural effects, (ii) the variance explained in endogenous constructs, and (iii) the coherence of the operationalised scales validated in Chapter 4.

5.2 Findings

5.2.1 Purpose restated and analytical focus

In alignment with the Chapter 1 aim, the analytical task here is to establish whether there is evidence of a loyalty threshold within consumer perceptions and behaviours, and to identify the mechanism that carries it. This research adopts a consumer-first approach, prioritising subscribers' perceptions and lived shopping routines over retailer-centred metrics. The guiding question remains: does utility in use, rather than in theory, account for a meaningful share of True Loyalty?

5.2.2 Structural results

5.2.2.1 Customer Loyalty drives Perceived Programme Value

Customer Loyalty (CL) builds on the dual tradition described in Chapter 2, where behavioural loyalty refers to repeated purchasing and habit (transactional), while attitudinal loyalty reflects psychological alignment and advocacy (emotional). Within this research, CL represents the consumer-side form of transactional loyalty, encompassing the first four buckets: Shopping Habits, Value and Benefits, Routine, and Behavioural Shifts. Together, these dimensions describe how baskets are allocated, how efficient or enjoyable the experience feels, and how behaviour evolves after subscription.

Empirically, CL precedes PPV. Where shopping routines are stable and experiences are smooth (for example, 1.5 “I shop less frequently at competitor supermarkets since having Xtra Savings Plus” and 3.2 “I enjoy the shopping experience through the Sixty60 app”), respondents are more likely to perceive the offering as clear and worthwhile (for example, 2.1 “The value-for-money aspect of Xtra Savings Plus is clear to me” and 2.4 “The access to exclusive Xtra deals was important in my decision to subscribe to Xtra Savings Plus”). This relationship is sharpened by Usage Type, measured through two mutually exclusive regimes:

2.2 “I use Sixty60 mostly for my monthly shopping.”
2.3 “I use Sixty60 mostly for small top-up shopping.”

In practice, endorsing one tends to exclude the other. This distinction matters because a weekly-needs-in-one-go shopping pattern provides greater opportunity for consumers to experience tangible benefits consistently, such as delivery-fee savings and access to exclusive deals. Conversely, smaller convenience-driven baskets provide fewer visible touchpoints through which value can be recognised or internalised.

5.2.2.2 Perceived Programme Value drives Brand Loyalty

Perceived Programme Value (PPV) captures consumers’ evaluations of value-for-money, fairness, and benefit fit. Indicators such as 2.1 “The value-for-money aspect of Xtra Savings Plus is clear to me”, 2.4 “The access to exclusive Xtra deals was important in my decision to subscribe to Xtra Savings Plus”, 2.5 “I will renew my subscription to Xtra Savings Plus based on current benefits”, and 5.3 “Xtra Savings Plus offers consistently good value” together express the degree to which the programme feels worthwhile. In sequence, PPV precedes Brand Loyalty (BL). Once perceived value becomes clear, fair, and personally relevant, brand-level associations such as distinctiveness, innovation, trust, and relationship warmth gain credibility. PPV therefore functions as the interpretive bridge between what consumers do (CL) and how they feel about the brand (BL).

5.2.2.3 Brand Loyalty drives Subscription Utility

Brand Loyalty (BL) contributes the strongest direct effect among the three antecedents of Subscription Utility (SU). BL draws from the Trust, Perks, and Relationship buckets, all reinforced by perceptions of modernity and brand distinctiveness. The most revealing internal contrast lies between high-diagnostic indicators (for example, 5.4 “I would miss Xtra Savings Plus if it were no longer available” and 7.4 “I enjoy the surprise and delight features such as gifts and rewards I get occasionally from Sixty60”) and less specific, diffuse expressions of warmth (for example, 8.1 “I speak positively about Sixty60 to friends and family”). Concrete, experience-based indicators that evoke reciprocity or credible loss aversion weigh more heavily than abstract statements of liking. Strategically, subscription brands should therefore cultivate specific, repeatable experiences that strengthen emotional certainty, rather than relying on general brand affection.

