



**A DESCRIPTIVE STUDY ON THE SATISFACTION OF LOYALTY PROGRAMS
AND REPEAT PURCHASE BEHAVIOUR OF SOUTH AFRICAN YOUTH**

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*I hereby declare that the Research Report submitted for the BA
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ABSTRACT

A heightened level of loyalty program awareness, with regards to customer satisfaction, has led to greater repeat purchase behaviour. The objective hereof is to determine and describe the factors that influence customer satisfaction and repeat purchase intention towards loyalty programs. What is unknown to the nature of and the influence of loyalty programs on the repeat purchase behaviour of South African youth? (Dlamini and Chinje, 2019). In line with this, the research study aims to unpack the factors that impact and influence loyalty programs satisfaction and repeat purchase behaviour, through following a positivistic research approach. This research study is of a quantitative, cross-sectional, nature. The Theory of Planned Behaviour determined the foundation from which this study was conducted, as perceived behavioural control is a key factor hereof, focusing mainly on self-efficacy. The reviewed literature conceded factors related to customer satisfaction, loyalty programs and repeat purchase behaviour. The research study followed a positivistic approach, thus quantitative data was evaluated by means of particularly grouping statistical findings. The purpose of the research study was to measure the extent to which towards customer satisfaction of loyalty programs influences the repeat purchase behaviour of South African youth. From a sample of 23 responses, a seemingly positive customer satisfaction and repeat purchase behaviour towards loyalty programs was demonstrated. This study contributes to understanding perceived behavioural control factors, in relation to the customer satisfaction, influencing repeat purchase behaviour of loyalty programs.

Key Words: Customer Satisfaction, Repeat Purchase Behaviour, Loyalty Programs

DECLARATION

I hereby declare that the article/ research report/ mini-dissertation/ dissertation/ thesis *A Descriptive study on the satisfaction of loyalty programs and repeat purchase behaviour of South African youth* submitted for the *Bachelor of Arts Honours in Strategic Brand Communication* to The Independent Institute of Education (The IIE) is my own work and has not previously been submitted to another University or Higher Education Institution for a postgraduate qualification.

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1. INTRODUCTION

This research study aims to address the impact that consumeristic benefits have on loyalty program customer satisfaction and repeat purchase behaviour on South African youth. The following sections will provide the reader with a general comprehension of the main issue, as well as elaborate further on the factors that influence loyalty programs satisfaction, repeat purchase intention and the methodology of the data collection and analysis. South African researchers, Olivier and Burnstone (2014: 3), have defined a loyalty program as a structured marketing intervention that rewards and encourages customer behaviour that is specific (transaction value, purchase frequency, basket spread/product cross-holding and tenure) which is beneficial to the program owner or sponsor. The programme member is either entitled to a discount on the current purchase, or an allocation of loyalty points that can be used (i.e. redeemed) for future purchases (i.e. for future rewards) or even used to purchase products and services not normally sold by the programme owner/sponsor. In addition to the benefit of discounts or points, members may have access to membership privileges, which is determined by their relative value (as evidenced by their tier level). There are more than 70 loyalty programs in South Africa, and many are found in the retail sector (Dlamini and Chinje, 2019). There is little evidence showing the influence of loyalty programs satisfaction and repeat purchase behaviour. Therefore, this study aims to describe this influence.

1.1 Rationale and Relevance

This study is relevant due to the fact that it involves loyalty programs satisfaction and repeat purchase behaviour. The study will be conducted in South Africa. Loyalty programs are a rapidly developing strategic tool in the South Africa retail environment, with some of their aims is to create differentiation, improve relationships and foster repeat purchase behaviour (Corbishley, 2017). According to Cromhout and Netto (2019), 72% of South Africans, who are able to withstand economic challenges, are actively using loyalty programs. However, there has been a decline in the usage of loyalty programs. Customer satisfaction is a highly

personal assessment that is greatly affected by customer expectations (Cengiz, 2010).

Thus, it can be argued that the unpredictability and pressure placed on consumer spend has leveraged the decisions consumers take when it comes to brands, they love and ultimately the programs they prefer to use. It was therefore relevant to unpack factors that influence the satisfaction of loyalty programs and repeat purchase behaviour. This was achieved through quantitative descriptive research questions and hypothesis. The greater understanding of the influence of loyalty programs satisfaction and repeat purchase behaviour provided more insight about the decline of loyalty programs satisfaction. The insights will help brands on how to effectively and strategically communicate the loyalty programs to consumers in order to influence customer satisfaction and repeat purchase behaviour.

1.2 Problem and Purpose Statement

The problem that was identified is based on Cromhout and Netto (2019), who state that the usage of loyalty programs across South Africa is on the decline. As per Truth and BrandMapp (2019), there was a decrease of 3% in the utilization of loyalty programs in South Africa from 75% in 2018 to 72% in 2019. According to Dlamini and Chinje (2019), many retailers do not have loyalty programs in place that are focused on a specific market, such as the youth aged between 18 and 24. As a response, marketers and retailers have decided to provide customers with loyalty programs as an opportunity to maintain a large capacity of customers who have high repurchase rates, increase customer purchase intentions, and ultimately reduce customer intentions to switch to other brands (Meyer-Waarden, 2008). There was limited evidence that provided the influence of loyalty programs satisfaction and repeat purchase behaviour among the youth in South Africa.

Research Goal

The purpose of this research study is to unpack the factors that impact and influence loyalty programs satisfaction and repeat purchase behaviour. The researcher will attempt to describe the extent to which customer loyalty programs satisfaction influences the repeat purchase behaviour of South African youth. Thus,

the research objective for this study is to determine and describe the factors that influence customer satisfaction and repeat purchase intention towards loyalty programs.

Research Question

The primary research question for this study is: What is the nature of and the influence of loyalty programs on the repeat purchase behaviour of South African youth? (Dlamini and Chinje, 2019).

Due to the quantitative and deductive nature of this study, the hypotheses were developed. In positivistic research, a hypothesis is a formal statement which proposes the relationship between variables (Durrheim, 2004). Based on the primary research question, the following research hypotheses were obtained:

Hypothesis

H1 (NULL): Perceived consumeristic benefits from loyalty programs have a positive relationship with customer satisfaction (Corbishley, 2017).

H2 (Alternative): Perceived consumeristic benefits from loyalty programs have a negative relationship with customer satisfaction.

2. THEORETICAL FOUNDATION

The Theory of Planned Behaviour (TPB) initially commenced as the Theory of Reasoned Action in 1980 to predict an individual's intention to engage in a behaviour at a specific time and place. According to Boston University (2019), the theory was intended to define all behaviours over which people have the ability to exert self-control. Zhang (2018), states that (TPB) is a full-grown social psychology theory which has been widely applied in the fields of management, nursing and marketing. Scholars of multiple disciplines have applied the TPB model to test the factors that influence loyalty programs satisfaction and repeat purchase satisfaction (Dlamini and Chinje, 2019).

2.1 The Theory of Planned Behaviour

The Theory of Planned Behaviour (TPB) initially commenced as the Theory of Reasoned Action in 1980 to predict an individual's intention to engage in a behaviour at a specific time and place. According to Boston University (2019), the theory was intended to define all behaviours over which people have the ability to exert self-control. Zhang (2018), states that (TPB) is a full-grown social psychology theory which has been widely applied in the fields of management, nursing and marketing. Scholars of multiple disciplines have applied the TPB model to test the factors that influence loyalty programs satisfaction and repeat purchase satisfaction (Dlamini and Chinje, 2019).

Theory of Planned Behaviour is applied to justify value and economic based determinants and obstacles to use loyalty cards programs as well as consumers' experiences related to loyalty programs (Schnöring and Woisetschläger, 2017). TPB proposes three conceptually autonomous determinants of intention, namely attitude, subjective norm, and perceived behavioural control (Ajzen, 1991: 188). The main constructs that will be measured in this research study are the perceived behavioural control of consumers purchase intention with special reference to self-efficacy as an internal factor. In relation to Ajzen's (1991) TPB framework, a model of Self-Efficacy will be implemented (Bandura, 1977). This will evaluate the factors that influence loyalty programs satisfaction and repeat purchase intention. The self-efficacy model will evaluate its key components which are verbal persuasion, vicarious experience (seeing another person cope with the task), imaginal enactment (imagining oneself doing it), and emotional arousal (Hoffart, 2017).

2.2 Attitude

In the Theory of Planned Behaviour, there are two factors that drive behavioural intention. These factors are the individual nature and the impact of society on individuals. The individual nature is defined as the positive or negative evaluation of individuals on the particular acts they engage in, namely the attitude of individuals. The more specific the attitudes and behaviours are, the more evident the connection extend between attitudes and behaviours is (Ajzen & Fishbein, 1980). Attitude is perceived as the most influential and powerful predictor of the behavioural intention (Ajzen, 1991; Lim & Dubinsky, 2005).

2.3 Subjective Norm

Subjective norm is defined as the social pressures that individuals feel when they perform particular acts. These are the pressure from the persons or groups who are significant to the individuals in agreeing or disagreeing with the individuals to take particular acts (Dubinsky & Loken, 1989). It is pointed by that the subjective norm is the weakest element that influences the behaviour, but the influence of subjective norm on negative behaviour, such as illegal downloading, buying pirated, risky sexual behaviour and so on, is very significant (Fishbein & Ajzen, 1975)

2.4 Perceived Behavioural Control (PBC)

Perceived behavioural control (PBC) is defined as the perceived ease or difficulty to operationalise the planned behaviour (Ajzen, 1991: 188). It is the third determinant of intention which forms part of the Theory of Planned Behaviour. Ajzen (1985), also states that perceived behavioural refers to the controllable extend in which individuals feel when they take particular actions, which depends on three factors of capabilities, resources and opportunities. According to Mathieson (1991), perceived behavioural control is 'the individual's perception of his/her control over performance of the behaviour'. Intentions have been observed as motivational factors that are captured to influence a behaviour and demonstrate people's willingness to engage. As a general rule, the stronger the intention to engage in a behaviour, the greater its performance should be (Ajzen, 1991: 181). Before the discussion of the components of perceived behavioural control, Ajzen (1991) specified some requirements for the possibilities of an accurate prediction. Firstly, the measurements of intention and perceived behavioural control must align with or be compatible with the behaviour that is predicted.