5.2.2.4 Subscription Utility

Subscription Utility (SU) is the novel, integrative construct introduced by this research. With respect to this definition: “utility: the state or quality of being useful; usefulness… [and] a useful or advantageous factor or feature.” (Dictionary.com, 2025). Subscription utility repositions “usefulness” from an abstract concept into an in-use experience, where utility is co-produced by three interdependent mechanisms: (i) perceived programme value (clarity, fairness, fit), (ii) customer loyalty (habits, routines, behavioural shifts), and (iii) brand loyalty (trust, relationship quality). SU is not an additional construct but rather the combined reflection of these three antecedents as they operate in practice. Perceived value without routine provides little durability; routine without value undermines trust; and brand affinity without either diminishes rapidly under price pressure. Usefulness therefore arises only when elements of perceived programme value, customer loyalty, and brand loyalty coexist in harmony. This triadic overlap forms the definitional foundation of Subscription Utility.

Three empirical properties highlight SU’s central importance:

Near-perfect coherence: SU’s central reliability value of 0.968 demonstrates an exceptionally tight latent structure, indicating that respondents experience it as a unified construct.

Three peas, one pod: Normalising the three antecedent effects on SU yields approximate shares of BL ≈ 44.4%, PPV ≈ 27.9%, and CL ≈ 27.7%. Although BL carries the greatest individual weight, more than half of SU's explanatory power derives from the combined effect of PPV and CL. Programmes that focus exclusively on brand sentiment risk overestimating loyalty strength, since usefulness emerges only from the integration of all three.

5.2.2.5 From Subscription Utility to True Loyalty

Subscription Utility accounts for a substantial share of True Loyalty, with the model explaining approximately $R^2 \approx 0.511$ of the variance in TL. This outcome supports the interpretation that the programme functions as a loyalty mechanism rather than a simple discount structure. Consumers appear to convert usefulness experienced through consistent interaction into sustained preference and advocacy because the programme works effectively within their daily routines.

Usage Type further conditions this relationship. When consumers primarily engage in small, convenience-driven purchases (2.3 "I use Sixty60 mostly for small top-up shopping"), the effect of SU on TL is weaker. In contrast, those who consolidate their weekly grocery needs into larger, planned baskets (2.2 "I use Sixty60 mostly for my monthly shopping") exhibit stronger loyalty outcomes. The difference lies in behavioural context: lighter engagement provides limited opportunities for utility to accumulate, whereas routine, full-basket engagement allows perceived usefulness to compound through repetition and consistency.

5.2.2.6 What lives in the gaps

CL drives PPV: Stable routines (1.5 "I shop less frequently at competitor supermarkets since having Xtra Savings Plus"; 3.2 "I enjoy the shopping experience through the Sixty60 app") create the foundation for recognising value (2.1 "The value-for-money aspect of Xtra Savings Plus is clear to me"; 2.4 "The access to exclusive Xtra deals was important in my decision to subscribe to Xtra Savings Plus"). Without basic efficiency, even generous benefits may go unnoticed.

PPV drives BL: Once value is both clear and personally relevant, brand meanings such as distinctiveness, innovation, and trust gain authenticity and resonance.

Within BL: Specificity outperforms generality; felt reciprocity (7.4 "I enjoy the surprise and delight features such as gifts and rewards I get occasionally from Sixty60") and credible loss aversion (5.4 "I would miss Xtra Savings Plus if it were no longer available") have greater impact than diffuse expressions of liking.

Into SU: The integration of value, behaviour, and attachment constitutes usefulness. Overemphasising one element weakens the construct, while their coexistence produces the strong coherence reflected by the 0.968 reliability value.

Into TL: SU translates most effectively into TL when anchored in substantive, routine shopping contexts. Infrequent, top-up purchases provide limited conditions for the reinforcement of loyalty.

5.3 Limitations

All research is bound by certain conditions that influence how its findings should be interpreted. The main limitations in this research stem from its methodological design, sampling choices, and the context in which data were collected.

5.3.1 Methodological Limitations

This research used a quantitative design built around a single, structured online survey. The format ensured consistency and reliability, yet it offered little room to explore how or why participants formed their views. The survey data reveal measurable links between constructs but cannot fully capture the personal or emotional reasoning behind those patterns. In-depth interviews or focus groups could have provided a more nuanced understanding of how loyalty develops in everyday shopping behaviour.