Secondly, intentions and perceived behavioural control must maintain stability in the interval between their assessment and the observation of the behaviour. The third condition involves the accuracy of perceived behavioural control realistically, which reflects actual control (i.e., its predictive validity). The relationship between the attitude, subjective norm and repeat purchase intention is yet to be explored in-depth, thus it is exclusion from this study. The researcher acknowledges that consumer behaviour is a significant aspect of the TPB framework. It should be noted that in the literature it is related to loyalty programs satisfaction, however this

study is concerned with consumers' intentions to repeat purchase, as intentions lead to behaviours (Ajzen, 1991: 188).

2.5 Self-Efficacy

In broader terms, perceived behavioural control has two constructs namely Self-Efficacy (SE) and controllability (facilitating conditions) that reflect situational driving forces or constraints to a particular behaviour (Venkatesh 2000). This research study will focus on self-efficacy as a construct of perceived behavioural control. There is a difference between self-efficacy and PBC. Perceived Behavioural Control PBC is the perception of one's ability in controlling external factors to reach a certain behaviour. However, self-efficacy is the perception of the individual on disposable internal elements and the extent to utilize the internal element to reach a certain behaviour (Rodgers, Conner & Murray, 2008). According to Zulkosky (2009), the beliefs of self-efficacy influence the way people think, feel, motivate themselves, and act. Self-efficacy is concerned about the perception or judgment of being able to accomplish a specific goal and cannot be understood generally. Self-efficacy theory explicitly focuses on how individuals and communities can be amplified with a sense of agency that will facilitate goal attainment (Gallagher, 2012). Self-efficacy is a significant concept which ultimately affects the behaviour and outcomes of loyalty programs satisfaction.

3 LITERATURE REVIEW

This section aims to provide the reader with a general overview of existing bodies of knowledge, with regards to the influence of loyalty programs customer satisfaction and repeat purchase behaviour. The Self-Efficacy Theory (SET) model was applied to conceptualise key terms and guide the literature review. The literature review has considered four key matters of note, namely: performance accomplishments, vicarious experience, social persuasion, and Physiological and Emotional States.

Firstly, it is significant to comprehend the current scope of loyalty programs literature, as loyalty programs serve as the central concept of this study. There exists a large body of knowledge on the topic of loyalty programs (Dlamini and Chinje, 2019, Corbishley, 2017, Cromhout and Netto, 2019, and Hendrawan and

Anggraeni, 2020). Seminal authors of loyalty programs described the term “loyalty” as “...Loyalty refers to a consumer’s defensive attitude towards something.” (Hendrawan and Anggraeni, 2020). This implies that a loyalty program is a marketing strategy that is known to provide certain additional benefits for frequent customers (Hendrawan and Anggraeni, 2020). Loyalty programs reward customers for their purchases and help retailers to comprehend their customers in a better way. According to Corbishley (2017), loyalty programs first became popular in developed countries such as the United States of America and the United Kingdom before they grew immensely to the extent that they have in South Africa.

Many authors hold different views on the loyalty programs topic, Dlamini and Chinje, (2019) is of the opinion that the youth represent a significant future earning potential, thus, it is expected that marketing managers, brand and retailers would target the youth from an early age in order to generate a long-term relationship with them, and thereby achieve customer lifetime value. According to Söderlund and Colliander (2015), loyalty program members belong to different divisions of the consumer population and should thus be given different benefit offers. However, no studies have to date investigated the specific effects of loyalty programs on the youth, a crucial segment of the consumer population for many retailers. Literature has suggested that satisfaction and repeat purchase intention are the key determinants of loyalty (Pandit and Vilches-Montero, 2016). In light of this, there is a great deal of research has been carried out on loyalty programs and their efficacy, there is still no clear consensus on their value (Corbishley, 2017).

Thus, this study aims to add to the body of knowledge by testing the possible influence loyalty programs might have on the customer satisfaction and repeat purchase behaviour of South African youth, through addressing consumeristic benefits of loyalty programs. According to Corbishley (2017), ‘consumeristic’ or economic benefits are terms that are used to describe the perceived benefits inherent in programs that reward the customer in a way that are tangible usually in the form of gifts and discounts.

Recent studies on loyalty programs focuses strongly on Indonesia and South African markets (Hendrawan and Anggraeni, 2020, Cromhout and Netto, 2019,

Dlamini and Chinje, 2019, Corbishley, 2017). This could be due to emerging markets holding great potential for the development of effective loyalty programs. In addition, several existing studies have revealed that customers in emerging markets may present diverse purchasing behaviours from those of customers in developed markets (Atsmon, Kuentz and Seong, 2012). Little research in South Africa has been conducted on the influence of loyalty programs. As South Africa is a developing nation, research bodies from similar markets could provide the required framework for locally-based studies (Majila, 2014).

Interestingly, Dorotic et al. (2012), stated that the loyalty program provides multiple types of benefits, namely hedonic benefits, symbolic benefits, and utilitarian benefits. According to Hendrawan and Anggraeni (2020), Hedonic benefits refer to the feelings of comfort and exploration that are felt by members of the loyalty program through the pleasure of achieving or collecting points and when withdrawing / claiming points that have been collected. Furthermore, Symbolic benefits refer to social benefits and recognition that loyalty program members receive such as ownership, recognition by the company, social status, social acceptance, and special treatment (Jang and Mattila, 2005). Lastly, Utilitarian benefits refer to the high rewards that loyalty members gain when they save some money that should have been spent through the use of a loyalty program. Discounts, points, and vouchers can be a form of saving money (Sreejesh et al., 2016).

For the South African scope, research on consumeristic benefits of loyalty programs holds the benefit of a positive and significant relationship with satisfaction (Corbishley, 2017). The relative significance of perceived behavioural control, in the prediction of repeat purchase behaviour is expected to vary across behaviours and situations (Ajzen, 1991: 188).

3.1 Performance Accomplishments

"The most effective way of developing a strong sense of efficacy is through mastery experiences," (Bandura, 1977). Thus, a task that is performed successfully

amplifies our sense of self-efficacy. According to Cherry (2020), the failure to adequately deal with a task or difficulty can threaten and weaken self-efficacy. According to loyalty programs report by Cromhout and Netto (2019), South African respondents have expressed their concerns about program complexity, personal data usage and not being able to earn enough to extract value from the loyalty programs. According to Corbishley (2017), the most common form of loyalty program is one that rewards customers specifically for their patronage. Also referred to in the literature as utilitarian, self-benefit, economic, and monetary, the reward accrues directly to the customer and is felt in the pocket (Mimouni-Chaabane and Volle 2010: 33). These rewards are usually tangible and could be in the form of cashback, prizes, discounts or gifts (Eason et al. 2015: 73). It is argued that programs that reward customers in this way do not result in true loyalty, but rather a deceptive form of loyalty where the customer increases their expenses, but does not experience a similar improvement in their attitude towards the retailer (Eason et al. 2015: 73). These types of benefits are perceived to be most effective in obtaining new customers, but their efficacy in retaining customers for the long term is still questionable. This is due to the fact that of the understanding that emotional attachment is not necessarily achieved in the customer's mind under these conditions, thus, not achieving 'true loyalty'. These types of programs are often associated with sales promotion efforts which are short term, by nature. Furthermore, competitors find it easy to duplicate loyalty programs, removing any reason for customers to remain loyal. Examples of rewards that might lead to these titles would be discounts, cash-back, points and gifts.

3.2 Vicarious Experience

This can also be referred to as 'Social Modelling'. According to Cherry (2020), when a person witnesses other people effectively complete a task, this is perceived as another significant source of self-efficacy. "Seeing people similar to oneself succeed by sustained effort raises observers' beliefs that they too possess the capabilities to master comparable activities to succeed" (Bandura, 1977). Social identity theory suggests that people's requirement to strengthen their self-image motivates their desire to belong to or associate with a high-status group (increase their global status) (Henderson et al., 2011). The positive illusion perspective allows people to distort status-relevant information as an attempt to support their

self-esteem, but such inflations can actually lead to less social acceptance in some cases (Anderson et al., 2006; Barkow, 1975). Thus, loyalty programs that assist consumers are required to avoid such problems by providing a third-party signal of consumer status should benefit (Kim, Lee, Bu, & Lee, 2009). Drèze and Nunes (2009) show that the number and size of tiers in a program's structure influence consumers' perceptions of status and feeling special and, ultimately, their preference for the loyalty program. It has been discovered that consumers prefer status when it is more exclusive and when there are more tiers below them; in addition, status-signaling labels (e.g., "gold" tier) help support perceptions of exclusivity and status (Henderson et al., 2011). The higher the number of tiers below the customers' tier, and the smaller the high-status tiers, the more consumers can make social comparisons with lower tiers that give them the opportunity to enhance the self and feel special.

3.3 Social Persuasion

Bandura (1977), has asserted that people could be persuaded to believe that they have the required skills and capabilities to succeed. Dorotic et al. (2012: 218) have identified a number of characteristics that are found in most LPs. These are:

1. Fosters loyalty – by recognising and rewarding members' loyalty (both behavioural and attitudinal), thereby encouraging customer retention and growth in customer share.
2. Structured – Customers become formal members by applying and being given a card to identify themselves.
3. Long term – An LP is expected to be sustainable, unlike a sales promotion.
4. Rewarding – Members are rewarded for their loyal behaviour through various tangible and intangible methods.

Obtaining loyal customers through positive word of mouth promotion is crucial and vitally important and relevant to drive and influence satisfaction (Hendrawan & Anggraeni, 2020).

3.4 Physiological and Emotional States

The way we respond and emotionally react to different situations play a significant role in self-efficacy (Cherry, 2020). Perceived benefits of loyalty programs are identified by Mimouni-Chaabane and Volle (2010: 33) in terms of three main dimensions. These are categorised as utilitarian, hedonic and symbolic. Xie and Chen (2013: 470) state that customers that perceive their loyalty program in a positive light develop a desire to remain with that supplier for as long as they feel the same way. According to Corbishley (2017), properly designed loyalty programs can be of great value to the business and result in greater income, loyalty and market share. On the other hand, a poorly designed loyalty programs can be more costly, with a return that is negligible, and provide little or no change in customer purchase behaviour (Sharma and Verma 2014: 924; Ou et al. 2011: 202). Uncles et al. (2003: 303), state that advocates of customer loyalty programs believe that there is 'psychological bonding' for customers that emanates from belonging to a loyalty program. Psychological drivers relate to customer feelings of goodwill when they perceive that they are being favoured (Corbishley, 2017). Therefore, emotions of pride and satisfaction can become evident when members are able to gain savings and rewards. Retailers should ensure that they comprehend the requirements and desires of consumers, create value from the products they provide, thoroughly communicate that value, and ultimately deliver value to consumers (Kotler and Keller, 2016). In relation to the Self-Efficacy (SE) model, it is evident that performance accomplishments, vicarious experience, social persuasions, and physiological and emotional states are dominating factors in influencing whether customers are satisfied or not satisfied with their loyalty programs and whether their purchase behaviour will be repeated or not (Dlamini & Chinje, 2019 and Corbishley, 2017).

4. CONCEPTUALISATION

The definitions outlined below inform about key terms of this research study. The justification is supported by the literature review. The relationships are significant and were taken into consideration during data collection.

4.1 Loyalty Programs

Due to the purpose of this research, loyalty programs satisfaction formed as the focal point of this study and was considered the main research concept. According to Wang et al (2016), loyalty programs are defined as programs that improve repeat buying, which ultimately increases retention rates by providing incentives for customers to purchase more regularly and in larger capacities. The title '*Loyalty program*' is one of the titles given to a relationship management tool in the marketing industry (Corbishley, 2017). Loyalty programs are also referred to as reward programmes, frequency reward programmes, frequent-shopper programmes, loyalty cards or schemes and frequent-flyer programmes (Zakaria, Rahman, Othman, Azlina, Yunus, Dzulkpli and Osman 2014: 23; Dorotic et al. 2012: 218; Henderson, et al. 2011: 258). Loyalty programs have rapidly become a world-wide phenomenon as marketers have increasingly adopted the idea of recognising customers and incentivising them so that marketers can increase the benefits that they achieve from their better customers (Meyer-Waarden 2015: 22). Loyalty programs have become evident both globally and in a broad spectrum of industries (Corbishley, 2017). Customers utilize loyalty programs to obtain benefits such as information on new products, special offers, and gifts (Hendrawan and Anggraeni, 2020). According to Dlamini and Chinje (2019), loyalty programs can offer customers benefits in exchange for repeat purchase to a company. The value of a loyalty program is dependent upon the customer appreciation, or the positive perception of its benefits or rewards (Lee et al., 2015). Verhoef (2003), stated that when customers are constantly engaging in a loyalty program, they are more likely to receive its benefits and that will lead them to loyalty. The significance of a loyalty program is to reach a larger capacity of customer retention, especially in profitable market segments by creating satisfaction and providing value for customers (Hendrawan & Anggraeni, 2020). Loyalty programs have grown to become strategic marketing tools that encourage behavioural customer loyalty.

4.2 Customer Satisfaction

The creation and maintenance of customer satisfaction is one of the greatest modern difficulties, faced by management, as well as being an urgent priority (Veloutsou, 2015). Customer satisfaction is a core determining factor for creating

loyalty (Hendrawan & Anggraeni, 2020). According to Cengiz (2010), customer satisfaction is a highly personal assessment that is greatly affected by customer expectations. Some researchers define a satisfied customer within the private sector as “one who receives significant added value” to his/her bottom line. This is a definition which may also precisely apply to public services. While researchers such as (Barkaoui et al., 2015), argue that customer satisfaction levels relate directly to a company’s service quality. However, two decades ago Bowen and Shoemaker (1998) argued that satisfied customers are not automatically loyal. According to Hendrawan and Anggraeni (2020), the definition of loyalty program satisfaction is the affective declarations of program participants as a result of increasing evaluations of impression and experience with loyalty programs. Customer satisfaction with the loyalty program has grown to be a significant concept that requires to be considered when developing a loyalty program (Demoulin and Zidda, 2008). The influence of customer satisfaction on the loyalty program is a measure of how customer expectations are met on a given loyalty program, as store loyalty is a measure of how likely customers will repurchase and engage with sellers (Hendrawan & Anggraeni, 2020).

4.3 Repeat Purchase Behaviour

Meyer-Waarden and Benavent (2009) suggest that loyalty programs strengthen repeat purchase behaviour rather than influence attitudes and commitment. According to Dlamini and Chinje (2019), Loyalty programs, benefits, and customer trust in a service provider have been clearly shown to influence consumer behaviour (Baloglu et al., 2017), and much of the literature suggests that satisfaction and trust are key determinants of loyalty (Pandit and Vilches-Montero, 2016). Previous studies have investigated the impact of one or two of the three predictors of customer loyalty (Baloglu et al., 2017), but none has examined the joint effects of all three on loyalty programs and repeat purchase behaviour. According to to Hendrawan and Anggraeni (2020), loyal customers are willing to repurchase and be exposed to other products offered by retailers and brands through cross-selling. Repeat purchase behaviour in this paper is perceived as customers repeatedly purchasing goods and services from a retailer (Paul et al., 2009).

Perceived Behavioural Control

Perceived behavioural control (SE) and loyalty programs satisfaction have a mutually influential relationship, as self-efficacy is an undeniable human characteristic. This study considers perceived behavioural control as a research variable, as the influence of self-efficacy on loyalty programs satisfaction was tested.

This literature review has highlighted that loyalty programs may be considered as great marketing tools for brands and retailers; as the loyalty programs have the potential to increase customer satisfaction and the repeat purchase behaviour of South African youth through the enrichment of perceived behavioural control and self-efficacy. It is advised that brands and retailers make consistent their product offering as adaption is very costly (Horska' et al, 2007). Retailers should understand the needs and desires of consumers, create value from the products offered, communicate that value, and ultimately deliver value to consumers (Kotler and Keller, 2016). By adapting a self-efficacy strategy, marketers, brands and retailers will make their consumers feel more connected with their brands. The literature sources consolidated did not find much information about repeat purchase behaviour studies with regards to the South African context, and this is where the research study is located.

5. METHODOLOGY

The following section provides detailed information on how the research process was conducted.

5.1 Research Paradigm

The selected paradigm for this research study is positivism. This research study will be based on an ontological positivistic paradigm. According to Edirisingha (2012), ontology is all about identifying the general nature of the existence of a particular phenomenon. The researcher took a controlled and structural approach in conducting the research to clearly identify the influence of loyalty programs

satisfaction and repeat purchase intention of South African youth. The variable factors that influence the loyalty programs satisfaction and repeat purchase intention will be taken into consideration. This was also guided by the proposed hypotheses. Thus, a positivistic research approach will be pursued, as the researcher is expected to collect empirical quantitative data (Atieno, 2009: 13), ensuring validity by the process of precise clarification of data which incorporates the use of statistical tests for justification purposes (du Plooy- Cilliers, et al., 2014: 34). Positivistic research places a high value on objective research, which ultimately creates trust that findings are an accurate reflection of an objective reality (du Plooy-Cilliers, et al., 2014: 27). The positivist methodological position, which makes use of a nomothetic approach, mainly supports the research project as the research study aims to measure the relevant concepts by the use of numerical scales, with the objective of performing descriptive statistical analysis on the data collected (Maree, 2016: 34). The researcher aimed to measure the extent to which loyalty programs influences customer satisfaction and repeat purchase behaviour, taking into consideration the consumeristic benefits of loyalty programs among South African youth. Thus, a positivistic research approach was followed, as the researcher was required to gather empirical quantitative data (Atieno, 2009: 13), in order to ensure validity by the process of the thorough clarification of data, involving the use of statistical tests for justification purposes (du Plooy- Cilliers et al., 2014: 34). Positivism also supports the use of a deductive approach to research, aiming to test relevant hypothesis and theories, thus making it suitable for use within this research task (Bryman and Bell, 2014). Positivistic research highly values objective research, which creates trust that findings reflect and accurate and an objective reality (du Plooy-Cilliers et al., 2014: 27).

5.2 Population

A population is the whole group of participants that will contribute to the research study with information necessary to complete the study (du Plooy-Cilliers et al., 2014). Barnsbee and Nghiem (2018), define the target population as the group of individuals that the researcher plans to conduct research in and draw conclusions from. For this study, the target population was a person that is 18 years to 35 years

old, who live in South Africa. This target population can also be referred to as the youth. The accessible population is known as the group of participants that the researcher is qualified to incorporate into his/her study. The only participants that the researcher is able to reach were included in the research study (du Plooy-Cilliers et al., 2014). The accessible population in this study were 30 of the researcher's peers who were studying at different universities around Pretoria that are between the ages of 18 years and 35 years old, as well as other participants that live in Gauteng, South Africa that are 18 to 35 years old and have retail loyalty programs of their choice of brands. This population was relevant and easily accessible for the purpose of participating in the study.