Because the research relied on a cross-sectional design, it captures loyalty at one point in time rather than across a period of change. Subscribers' engagement and perceptions may shift as they continue using the programme or as new competitors emerge. Those temporal movements fall outside what this design could observe.

5.3.2 Sampling Limitations

Participants were drawn through convenience sampling, focusing on active Xtra Savings Plus members reached via online and community networks. This approach was practical and effective for gaining responses but lacked a degree of random selection. The group that emerged represented a mix of life stages: residents from retirement estates, family-oriented communities, and apartment blocks with younger professionals. Even with this variety, the sample mostly reflected middle- and upper-income households with stable internet access and regular online shopping habits.

Consumers from rural or lower-income backgrounds appeared far less often in the data. Their experiences might diverge in terms of value perception or accessibility. The results, therefore, reflect the attitudes of a connected and urban consumer segment more than those of the wider population.

5.3.3 Design and Measurement Constraints

The model produced strong reliability scores, yet the very high coefficient for Subscription Utility ($\rho = 0.968$) indicates that respondents possibly treated its components as one combined experience. This unity gives weight to the construct's stability but can mask smaller contrasts, for instance when convenience takes priority over emotional attachment.

True Loyalty accounted for roughly half of the explained variance ($R^2 = 0.511$). This shows that other influences remain outside the model. Elements such as long-term trust, switching costs, or family purchasing routines might also play a role but were not measured directly here.

5.3.4 Contextual Limitations

Data were gathered entirely within the Western Cape, an area marked by strong retail infrastructure and reliable digital access. Conditions in other provinces may differ in both affordability and delivery reach, which means the results should be read mainly in relation to urban, well-connected consumers. The findings do not claim to represent every South African context.

The dataset also included only active subscribers to Xtra Savings Plus. This ensured that all respondents had firsthand experience with the programme, yet it excluded those who had never joined or who had cancelled their membership. Their viewpoints could reveal different understandings of value and engagement that are not visible in this sample.

5.3.5 Epistemological Scope

The research followed a positivist perspective that focuses on measurable relationships and empirical testing. This orientation provides clarity and analytical discipline but compresses complex experiences into numeric form. As a result, feelings such as enjoyment, identity, and brand affinity become indicators rather than stories. The conclusions therefore describe the observable structure of loyalty, not the full depth of how it is lived by consumers.

5.2.3 Contributions

This research adds both theoretical and practical insight to loyalty scholarship within subscription-based retail. It reaffirms what decades of loyalty theory have sought to clarify: that enduring commitment develops through aligned patterns of behaviour, value recognition, and trust.

5.2.3.1 Theoretical Contributions

From Day's (1969:30) distinction between true and spurious loyalty to contemporary frameworks emphasising satisfaction, trust, and attachment, loyalty has consistently been recognised as both behavioural and attitudinal. This research extends that tradition into the subscription-based context. It confirms that the same mechanisms of habitual shopping, perceived programme value, and brand trust, remain central to how loyalty forms and persists.

By introducing Subscription Utility as an integrated construct linking Customer Loyalty, Perceived Programme Value, and Brand Loyalty, this research provides a unified framework that demonstrates how usefulness emerges from the intersection of routine behaviour, perceived benefits, and relational confidence. The findings show that True Loyalty arises when all three antecedents reinforce one another, illustrating that loyalty is maintained not by frequency alone, but by meaning created through repeated, trusted participation.

This research advances loyalty scholarship by introducing an empirically validated scale instrument that operationalises the mechanisms driving subscription-based loyalty. Each scale item is anchored to a statistically coherent construct, allowing future researchers to replicate or extend the framework when examining loyalty as an experiential rather than transactional phenomenon.

The literature foundation underpinning this work draws from over half a century of theory development, bridging the seminal contributions of the 1960s to 1990s with the digital-era interpretations that define contemporary loyalty practice. It demonstrates that True Loyalty, first articulated in early behavioural and attitudinal models, retains enduring explanatory power even within today's algorithmic and data-mediated retail environments.