5.3 Sampling

This study made use of probability sampling methods. Convenience sampling (also known as Haphazard Sampling or Accidental Sampling) is a type of non-probability or non-random sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical closeness, availability at a given time, or the willingness to participate are included for the purpose of the study (Etikan et. al, 2016). According to McCombes (2019), non-probability sampling involves non-random selection that is based on convenience or other criteria, which allows the researcher to easily collect data. The first probability sampling method that was used is convenience sampling. Convenience sampling involves the individuals who happen to be most accessible to the researcher (McCombes, 2019). The challenge of convenience sampling is that it is impossible to tell if the sample is representative of the population, so it cannot produce generalizable results. Convenience sampling can sometimes be regarded as 'accidental samples' due to the fact that elements may be chosen in the sample simply as they just happen to be situated, spatially or administratively, nearly to where the researcher is conducting the data collection. The different categories for this research study were mainly South African youth who have loyalty programs of popular South African retail stores namely: Pick 'n Pay (Smart Shopper), Woolworths Rewards, Checkers X Savings, Clicks Clubcard. Convenience sampling means that the members of the target population are homogeneous (Etikan et. al, 2016). The second non-probability sampling method that was used for this research study was purposive sampling. According to Alchemer (2021),

purposive sampling allows researchers to compress a lot of information out of the data that they have collected. This allows researchers to describe the major impact their findings have on the population. Purposive sampling concentrates or focuses on people with particular characteristics who will better be able to assist with the relevant research. Purposive sampling is appropriate if the researcher has enough time and resources to conduct your study, or if they are studying a limited population that can easily be sampled. Another advantage of purposive sampling method is its appropriateness if there is a limited number of primary data sources contributing to the survey (Alchemer, 2021). The primary disadvantage of purposive sampling was that it was inclined to researcher bias, due to the fact that researchers were making subjective or generalized assumptions when selecting participants for their online survey. The research study followed a process that was in accordance with the institution's requirements by adhering to the sample size which was requested for this study, that was no less than $n=20$. All respondents were in the age range of 18 to 35. Both male and female participants were included in the study. The respondents had to indicate if they are 18-24, 25-30 or 31-35. This provided the researcher with insights regarding the customer satisfaction impression of loyalty programs on South African youth (Maree, 2020).

For this research study, the sample was $n = 23$, which is a limited population as requested by the supervisor for this particular research study. Convenience sampling and purposive sampling methods were both suitable for the research study at hand due to the time and financial resource restrictions that are applicable to the researcher and the research study, and the requirements which the sample elements are required to meet.

For this research study, inclusion standards which were considered significant for the sample elements is that the respondents are aged between the ages of 18 and 35 and have a loyalty program of a brand of their choice on. The requirement for the respondents to have a loyalty program of their choice relates to the measurement of the loyalty programs satisfaction and the respondent's repeat purchase behaviour, which was mainly revolving around the focus of the purpose of the survey.

5.4 Extent

The section of the research was carried out during the months of July and August 2021. It took the duration of over a 15-day time period, in Gauteng, South Africa. The data collection took place in the digital environment, where survey questionnaires were sent out on the WhatsApp social media platform to the youth, who were people between the ages of 18 to 35 around the Gauteng province in South Africa.

5.5 Data Collection Method

Data gathering is significant in research, as the data is meant to contribute to a broader understanding of the theoretical framework (Etikan et. al, 2016). Various data collection methods exist for the purpose of gathering data from respondents. Some of these methods include mail surveys, telephone surveys, personal interviews and group administration (Du-Plooy Cilliers et al., 2014: 151). In order to strengthen the positivist paradigm developing this research study and the proposed research question, the researcher made use of cross-sectional surveys using questionnaires (Du-Plooy Cilliers et al., 2014: 152). According to Form Plus (2020), a survey gives the researcher insights into respondents' behaviours and preferences which is valid in any systematic investigation. Surveys are structured in an interactive way, which makes it easier for respondents to communicate their thoughts and experiences. They also allowed the researcher to collect important data that proves useful for product or service improvement, especially in market research (Form Plus, 2020). For this research study, the researcher created survey questionnaires using the Survey Monkey tool. The surveys were presented in the English language, due to the demographics included in the accessible population. This is to ensure survey consistency, and to enable ease of data analysis. Section A of the survey questionnaire had four seed questions that were used to ensure that each sample element fits with the required standard in order to be relevant for the research study (Maree, 2016: 198). Section B and C of the survey questionnaire made use of the Likert scale to measure the perceived consumeristic benefits of loyalty programs towards customer satisfaction.

According to Elliott (2021), a Likert scale is a type of scale used in survey research that measures respondents' attitudes towards a certain subject. The chosen data collection method supports the research paradigm and purpose, as the

questionnaires utilizing semantic differential and Likert scales produce objective and quantitative data (Maree, 2016). Furthermore, the two scales being used can be coded identically and they will develop ease of descriptive data analysis, enabling the researcher to effectively describe the phenomena under investigation as set out in the purpose statement. It can be argued that by using the Likert scale, the researchers were able to assess varying levels of agreement, importance, quality, and other factors that influence loyalty programs satisfaction and repeat purchase behaviour. The surveys which were used for the purpose of gathering the data consisted solely of matrix questions, which will require respondents to choose the option which best reflects their attitude or opinion, with a total of fifteen questions included in the questionnaire (Du-Plooy Cilliers et al., 2014: 154). The respondents were given an explanatory information sheet (Annexure A) and will be requested to give their consent to complete the survey questionnaire by signing a digital document (Annexure B). The awareness of the fact that there will be no benefit or risk in participating in the research study was made clear to the participants. The participants identities have remained confidential throughout the study and they were given the opportunity to withdraw from the study at any point in time (du Plooy Cilliers et al., 2014).

The advantages to survey research are as follows:

- Conducting a survey is an inexpensive method and allows for research to be carried out in a short period of time
- By making use of a survey the target population can easily be selected and then questionnaires can be administered.
- Participation will be improved as the questionnaire can be filled in anonymously
- Large amounts of data can be collected and then standardized.

(Du Plooy-Cilliers, Davids and Bezuidenhout, 2014).

5.6 Data Analysis Method

A deductive data analysis strategy will be put to use for the purpose of analysing the quantitative data concerning the influence of loyalty programs satisfaction and

the repeat purchase behaviour of South African youth, collected from the thirty respondents ($n = 30$). This research study will make use of a descriptive statistics analysis method. According to Trochim (2019), descriptive statistics are used to describe the basic elements of the data in a research study. Descriptive statistics will be used to analyse the quantitative data collected in the form of numerical values and it will summarize the data in two different ways (Maree, 2016: 207). The data will be summarized in terms of centrality, with reference to the mean, mode and median.

The descriptive statistical analyses will be conducted on Microsoft Excel and will make use of several formulas, with the relevant spreadsheets. The use of descriptive statistics for the purpose of data analysis will support the descriptive nature and purpose of the research study with the description of the relationships which exist between the relevant constructs. Once the data is collected, the data will be graphically represented in the form of pie charts, which will enable the researcher to identify the shape, spread and centrality of the data (Maree, 2016: 213). The data will be presented using both text and graphics in order to ensure that the reader is able to comprehend the points being made (Du-Plooy Cilliers et al., 2014: 226).

6. FINDINGS AND INTERPRETATION

Self-Efficacy, a sub-construct of the Perceived Behavioural Control (PBC) model, is extremely relevant in estimating consumers' perceptions and responses that drive marketing objects and marketing strategies, such as loyalty programs and repeat purchase behaviour. In this study, the data was analysed in the form of an online questionnaire. This section, data is presented whereby the results are interpreted through visual graphs and themes, which descriptive statistics are explained and to ensure the intended meaning are clearly stated from the findings (Du Plooy-Cilliers et al., 2014). The findings below were extracted from the conducted statistical analysis. The data that was collected was grouped into two sections, namely; satisfaction and repeat purchase intention.

The research question was answered by firstly reviewing individual responses of the survey, in order to obtain a better understanding of possible trends amongst

respondents who are satisfied with their loyalty programs and frequently use their loyalty programs to repurchase and those who are not.