Within the South African context, this research offers the first empirically grounded bridge between international conceptual models and localised consumer realities within subscription-based loyalty models. By aligning global loyalty theory with the lived behaviour of Western Cape consumers, the findings position subscription-based loyalty as a scalable mechanism capable of extending across regions, retail categories, and future market maturities.

5.2.3.2 Practical Contributions

Practically, this research offers retailers a tested model for assessing subscription-based loyalty programmes through the same categories that drive loyalty formation: shopping habits, value and benefits, and trust-based relationships. The results show that consumers remain engaged when programmes deliver consistent value and reinforce reliability across each routine interaction.

For South African retailers, particularly Checkers' Xtra Savings Plus, the model provides a measurable framework for evaluating whether subscription participation reflects True Loyalty or merely habitual convenience. The evidence suggests that loyalty strengthens when value and trust coexist within the same behavioural pattern. While the structure of retail technology evolves, the foundation remains unchanged: consumers stay loyal when their habits, perceived value, and confidence in the brand move in alignment.

5.4 Recommendations

Based on the results, a subscription-based loyalty model can be considered an effective mechanism for building True Loyalty within South African grocery retail.

For Checkers Xtra Savings Plus, the recommendation is to use usage type as an opportunity to enhance Subscription Utility rather than to increase transaction frequency. The results show that loyalty is strengthened when the subscription feels genuinely useful to the consumer. Indicators such as item 1.5 (0.337) suggest that reducing competitor switching arises when the platform integrates naturally into weekly habits. Item 6.3 (0.175) highlights that perceived disruption in leaving the programme adds to its functional dependence. Item 7.5 (0.283) confirms that reinforcing preference through consistent service quality sustains engagement. Item 5.4 (0.437) further indicates that the feeling of missing out on unique benefits, drives continuation.

To maximise usefulness, Checkers should expand tiered subscription options that cater to varying shopping intensities, ensuring that each tier contributes measurable value to the subscriber's daily or weekly experience. This could include added delivery reliability, tailored product bundles, or flexible renewal cycles. The aim is not higher purchase volume but higher perceived indispensability, ensuring that subscribers experience the programme as an everyday tool rather than an occasional incentive.

For other FMCG retailers, a subscription-based model should be considered where the projected behavioural and attitudinal gains outweigh the implementation costs. The model identifies ten measurable expressions through which truly loyal customers manifest. Table 23 summarises these indicators in descending order of relational strength, illustrating both their relative impact and practical implication.

Coefficient	Scale Item	Description	Practical Interpretation
0.440	3.3	I shop on Sixty60 out of habit rather than active preference.	Purchasing becomes automatic, and consumers default to the brand without considering alternatives.
0.612	3.4	The free gifts or benefits included in the programme influence my loyalty.	Tangible benefits confirm value and reinforce continued participation.
0.772	7.1	The subscription to Xtra Savings Plus enhances my trust in Checkers.	Programme reliability strengthens consumer trust and long-term attachment.
0.672	7.2	My subscription to Xtra Savings Plus creates a sense of connection with Checkers.	Participation fosters emotional belonging and a sense of brand relationship.
0.630	7.4	I enjoy the surprise and delight features such as gifts and rewards I get occasionally from Sixty60.	Anticipation of rewards increases engagement and enjoyment.
0.771	8.4	I share my positive experiences with Sixty60 on social media.	Subscribers become brand advocates through word-of-mouth and social visibility.
0.787	9.1	I trust Checkers more now than before I subscribed to Xtra Savings Plus.	Continued participation builds confidence in brand performance.
0.739	9.2	My trust in Checkers is growing the longer I stay subscribed to Xtra Savings Plus.	Sustained engagement cultivates deeper trust and loyalty resilience.
0.740	9.3	I feel loyal to Checkers due to the subscription benefits of Xtra Savings Plus.	Loyalty becomes a reflection of identity and perceived reciprocity.
0.740	9.4	Xtra Savings Plus makes me feel more valued as a customer.	Recognition and appreciation improve customer retention and tolerance for pricing changes.

Table 23: Scale items' practical interpretation

Together, these indicators offer a diagnostic framework for assessing whether subscription adoption is appropriate. Retailers observing comparable behavioural and attitudinal markers among their customers are likely to achieve proportionate returns, while those without such patterns may find traditional loyalty models more suitable.