6.1 Analysis of Section A of the questionnaire

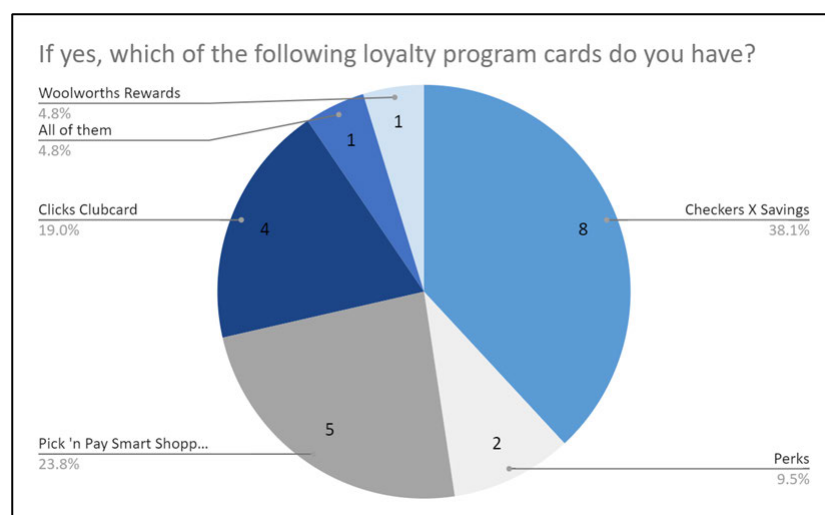
Table 1: Demographic Profile

Demographic characteristics	Frequency (n=23)	Percentage
Male	6	26,1%
Female	17	73,9%
Age	Frequency	Percentage
18 – 24 years	14	60,9%
25 – 30 years	4	17,4%
31 – 35 years	4	17,4%
Tertiary Institution	Frequency	Percentage
Vega School	7	31,8%
Vega School Johannesburg	2	9,1%
University of Pretoria	3	18,2%
Unisa	3	13,6%
Do you have a loyalty program card? Yes, or no?	Frequency	Percentage
Yes	21	91,3%
No	2	8,7%

The table above represents the demographic characteristics of the participants. It should be noted that the above statistics are not a representative of the male to female population of South Africa and merely represent the distribution of questionnaires amongst the South African youth, based in the Gauteng Province, who agreed to participate in the study. The diagram above demonstrates that 26,1% (frequency = 6) of respondents were male whereas 73,9% (frequency = 17) of respondents were female. According to Cromhout & Netto (2020), when it comes

to gender related loyalty programs studies, typically women belong to more programs than men. The statistics indicate that there were more female respondents than males. According to Cromhout and Netto (2020), the age category 18-25 belonged to dramatically less programmes than the older age categories from 2015 to 2020. Based on the table above, it can be seen that the age category where loyalty programs users amongst the youth were most prevalent was between the ages of 18 and 24 holding an overall percentage of 60.9% with the frequency of 14. The accessible population in this study was the 23 researcher's peers who are studying at different tertiary institutions or universities around Pretoria and Johannesburg, Gauteng, South Africa. The diagram above demonstrates that the majority of the respondents are from Vega School (31,8% + 9,1% = 40,9%). This indicates that most of the respondents who volunteered to participate on the study are the researchers' peers. Only 18,2% of the respondents are from the University of Pretoria. The rest of the respondents were from the University of South Africa, Intec, Boston College and the Tshwane University of Technology. According to the table above, the majority of the respondents 91,3% has answered yes and only 8,7% have answered no to having a loyalty program card. This indicates that the majority of the youth in Pretoria, South Africa, do have a loyalty program card.

Figure 1: Loyalty program cards



Respondents who indicated that they use loyalty programs in the previous question were asked to select the loyalty programs they have and use, which gave the researcher a true reflection of loyalty program usage per program. The diagram

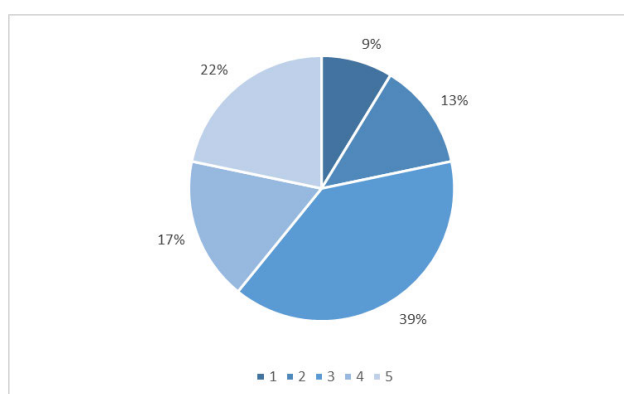
above demonstrates the different loyalty program cards that respondents have and use. The majority of the respondents (38,1%), have and use the Checkers X Savings loyalty program card. Only 23,8% of the respondents have the Pick 'n Pay Smart Shopper card and 19% of the respondents have the Clicks Clubcard. According to Cromhout & Netto (2020), retail programs are still dominating the loyalty landscape with 7 out of the top 10 being retail loyalty programs in the last five years. Based on a study by Cromhout & Netto (2020), Clicks ClubCard remains steady at number 1, with 71% of respondents saying they use Clicks ClubCard the most. However, the diagram above indicates that Clicks Clubcard is now at number 3, with 19% of the Pretoria youth respondents saying they have and use Clicks Clubcard. This indicates that there might be a decline in the usage of some of the loyalty program cards.

6.2 Analysis of Section B of the questionnaire

Theme: Satisfaction

The theme of this section is satisfaction. The questions were related to the frustrations that the respondents have about their loyalty programs.

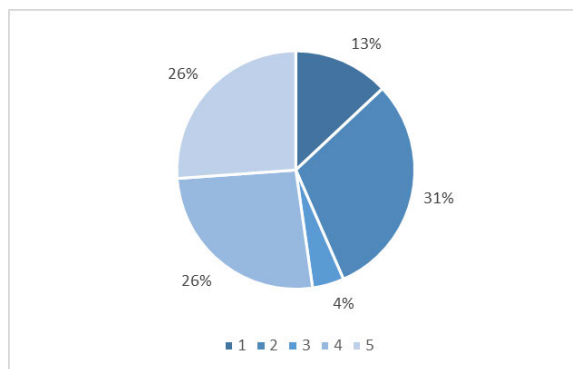
Figure 2: I have to spend a lot of money to earn good rewards.



As presented in figure 2, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented 'strongly disagree', 2 represented 'disagree', 3 represented 'neutral', 4 represented 'agree', 5 represented 'strongly agree'. The diagram above demonstrates one of the frustrations the respondents have

regarding their loyalty program. The diagram indicates that on a Likert scale of 1 – 5, 39% of respondents have neither agreed or disagreed to the statement that says that they have to spend a lot of money in order to earn good rewards. It is observed that only 22% agreed with the statement which shows an overall higher level of agreement than disagreement. The descriptive analysis indicates that the mean is 3,3% and the standard deviation was calculated at 1,2%, which means that the data is more reliable. From this, it can be concluded that loyalty programs serve a significant purpose to respondents who were mainly the youth and need to be considered when developing long-term marketing strategies.

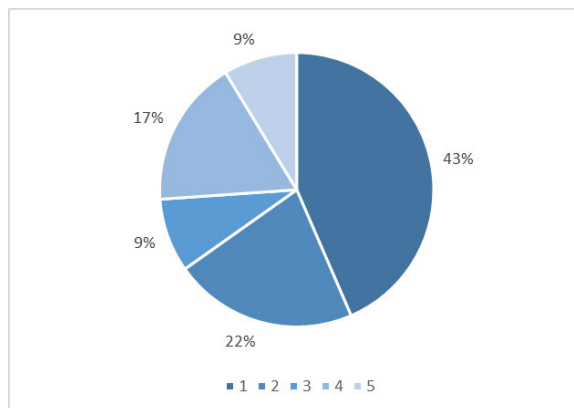
Figure 3: Brands that offer loyalty programs demand too much personal information.



As presented in figure 3, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented 'strongly disagree', 2 represented 'disagree', 3 represented 'neutral', 4 represented 'agree', 5 represented 'strongly agree'. The above diagram depicts that 31% of the respondents disagree that brands that offer loyalty programs demand too much personal information and 26% of the respondents agree and strongly agree with the statement. Only 4% of the participants held a neutral stance. The diagram indicates that 13% of the respondents strongly disagree with the statement. These results overall dictate a high level of agreement thus showing that brands that offer loyalty programs demand and require too much personal information. According to Xie and Chen (2013: 470), customers that perceive their loyalty program in a positive light develop a desire to remain with that supplier for as long as they feel the same way. Therefore, brands should ensure that they comprehend the requirements and desires of consumers, create value from the products they provide, thoroughly

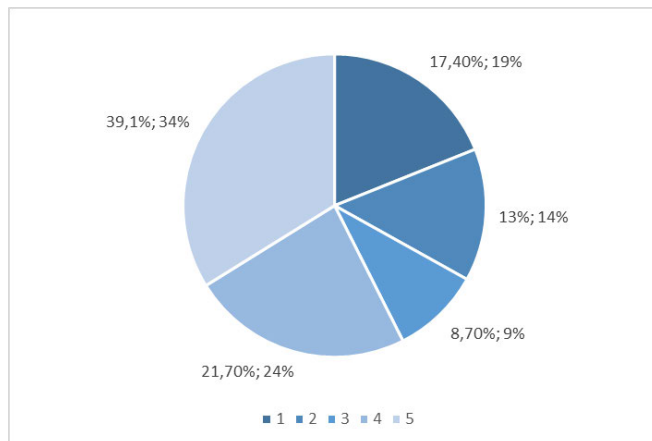
communicate that value, and ultimately deliver value to consumers (Kotler and Keller, 2016). In essence, these findings further validate the significance of self-efficacy and perceived behaviour control can influence loyalty programs satisfaction and repeat purchase intention.

Figure 4: The loyalty program card registration process is complicated.



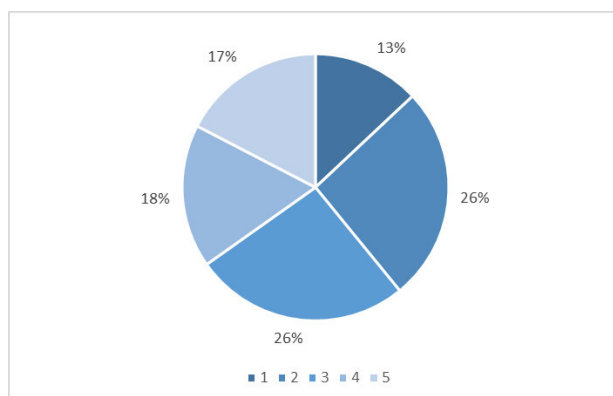
As presented in figure 4, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented 'strongly disagree', 2 represented 'disagree', 3 represented 'neutral', 4 represented 'agree', 5 represented 'strongly agree'. The diagram above demonstrates that 43% of the respondents strongly disagree with the statement that says that the loyalty program card registration process is complicated. Only 22% disagree with the statement. The mean of the data was calculated at 3,5% and the standard deviation was 1,4%. This indicates that 9% of respondents neither agree nor disagree with statement and hold a neutral position. According to loyalty programs report by Cromhout and Netto (2019), South African respondents have expressed their concerns about program complexity, personal data usage and not being able to earn enough to extract value from the loyalty programs. Only 9% of the respondents agree with the statement. This indicates that the South African youth who participated in the study are not challenged by the loyalty program card registration process.