5.5 Conclusions

To conclude, we begin with a restatement of the research problem and overall purpose of the research. In Chapter 1, the central problem was framed as follows:

Without empirical evidence that subscription-based loyalty programmes foster loyalty, FMCG retailers cannot determine whether adopting such models is necessary to remain competitive.

This uncertainty directed the aim of the research, which sought to:

To produce empirical evidence on the subscription-based loyalty programme of Checkers as a prominent South African FMCG retailer in order to gauge the degree of competitive contribution of this programme

To achieve this aim, the research set out five key objectives.

First, it explored the concept of loyalty as applied to subscription programmes. Chapter 2 fulfilled this by reviewing both contemporary and foundational literature, defining seven types of loyalty: attitudinal, behavioural, customer, brand, true, spurious, and latent. Much of this literature emerged from global studies, emphasising the limited scholarly attention given to subscription-based loyalty within South Africa.

Second, it derived constructs from the literature to build a methodological framework. This objective was also met in Chapter 2, where nine first-order constructs were identified: Shopping Habits, Value and Benefits, Routine, Behavioural Shifts, Perceptions, Trust, Perks, Relationship Quality, and Loyalty. Together, these formed the conceptual model used to structure the study.

Third, the framework guided the development of a scale instrument. Chapter 3 achieved this by designing a structured questionnaire of 42 items across nine variables, completed by 134 valid respondents who were active Checkers Xtra Savings Plus subscribers. The resulting dataset provided the foundation for testing the conceptual model.

Fourth, the instrument was used to determine a quantifiable loyalty threshold. In Chapter 4, statistical analysis using SPSS and SmartPLS revealed that 58.6% of True Loyalty variance was explained by Subscription Utility. This confirmed that loyalty can be modelled through measurable relationships among perceived programme value, habitual behaviour, and brand trust.

Finally, the analysis allowed the research to address its central purpose. The results confirmed that subscription-based loyalty programmes influence both behavioural and emotional expressions of loyalty. True Loyalty appeared where perceived value, trust, and consistent participation converged.

Through systematic and incremental research, the study achieved its central aim and resolved the problem it set out to examine. Empirical testing confirmed that True Loyalty develops through the interaction of three antecedents: Customer Loyalty, Perceived Programme Value, and Brand Loyalty. Checkers Xtra Savings Plus should note that programmes that rely heavily on brand sentiment or purchase frequency risk overstating their effectiveness. The size of the basket, the frequency of shopping, do not directly correlate with increases in True Loyalty. Loyalty strengthens when perceived value is clear and fair. This is an incredibly personalised requirement, as perception varies.

Programmes which provide the consumer with the least amount of internal conflict, will be the most competitive.

5.5 Concluding Remarks

This chapter linked the findings back to the original research problem and clarified how each stage of inquiry contributed to resolving it. The analysis confirmed that the research objectives were achieved. Each phase built logically on the last, moving from theoretical framing to model testing and interpretation.

The model accounted for 58.6% of True Loyalty. The analysis suggests that loyalty behaviour is shaped by overlapping elements rather than a single cause. Much of it appears tied to how people experience value, develop routine, and come to trust a brand over time. These dynamics build slowly through repeated and mostly ordinary interactions, rather than through isolated rewards.

When the results were considered alongside the study's boundaries and contributions, a clearer picture emerged. The framework seems sound, but it may behave differently in other markets or with alternate retail models. Understanding those differences would help test how widely the present findings can be applied. What stands out is that subscription-based loyalty systems have strategic merit, though their success relies on continued participation and a sense of fairness in the exchange. In closing, the chapter pulled together the main evidence without trying to claim more than the data could show. The research met its objectives and produced a method of looking at how loyalty takes shape within subscription models. Loyalty, as reflected here, seems less like a fixed trait. Rather, loyalty seems to develop (and depend on) the constructs of continued interaction, trust, and value perceived as authentic.

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Appendix A

Appendix A contains the informed consent form and full survey used for data collection, including all scale items aligned with the operationalised constructs of the research model.