Figure 5: Loyalty program points often expire before I use them.



As presented in figure 5, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented 'strongly disagree', 2 represented 'disagree', 3 represented 'neutral', 4 represented 'agree', 5 represented 'strongly agree'. The diagram above indicates the respondent's satisfaction regarding the duration of the usage of the loyalty program points. It is observed that 39,1% of the respondents strongly agree with the statement and 17,4% strongly disagree with the statement. Only 8,7% of the respondents hold a neutral stance. The mean is calculated at 3,5% and the standard deviation is 1,5%. According to Cherry (2020), the failure to adequately deal with a task or difficulty can threaten and weaken self-efficacy. This validates the high level of agreement to the statement by respondents.

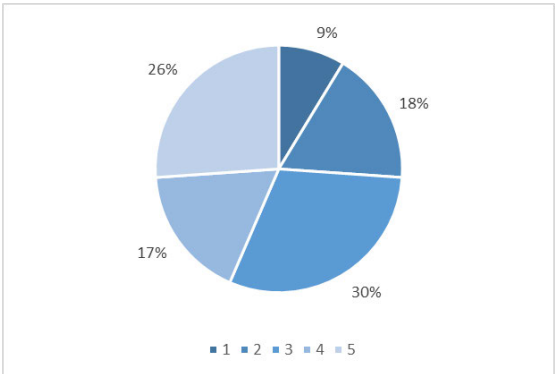
Figure 6: Regaining loyalty program points or rewards is too complicated.



As presented in figure 6, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented 'strongly disagree', 2 represented 'disagree', 3 represented 'neutral', 4 represented 'agree', 5 represented 'strongly agree'. The figure above demonstrates that 13% of the respondents strongly disagree, 26% disagree, 26% held a neutral position, 18% agree and 17% strongly agree with the

statement. The mean was calculated at 3% and the standard deviation at 1,3% of the data. Only 17% of the respondents strongly agree that regaining loyalty program points or rewards is too complicated. This answers the research question and indicates why there was a decline in the usage of loyalty programs.

Figure 7: Nothing frustrates me about my brand loyalty program card.



As presented in figure 7, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented ‘strongly disagree’, 2 represented ‘disagree’, 3 represented ‘neutral’, 4 represented ‘agree’, 5 represented ‘strongly agree’. The diagram above demonstrates that 9% of the respondents strongly disagree, 18% disagree, 30% hold a neutral position, 17% agree and 26% strongly agree with the statement. The mean was calculated at 3,3% and the standard deviation at 1,3%. The value of a loyalty program is dependent upon the customer appreciation, or the positive perception of its benefits or rewards (Lee et al., 2015). With only 26% of the respondents strongly agreeing with the statement, it is evident that the respondents are satisfied with their loyalty program cards. Xie and Chen (2013: 470), state that customers that perceive their loyalty program in a positive light develop a desire to remain with that supplier for as long as they feel the same way.

6.3 Analysis of Section C of the survey

Table 2: Repeat Purchase Intention

	Percentage

Repeat Purchase Behaviour	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1. I am able to save money when I use my loyalty program card.	13%	4%	26%	22%	35%
2. My loyalty program card helps me to get discounts or special deals that non-members don't get.	4,30%	4,30%	17,40%	8,70%	65,20%
3. I keep using my loyalty program card to buy because I appreciate it.	8,70%	13%	17,40%	17,40%	43,50%
4. I am willing to put in extra effort to use my loyalty program card when I purchase things.	13%	8,70%	21,70%	13%	43,50%
5. Regardless of competitors' offers, I will always use my loyalty program card to shop.	17,40%	13%	21,70%	17,40%	30,40%

As presented in the table above, opinions of the respondents were marked on a 5-point Likert scale whereby 1 represented 'strongly disagree', 2 represented 'disagree', 3 represented 'neutral', 4 represented 'agree', 5 represented 'strongly agree'.

Statement 1: The first statement shows that 13% of the respondents strongly disagree, 4% disagree, 26% hold a neutral opinion, 22% agree and 35% strongly agree with the statement. This indicates that the majority of the respondents strongly agree that they are able to save money when they use their loyalty program card. The mean was calculated at 4,2% and the standard deviation at 1,1%. Psychological drivers relate to customer feelings of goodwill when they perceive that they are being

favoured (Corbishley, 2017). Thus, emotions of pride and satisfaction can become evident when members are able to gain savings and rewards.

Statement 2: The second statement shows that 4,30% of the respondents strongly disagrees, 4,30% disagrees, 17,40% neither disagrees or agrees, 8,70% agrees and 65,20% strongly agrees with the statement that loyalty programs help them to get discounts or specials that non-members don't get. The mean was calculated at 3,6% and the standard deviation at 1,4%. Customers utilize loyalty programs to obtain benefits such as information on new products, special offers, and gifts (Hendrawan and Anggraeni, 2020).

Statement 3: The table above demonstrates that 8,70% of the respondents strongly disagree, 13% disagree, 17,40% neither disagree nor agree, 17,40% agree and 43,50% strongly agree with the statement. This indicates that the majority of the respondents are intentionally repeating their purchase behaviour due to being satisfied. According to Dlamini and Chinje (2019), loyalty programs, benefits, and customer trust in a service provider have been clearly shown to influence consumer behaviour (Baloglu et al., 2017), and much of the literature suggests that satisfaction and trust are key determinants of loyalty (Pandit and Vilches-Montero, 2016).

Statement 4: The table demonstrates that 13% of the respondents strongly disagree, 8,70% disagree, 21,70% neither disagree nor agree, 13% agree and 43,50% strongly agree with the statement. This indicates that the majority of the respondents are willing to put in extra effort to use their loyalty program cards when they purchase products and services. Uncles et al. (2003: 303), state that advocates of customer loyalty programs believe that there is 'psychological bonding' for customers that emanates from belonging to a loyalty program. The mean was calculated at 3,6% and the standard deviation at 1,3%.

Statement 5: The diagram above demonstrates that 17,40% of the respondents strongly disagree, 13% disagree, 21,70% neither disagree nor agree, 17,40% agree and 30,40% strongly agree with the statement. The mean was calculated at 3,3% and the standard deviation at 1,4%. Perceived benefits of loyalty programs are identified by Mimouni-Chaabane and Volle (2010: 33) in terms of three main dimensions. These are categorised as utilitarian, hedonic and symbolic. Xie and Chen (2013: 470) state that customers that perceive their loyalty program in a positive light develop a desire

to remain with that supplier for as long as they feel the same way. Meyer-Waarden and Benavent (2009) suggest that loyalty programs strengthen repeat purchase behaviour rather than influence attitudes and commitment. This indicates that respondents are committed to using their loyalty program cards for repurchase purposes.

From the presented findings, it can be interpreted that Ajzen's (1991) perceive behavioural control is relevant when the researcher aims to describe the degree of influence on customer satisfaction towards repeat purchase intention. According to a study by Magi (2003), the mediating role of customer satisfaction on repeat purchase behaviour is consistent with the finding. It was discovered that customer satisfaction is a critical determinant for customers' increased level of shopping at a retailer (Magi, 2003). Furthermore, Yi and La (2004) discovered that customer satisfactions directly impact repeat purchase behaviour. According to Dlamini and Chinje (2019), loyalty programs positively influence customer satisfaction. This in turn implies that brands should strive towards providing the best and most critically thought out and researched loyalty programs available on the market in order to increase both the satisfaction and repeat purchase patterns and behaviours of their customers. Thus, brands need to thoroughly and sensitively understand the key causes of dissatisfaction that may exist amongst their customers.

7. RELIABILITY AND VALIDITY

Reliability

Reliability concerns the consistency of a count (Middleton, 2019). Reliability refers to the consistency across data when the research instrument is used at different times, by different researchers (Du-Plooy Cilliers et al., 2014: 254). Researchers of previous loyalty programs studies have made use of 5-point Likert scales; therefore, this study confirms reliability and validity through the replication of other studies of a similar nature. Furthermore, research findings were analysed against the studies of previous researchers. The similarities in the findings therefore demonstrate a degree of internal reliability that is present in the research instrument (Maree, 2020). The researcher used a cross-sectional survey method to collect the data, but the results might be of low reliability due to the inconsistent subjective results from loyalty programs users in the Gauteng province in South Africa. However, the research study might also be

reliable as the literature review was derived from published academic sources with relevant concepts.

Validity

Validity is defined as the extent to which the results really measure what they are supposed to measure (Middleton, 2019). According to Heale (2015), there are three types of evidence that can be used to demonstrate a research instrument has construct validity:

Homogeneity—meaning that the instrument measures one construct.

Convergence—this occurs when the instrument measures concepts similar to that of other instruments. Although if there are no similar instruments available this will not be possible to do.

Theory evidence—this is evident when behaviour is similar to theoretical propositions of the construct measured in the instrument.

What guarantees validity is the study being of nature that can be replicated by other researchers and scholars. The research methodology was designed in a manner which ensured that the research questions can be answered and tested a number of times. The threat of faults and errors within the research instrument was reduced by making use of measurement scales which have been validated and previously used in research studies (Maree, 2020).