A.1 Informed consent form

This form will be on the opening page of the online survey. A clickable button of 'I accept these terms' must be pressed to proceed to the scale instrument itself.

Explanatory information sheet and consent form for participants
To whom it may concern, My name is Emmanuel Louis Santana and I am a student at The IIE's VEGA School. I am currently conducting research under the supervision of Dr Wilhelm Neuland about *examining the impact of retail subscription-based loyalty programmes on loyalty within South Africa's FMCG retail sector.* Specifically, this research will analyse Checkers' Xtra Savings Plus and determine the extent to which loyalty is engendered among subscription holders in the Western Province of South Africa If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, by clicking 'I accept these terms' will serve as your consent.
What will I be doing if I participate in your study?
I would like to invite you to participate in this research because your input as a user of the Checkers Xtra Savings Plus subscription programme will help explore how such models influence consumer loyalty in South Africa's FMCG retail sector. If you decide to participate in this research, I would like to ask you to complete an online questionnaire about your subscription use, shopping behaviours, and perceptions of loyalty. You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular interview questions.
Are there any risks or discomforts involved in participating in this study?
Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study. You might, however, indirectly find that it is helpful to talk about your experiences and behaviours relating to loyalty, shopping preferences, and subscription programme usage. If you find at any stage that you are not comfortable with any of the online questions, you can withdraw. The online survey will take approximately 3-10 minutes of your time.
Do I have to participate in the study?
• Your inclusion in this study is completely voluntary. • If you do not wish to participate in this study, you have every right not to do so. • Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.

Will my identity be protected?
I promise to protect your identity. I will not use your name in any research summaries to come out of this research, and I will also make sure that any other details are disguised so that nobody will be able to identify you. I would like to ask your permission to record the interviews, but only my supervisor, I and possibly a professional transcriber (who will sign a confidentiality agreement) will have access to these recordings. Nobody else, including anybody at IIEVEGA, will have access to your details. I would like to use quotes when I discuss the findings of the research, but I will not use any recognisable information in these quotes that can be linked to you.
What will happen to the information that participants provide?
Once I have finished all interviews, I will write summaries to be included in my research report, which is a requirement to complete my MCom of Strategic Brand Leadership. You may ask me to send you a summary of the research if you are interested in the final outcome of the study.
What happens if I have more questions about the study?
Please feel free to contact me or my supervisor should you have any questions or concerns about this research or if there is anything you need to know before you decide whether or not to participate. You should not agree to participate unless you are completely comfortable with the procedures followed. **My contact details are as follows:** Emmanuel Santana [redacted] **The contact details of my supervisor are as follows:** Dr Wilhelm Neuland [redacted]

Participant or respondent Informed Consent - Audio and Visual Recordings.
I agree to participate in the research conducted by Emmanuel Louis Santana about *examining the impact of retail subscription-based loyalty programmes on loyalty within South Africa's FMCG retail sector. Specifically, this research will analyse Checkers' Xtra Savings Plus and determine the extent to which loyalty is engendered among subscription holders in the Western Province of South Africa.* By clicking on 'I accept these terms' I acknowledge that my participation has been explained to me. I understand that: • I agree to participate in this research and be recorded for the purpose of data collection. • My confidentiality will be ensured. My name and personal details will be kept private and confidential. • My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research. • I may choose not to answer any of the questions that are asked during the research interview. • I may be quoted directly when the research is published, but my identity will be protected.

A.2 Scale instrument

Once the participant has accepted the above, they will proceed to the instrument itself. This will take approximately 3-10 minutes to complete.

Part A: Screening			
#	Scale item	No.	Yes.
1.1	I am currently subscribed to the Xtra Savings Plus programme.		
1.2	I live in the Western Cape.		

Part B: Shopping Habits and Usage						
#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
2.1	I choose Sixty60 so I can avoid going to malls or physical stores.					
2.2	The features of Xtra Savings Plus match my shopping habits.					
2.3	The delivery fee rebate was important in my decision to subscribe to					

Xtra Savings

Plus.

2.4	I find myself shopping more frequently at Checkers since subscribing to Xtra Savings Plus.					
2.5	I shop less frequently at competitor supermarkets since having Xtra Savings Plus.					