The shortened timeframe of this research study reduced the threat of incongruity in respondents, as data was collected in a current and cross-sectional manner, reducing the potential for respondents' behaviour or perceptions to transform drastically during their participation in the study. Attrition was accounted for in the research study by collecting more than twenty responses (Maree, 2020).

8. CONCLUSION

The key focus of this research study was to address the limited understanding as to how consumeristic benefits of loyalty programs impacts customer satisfaction and repeat purchase behaviour of South African youth. The primary aim of the research study was to report on the relationship which exists between loyalty programs and customer satisfaction and how these effects repeat purchase behaviour. The findings

that were presented answered the research questions and addressed the objective of the study. To some extent, the results support the conclusions of previous studies from various authors, as they determine a positive and significant relationship between loyalty programs and customer satisfaction influencing repeat purchase behaviour.

8.1 Concluding Answer to the research question

The findings demonstrate that perceived behavioural control with specific reference to self-efficacy, is an important predictor of customer satisfaction and repeat purchase behaviour (Ajzen, 1991), specifically considering that of loyalty programs. It has been concluded that loyalty programs have an influence on customer satisfaction and the repeat purchase behaviour of South African youth. Thus, the findings suggest that customer satisfaction is a critical determinant for customers' increased level of shopping at a retailer (Dlamini & Chinje, 2019). Furthermore, the final results show that the repeat purchase behaviour of South African youth is not solely influenced by a single factor, but a combination of the consumeristic benefits of loyalty programs.

Thus, the answer to research question is, based on the findings that were obtained from the survey results. It could be suggested that consumeristic benefits of loyalty programs do have an influence on customer satisfaction and the repeat purchase behaviour of South African youth (Dlamini & Chinje, 2019). The hypothesis for this particular research study was addressed by observing the relationship between customer satisfaction of loyalty programs and the repeat purchase behaviour of South African youth. Based on the data analysis, the hypothesis is accepted. The null hypothesis (*H1*) stating "Perceived consumeristic benefits from loyalty programs have a positive relationship with customer satisfaction (Corbishley, 2017)", has been proven to be true by this research study, and assumed to be true until there is sufficient data found and 23 analysed to potentially demonstrate otherwise. The alternative hypothesis (*H2*) has however been proven not to be true by this research study. Although the importance of data findings was limited, the results are of a sufficient nature to support a positive relationship between concepts. The phenomenon for this research study is the customer satisfaction of loyalty programs and repeat purchase behaviour of South African youth. The research problem was addressed through the explanation of the report on the current situation of the customer satisfaction of loyalty

programs and the influence it has on repeat purchase behaviour of South African youth.

The research problem that was identified for this study is based on Cromhout and Netto (2019), who state that the usage of loyalty programs across South Africa is on the decline. As per Truth and BrandMapp (2019), there was a decrease of 3% in the utilization of loyalty programs in South Africa from 75% in 2018 to 72% in 2019.

This problem was solved through further describing the relationship which exists between customer satisfaction and repeat purchase behaviour, and determining the impact of consumeristic benefits of loyalty programs among South African youth. Thus, improving marketers, brands and retailers understanding of the relationships between customer satisfaction and repeat purchase behaviour and enabling them to better formulate, develop and utilize their marketing strategies for the purpose of influencing customers satisfaction with the end goal of developing positive consumer repeat purchase intentions towards the loyalty programs.

In addition, marketers are also required to continue to carry out marketing intelligence systems to determine changes in consumer behaviour. It was determined that customer satisfaction is a predominant factor of repeat purchase behaviour. Thus, the results of this research study hold insight into how customer satisfaction towards consumeristic benefits of loyalty programs can positively influence repeat purchase behaviour of South African youth. The research goal of this study was to unpack the factors that impact and influence loyalty programs satisfaction and repeat purchase behaviour. The goal was successfully achieved through the analysis of the relevant data by using descriptive statistics, and determining the existence of relationships between the relevant concepts.

8.2 Implications of findings for future practices

This research study was aimed at reporting on the factors that influence loyalty program satisfaction and repeat purchase behaviour of the South African youth, considering the impacts of self-efficacy towards perceived behavioural control. There were 22 valid respondents in total, with the majority of 93,1% having a loyalty program card. From their responses, research findings were established. According to Corbishley (2017), consumeristic benefits do not necessarily lead to satisfaction instantly, however, they are still favoured by customers. The findings answered the

study's main research question which is: What is the nature of and the influence of loyalty programs on the repeat purchase behaviour of South African youth?

The findings highlighted the significance of the use of Self-Efficacy (SE) model, as it was evident that performance accomplishments, vicarious experience, social persuasions, and physiological and emotional states are dominating factors in influencing whether customers are satisfied or not satisfied with their loyalty programs and whether their purchase behaviour will be repeated or not (Dlamini & Chinje, 2019 and Corbishley, 2017). Thus, this study will possibly contribute to the body of knowledge that fosters valid and reliable scales that measure the factors that influence loyalty programs satisfaction and repeat purchase behaviour.

8.3 Final Conclusion

The findings of this study, to some extent, report on the phenomenon of consumeristic benefits towards loyalty programs customer satisfaction influencing repeat purchase behaviour of South African youth. However, the statistical analysis, being a subject matter grouping of data, employed to foster these findings was not thorough enough to fully realize the relationship in depth, nor to determine influence, impact or correlation between the various concepts. The above mentioned is mainly due to limitations of descriptive statistics being existent. Therefore, these findings simply demonstrate the existence of the statistic relations between the relevant concepts, whilst evaluating their relative power. The study does not conclusively demonstrate or clarify the strength of influence which consumeristic benefits have towards the customer satisfaction of loyalty programs and the repeat purchase behaviour of South African youth.

8.4 Anticipated Contribution

The key contribution of this research study will be to foster valid and reliable scales to measure the factors that influence loyalty programs satisfaction and repeat purchase intention. This research study will provide an in-depth understanding of the extent to which perceived consumeristic benefits of loyalty programs have a positive or negative relationship with customer satisfaction. This research is intended to be able to contribute to scientific development, especially customer behaviour, and to be a comparison for further research that will focus on loyalty programs, customer satisfaction, and repeat purchase behaviour. In the South African context, this

research will provide evidence that will support better loyalty programs communication strategies for South African business and brands, which will ultimately lead to better customer loyalty programs satisfaction amongst the South African youth. It is hoped that Managers of companies in South Africa and in other developing countries could find this study insightful, relevant, and of value to, their retail sectors (Dlamini and Chinje, 2019). This will allow retailers to adapt strategies that will meet and exceed their consumers needs and wants, and provide meaning beyond selling a product or service.

8.5 Ethical Considerations

It is important for the study to be conducted in an ethical way, due to the fact that it has the potential to affect all participants, the researcher and the academic institution (du Plooy-Cilliers et al., 2014). For this research study, the ethical considerations that concerns the participants included informed consent and confidentiality. The protection of participants is of utmost importance throughout the research process. The information collected was solely for the purposes of the research study and was not be made available for other parties. At the beginning of the survey, each participant was given an explanatory information sheet (Annexure A) as well as a consent form where participants were able to give their consent to participate in the study by signing (Annexure B). Participants were also made aware of the fact that there were not to be any benefits or risks in participating in this research study. The participants identities have remained confidential throughout the study and they were allowed to withdraw from the study at any point in time (du Plooy-Cilliers et al., 2014). The surety of the outcome of the study is accurate, as the data collected was not falsified. The researcher has ensured that the research had not created a negative perception of the Vega School of Leadership or the brands involved in the study.

8.6 Limitations

This research study is subject to several limitations. The limitations of this study are that it does not account for people's thoughts or perceptions about what is being evaluated, and it does not explore the "why" and "how" behind a phenomenon (Bhatia, 2018). The use of a cross-sectional study has a report bias limitation, which makes surveys or questionnaires about certain aspects of customers' lives not to result in report accuracy and no mechanism for verifying the information (Cherry, 2019). This

specific research study has time restrictions and has to be completed within this year (2021), thus, limiting the time available to carry out the data collection and data analysis process. For the purpose of accessibility and convenience, non-probability results in each population element not having an equal chance to participate (Maree, 2020). Due to the time constraints, it was impossible to achieve a larger sample size. This holds the implication that validity and reliability of the research participants' profile not being comprehensively assured (Maree, 2020).

As the sample was small in size ($n=23$) an inconclusive answer could not be obtained for the second research hypothesis. Furthermore, the study is too small to formulate an academic conclusion with reference to the stance of consumer self-efficacy when considering loyalty repeat purchase behaviour. As this study was subjected to a very limited audience, the possibility of making the research results comparable to a greater population is not possible. This study is subjected to a South African context. The measurement scales that were used in this study give rise to a limitation, as they might not be optimally designed for use within a South African context. Lastly, the researcher's lack of expertise in data analysis techniques limits the extent to which the relationships between concepts can be thoroughly described, and the depth of statistical analysis which can be conducted.