These items are concerned with convenience orientation and shifts in shopping patterns, which were outlined in Chapter 2, Section 2.3.2 (Convenience Orientation and Consumer Decision-Making). They test how subscription-based platforms support both large and small shopping occasions while influencing store choice. The scale items were taken from Bruner (2021:148-150).

This section contributes primarily to H1, by testing whether subscription features are positively associated with consumer loyalty.

Part C: Value and Benefits of Xtra Savings Plus

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
3.1	The value-for-money aspect of Xtra Savings Plus is clear to me.					

3.2	I use Sixty60 mostly for my monthly shopping.
3.3	I use Sixty60 mostly for small top-up shopping.
3.4	The access to exclusive Xtra deals was important in my decision to subscribe to Xtra Savings Plus.
3.5	I will renew my subscription to Xtra Savings Plus based on current benefits.

Questions in this grouping centre on the clarity of value-for-money and features of the subscription, aligning with Chapter 3, Section 3.3.2 (Operationalisation of Subscription Mechanisms). They assess whether tangible benefits, such as rebates or premium access, justify continued participation. Items were adapted from Bruner (2021:367-370).

This section supports H1 by assessing programme features as drivers of loyalty, and H5 by testing how purchase frequency moderates these effects.

Part D: Impact on Daily Shopping Routine

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
4.1	I would consistently shop through Sixty60 without the subscription to Xtra Savings Plus.					
4.2	I enjoy the shopping experience through the Sixty60 app.					
4.3	I shop on Sixty60 out of habit rather than active preference.					
4.4	The free gifts or benefits included in the programme influence my loyalty.					

These items examine the lock-in effect and habitual routines, connected to Chapter 2, Section 2.6.2 (Lock-In Mechanisms and Habitual Shopping). The focus is on whether behaviour persists due to convenience and embedded routine or through deliberate brand preference. The scale items were adapted from Bruner (2021:402-404).

These items inform both H1 and H5, evaluating how loyalty and habit combine, and how frequency of purchase influences the persistence of behaviour.

Part E: Changes in Shopping Behaviour

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
5.1	I now prefer app-based grocery shopping to in-store shopping.					
5.2	Since subscribing to Xtra Savings Plus, I have reduced impulse purchases at convenience stores.					
5.3	The Sixty60 app makes me feel like a more efficient shopper.					
5.4	I rely more on Checkers now for regular purchases than I used to.					

Emotional and transactional loyalty are captured here, with reference to Chapter 2, Section 2.4.2 (Dimensions of Loyalty). The section allows for a simultaneous reading of rational behaviours, such as repeat purchases, alongside more affective responses like recommending the brand. These measures were adopted from Bruner (2021:241-244).

This grouping addresses H1 and H4, capturing loyalty outcomes and testing whether loyalty mediates the link between programme features and brand equity.

Part F: Perceptions of Checkers as a Brand

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
6.1	Xtra Savings Plus makes Checkers stand out from its competitors.					
6.2	Xtra Savings Plus feels modern and innovative.					
6.3	Xtra Savings Plus offers consistently good value.					
6.4	I would miss Xtra Savings Plus if it were no longer available.					

This section links to the framework of customer-based brand equity, presented in Chapter 2, Section 2.5.1 (Customer-Based Brand Equity). The items explore consumer perceptions of value, innovation, and brand distinctiveness. The scales were taken from Bruner (2021:312-315).

The items here connect directly to H2, by examining loyalty's relationship with brand equity, while also informing H4 through loyalty's mediating role.

Part G: Trust and Connection with the Service

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
7.1	I find it inconvenient					

to shop elsewhere now.

7.2 Checkers receives most of my monthly grocery budget.

7.3 Switching to another brand would be disruptive for me.

7.4 Paying for Xtra Savings Plus discourages me from trying other brands.

7.5 I make more repeat purchases with Checkers now that I've subscribed to Xtra Savings Plus.

Trust and relationship-building are central here, considered in Chapter 2, Section 2.5.2 (Trust and Relationship Marketing). The items test whether fairness, brand attachment, and sentiment foster stronger and more lasting loyalty. The measures were adapted from Bruner (2021:445-448).

This grouping contributes to H1 and H3, showing how trust and sentiment support loyalty outcomes and interact with dominant loyalty orientations.

Part H: Perks, Rewards, and Personalisation

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
8.1	The subscription to Xtra Savings Plus enhances my trust in Checkers.					
8.2	My subscription to Xtra Savings Plus creates a sense of connection with Checkers.					
8.3	I appreciate the personalisation and attention in my Sixty60 app interactions.					

8.4	I enjoy the surprise and delight features such as gifts and rewards I get occasionally from Sixty60.					
8.5	The service reinforces my preference for Checkers over other brands.					

This section turns to gamification and personalised benefits, as presented in Chapter 2, Section 2.6.3 (Gamification and Reward Structures). The aim is to assess how delight, rewards, and interactive features enhance consumer-brand engagement. Items were adapted from Bruner (2021:489-492).

The measures here inform H1 and H3, exploring how gamification and personalised rewards enhance loyalty while aligning with consumer orientations.

Part I: Your Overall Relationship with Checkers

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
9.1	I speak positively about Sixty60 to friends and family.					
9.2	I would recommend Xtra Savings Plus to others.					
9.3	Checkers is my first choice					

	when talking about online groceries.					
9.4	I share my positive experiences with Sixty60 on social media.					
9.5	I feel proud to be a Checkers customer.					

These final items speak to advocacy, pride, and share-of-mind, connected to Chapter 2, Section 2.4.3 (Word-of-Mouth and Advocacy Behaviour). The scales measure whether consumers actively recommend, advocate, or express pride in their association with Checkers. They were adapted from Bruner (2021:525-528).

This section relates primarily to H2, linking loyalty to stronger brand equity perceptions, and also supports H4 by illustrating loyalty's mediating role.

Part J: Loyalty to Checkers

#	Scale item	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
10.1	I trust Checkers more now than before I subscribed to Xtra Savings Plus.					

10.2 My trust in Checkers is growing the longer I stay subscribed to Xtra Savings Plus.

10.3 I feel loyal to Checkers due to the subscription benefits of Xtra Savings Plus.

10.4 Xtra Savings Plus makes me feel more valued as a customer.

10.5 I have recommended the Xtra Savings Plus subscription to others.

This grouping reflects behavioural substitution and attitudinal loyalty, as developed in Chapter 2, Section 2.4.1 (Behavioural and Attitudinal Loyalty). The concern here is how programme benefits replace competitor use while deepening emotional and transactional bonds with Checkers. Scale items were drawn directly from Bruner (2021:233-235).

These measures speak to both H1 and H3, as they examine loyalty effects and the alignment of programme benefits with dominant loyalty orientations.

Part K: Final Thoughts

#	Scale Item	Long paragraph
11.1	If you were to recommend any changes to Xtra Savings Plus, what would they be?	
11.2	Is there anything else you'd like to share?	

A.3 Ethical Clearance Form

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[redacted]

06 August 2025

Outcome of Ethical Clearance for Master of Commerce in Strategic Brand Leadership.

Student name: Emmanuel Louis Santana

[redacted]

Brand and campus: IIEVega

Dear Emmanuel,

Thank you for submitting ethics clearance for the study titled: ***Navigating the Evolved FMCG Loyalty Frontier: Subscription Models Within the Western Cape Province, South Africa:***

We are pleased to inform you that the IIE's Higher Degrees Committee considered and granted ethics clearance, with minor revision to satisfaction of the Supervisor. This means you may proceed with data collection once the required changes have been addressed.

You are reminded to inform the IIE's Higher Degrees Committee of any changes made to the research methodology or title of the research prior to examination. Kindly ensure that all ethical considerations are duly applied whilst collecting, analysing and interpreting the data for the completion of your research.

If you have any questions, please feel free to contact your programme team or supervisor directly.

All the best with your research studies.

[redacted]

Chair: Higher Degrees Committee

ADvTECH GROUP

ADvTECH House: Inanda Greens, 54 Wierda Rd West, Wierda Valley 2196
P.O. Box 2369, Randburg 2125
Directors: GD Whyte (UK), JDR Oesch, MD Aitken, SCD Lurie
Group Company Secretary: CB Crouse

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