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Annexure A: Consent Form

Explanatory information sheet and consent form for participants
To whom it may concern, My name is REBAONE BIBI RAMATLHAPÉ and I am a student at VEGA SCHOOL PRETORIA. I am currently conducting research under the supervision of Anthony Wingfield about A DESCRIPTIVE STUDY ON THE SATISFACTION OF LOYALTY PROGRAMS AND REPEAT PURCHASE BEHAVIOUR OF SOUTH AFRICAN YOUTH. I hope that this research will enhance our understanding of the extent to which perceived consumeristic benefits of loyalty programs have a positive or negative relationship with customer satisfaction. I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. 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, please complete and sign the consent form below.
What will I be doing if I participate in your study?
I would like to invite you to participate in this research because (insert reason). If you decide to participate in this research, I would like to (explain exactly what participation will involve). 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 (insert what you are examining). If you find at any stage that you are not comfortable with the line of questioning, you may withdraw or refrain from participating.
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 VEGA SCHOOL, will have access to your interview information. 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 Bachelor of Arts Honours in Strategic Brand Communications. You

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 **VEGA SCHOOL**, will have access to your interview information. 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 Bachelor of Arts Honours in Strategic Brand Communications. 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:

REBAONE BIBI RAMATLHAPE

[REDACTED]

[REDACTED]

The contact details of my supervisor are as follows:

Anthony Wingfield

[REDACTED]

Participant or respondent consent	
I, _____, agree to participate in the research conducted by REBAONE BIBI RAMATLHAPE about A DESCRIPTIVE STUDY ON THE SATISFACTION OF LOYALTY PROGRAMS AND REPEAT PURCHASE BEHAVIOUR OF SOUTH AFRICAN YOUTH. This research has been explained to me and I understand what participation in this research will involve. I understand that: • I agree to be interviewed for this research. • My confidentiality will be ensured. My name and personal details will be kept private. • 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.	

Annexure B: Example of Questionnaire Template

Section A

For the following questions, select the option that is most applicable to you.

1. What is your gender?

Female	
Male	

2. Which tertiary institution in Pretoria are you from?

Other	

3. Indicate your age:

18 - 24	
25 - 30	
31 - 35	

4. Do you as a customer have a loyalty program card?

Yes	
No	

5. If yes, which of the following loyalty program cards do you have?

Pick 'n Pay Smart Shopper	
Checkers X Savings	
Woolworths Rewards	
Clicks Clubcard	
Other	

Section B: Loyalty Programs Frustrations

Please read the statement below and indicate the degree to which you agree or disagree with the statement, which regard to your most recent loyalty program frustrations experience. Please indicate your loyalty programs frustrations towards the following statements on a scale of 1 to 5, with 5 being as positive as possible, 3 being neutral, and 1 being as negative as possible (e.g. strongly disagree or strongly agree).

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1. I have to spend a lot of money to earn good rewards.					
2. Brands that offer loyalty programs demand too much personal information.					
3. The loyalty program card registration process is complicated.					
4. Loyalty program points often expire before I use them.					
5. Regaining loyalty program points or rewards is too complicated.					
6. Nothing frustrates me about my brand loyalty program card.					

Section C: Statements for perception of benefits

Please read the statements below and indicate the degree to which you agree or disagree with each statement, with regards to your most recent experience of your loyalty program perceived benefits. Please indicate your perception towards the following statements on a scale of 1 to 5, with 5 being as positive as possible, 3 being neutral, and 1 being as negative as possible (e.g. strongly disagree or strongly agree).

	Strongly disagree	disagree	Neutral	Agree	Strongly agree
1. I am able to save money when I use my loyalty program card.					
2. My loyalty program card helps me to get discounts or special deals that non-members don't get.					
3. I keep using my loyalty program card to buy because I appreciate it.					
4. I am willing to put in extra effort to use my loyalty program card when I purchase things.					
5. Regardless of competitors' offers, I will always use my loyalty program card to shop.					

Thank you for taking the time to participate in the study!

APPENDIX C: SPREADSHEETS

[illegible]

[illegible]

Annexure A Concept Document										
PROVISIONAL TITLE THE INFLUENCE OF LOYALTY PROGRAMS SATISFACTION AND REPEAT PURCHASE BEHAVIOUR ON SOUTH AFRICAN YOUTH										
Research Purpose/ Objective	Primary Research Question	Research Rational	Seminal Authors/ Sources	Literature Review - Conceptual Framework	Paradigm	Approach	Data Collection Methods	Ethics	Anticipated Findings	References
The purpose of this quantitative research study is that it aims to unpack the factors that impact and influence loyalty programs satisfaction and repeat purchase behaviour.	What is the nature of and the influence of loyalty programs on the repeat purchase behaviour of South African youth?	This study is relevant due to the fact that it seeks to widen insights about loyalty programs satisfaction and repeat purchase behaviour.	Hendrawan , D & Anggraeni, R Dlamini, S & Chinje, N CORBISHLEY, K	IS THE LOYALTY PROGRAM EFFECTIVE IN CREATING LOYALTY PROGRAM SATISFACTION AND STORE LOYALTY? AN EVIDENCE FROM INDONESIA RETAIL INDUSTRY (2020) The influence of loyalty programs on South African Youth's repeat purchase behaviour (2019) RETAIL LOYALTY PROGRAMMES: RELATIONSHIP QUALITY AND CUSTOMER	Positivism Paradigm Ontology - Reality is a combination of "real" governed by	The study will take a Quantitative Approach Population The population for this study are 60 South African youth between 18 and 35 who have loyalty programs Male and female based in Gauteng	Descriptive Design, survey, questionnaire	Respondents will be treated ethically. Their identities will be kept confidential and they will be given a consent form that they will sign without feeling forced The researcher will not be bias and will not fabricate information Vega Ethics will be upheld and the standard of the IIE	It is anticipated that retail loyalty programs leverage purchase behaviour	Hendrawan D, Anggraeni R, 2020. IS THE LOYALTY PROGRAM EFFECTIVE IN CREATING LOYALTY PROGRAM SATISFACTION AND STORE LOYALTY? AN EV DENCE FROM NDONESIA RETA L INDUSTRY. Journal of Applied Management (JAM). Vol. 18 No 4 Creswell, J.W. and Ebersohn, L. and Eloff I. and Ferreira R. and Ivankova N.V. and Jansen J.D. and Nieuwenhuis, J. and Pieterse, J. and Plano Clark, V.L. 2020. <i>First steps in research</i> 3. 3 rd Edition. Pretoria. Van Schaik Publishers
Research Problem	Secondary Questions/ Hypotheses/ Objectives	Key Concepts	Key Theories			Sampling	Data Analysis Method(s)	Limitations	Anticipated Contribution	
It has been observed that the popularity of loyalty programmes across South African retailers is on the decline (Consultancy.co.za, 2020).	Hypothesis H1: Perceived consumeristic benefits from loyalty programs have a positive relationship with customer satisfaction. H2: Perceived consumeristic benefits from loyalty programs have a negative relationship with customer satisfaction.	<i>Loyalty Programs</i> <i>Repeat Purchase behaviour</i> <i>Customer Satisfaction</i>	The Theory of Planned Behaviour (TPB) by Icek Ajzen (1991). Self-Efficacy Model (Bandura, 2004)			Non-Probability Sampling Simple random sampling and Cluster Sampling Sampling size is 30	Deductive data analysis and descriptive statistics analysis.	The ethical challenge of this research study is that the data collected will exclude minors (people below 18 years old). Another limitation is that the sample will be	The findings will either show that South African retail stores loyalty programs have a positive or negative effect on purchase	Du Plooy-Cilliers, F. and Davis, C. and Bezuidenhout, R. 2014. <i>Research Matters</i> . Claremont; Juta & Company. Boston University, 2019. The Theory of Planned Behaviour. [Online]. Available at: https://sphweb.bumc.bu.edu/otit/mphmodules/sb/behavioralchangetheories/BehavioralChangeTheories3.html [Accessed 05 April 2021]. Consultancy.co.za, 2020. Loyalty programmes are gradually falling out of favour in SA. [Online]. Available at: https://www.consultancy.co.za/news/2089/loyalty-programmes-are-gradually-falling-out-of-favour-in-sa [Accessed 02 April 2021]. Meyer-Waarden, L. 2008. The influence of loyalty programme membership on customer purchase behaviour. European Journal of Marketing. Vol 42 no 1–2, pp. 87–114.

Date: 07 July 2021

Student name: Rebaone Bibi Ramatlhape

Campus: IIE Vega Pretoria Campus

Re: Approval of RESE8419 Proposal and Ethics Clearance

HONOURS ETHICAL CLEARANCE LETTER

Your research proposal and the ethical implications of your proposed research topic were reviewed by your supervisor and the campus research panel, a subcommittee of The Independent Institute of Education's Research and Postgraduate Studies Committee.

Your research proposal posed no significant ethical concerns. However, please consult your supervisor with regards to your supporting documents and research instrument before collecting your data for your research. We hereby provide you with *provisional permission* to proceed with your research.

In the event of you deciding to change your research methodology in any way, kindly consult your supervisor to ensure all ethical considerations are adhered to and pose no risk to any participant or party involved. A revised ethical clearance letter will be issued.

We wish you all the best with your research!

GENERAL CONDITIONS TO BE FULFILLED IN RELATION TO RESEARCH

Permission is granted to proceed with the above study subject to the conditions listed below being met and may be withdrawn should any of these conditions be flouted.

Please note: The panel has not considered the merits, accuracy or ethical soundness of the research. The only merits examined are the use of The IIE as a sample.

Permission is granted subject to the following conditions:

1. The researcher(s) will need to obtain informed consent in writing from all of the participants in his/ her sample if the study is not anonymous.
2. The researcher(s) may only use the data collected for research purposes and in no other way.
3. Photographs of human subjects may only be taken if relevant to the research, informed consent was obtained, and even with informed consent, the photographs may not be published on any online platforms.

4. The researcher is responsible for supplying and utilising his/her own research resources, such as stationery, photocopies, transport, faxes and telephones and should not depend on the goodwill of the institutions and/or the offices visited for supplying such resources.
5. No names or identifying information of participants may be used within the research and the research must be voluntary.
6. Please make it clear that the information will not be used punitively in any way and participants may in no way be counselled/advised based on this.

Supervisor name: Anthony Wingfield



Campus Postgraduate Coordinator (CPC) name: Dr SC Engelbrecht

Signature:

