

NELSON MANDELA
UNIVERSITY



EMCB 2023
Conference Proceedings



Setting the trend:
Marketing lessons from emerging markets
30 to 31 October 2023
George, South Africa

EMCB 2023 CONFERENCE PROCEEDINGS

Setting the trend: Marketing lessons from emerging markets

30 – 31 October 2023

Fancourt Hotel, George, South Africa

Publisher: School of Management Sciences, NMU

Technical Editor: Redene Steenberg

George and Gqeberha Port Elizabeth, 2023; published online

ISBN: 978-0-6397-1406-6

(pdf)

[supplied by the National Library of South Africa (NLSA)]

© 2023 NMU: School of Management Sciences

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of the copyright owner.

Authors submitted competitive papers to the conference for presentation, and the revised papers for publication in the Proceedings; and through submission authors acknowledged that the papers were not submitted or published elsewhere.

IMPORTANT: The Conference Chairs, Scientific Advisory Committee, Organising Committee, the reviewers of EMCB 2023 and/or the publisher cannot be held responsible for any errors in the papers hereby published. The authors/contributors/researchers are responsible for the accuracy and ethical considerations of their papers. In addition, the authors/contributors/researchers were responsible for the revised papers as well as the language editing and proofreading of the papers hereby published.

SCIENTIFIC ADVISORY COMMITTEE

Edem Bart-Williams	CEO, Commerz Savings and Loans in Ghana
Jotham Mbitto Byarugaba	Associate Professor, Makerere University Business School
Naresh Malhotra	Conference Chair, Georgia Institute of Technology
Madéle Tait	Conference Co-Chair, School of Management Sciences, Nelson Mandela University

HOST INSTITUTION (AS SELECTED BY CONFERENCE CHAIR NARESH MALHOTRA) ORGANISING COMMITTEE

- Vincent Hau-Yoon, Lecturer, Department of Marketing Management
- Ignis McLaren, Deputy-Director: Management Accountant, Finance: Management Accounting and Analytics
- Albert Nelmapius, Lecturer, Department of Business Management
- Adele Potgieter, Senior Lecturer, Department of Marketing Management
- Erina Strydom, Faculty of Law
- Chantal Rootman, Full Professor and Conference Proceedings Chair, Department of Business Management
- Mark Tait, Associate Professor, Department of Mercantile Law

INTRODUCTORY NOTE AND VOTE OF THANKS BY THE ORGANISERS

The annual, international Emerging Markets Conference Board (EMCB) gathers scholars, researchers and practitioners from around the globe. The proud hosts of the 12th EMCB is the School of Management Sciences at the Nelson Mandela University, South Africa. The Fancourt Hotel in George, South Africa was the perfect venue.

The relevant conference theme, “Setting the trend: Marketing lessons from emerging markets”, boosted the way for a few days of research presentations, a guest talk, a panel discussion, collaboration, networking and interaction that will lead to positive changes in academia, research and the business environment.

Papers submitted between underwent a double-blind review process conducted by local and international reviewers in academia and industry. Positive reviewer reports from two reviewers were required for a competitive paper to be accepted. In addition, two reviewers were also involved in the process of accepting work-in-progress papers/extended abstracts for presentation at EMCB 2023. Overall, researchers from 10 different countries, emanating from more than 20 different institutions, acted as EMCB reviewers. A big thank you to all the reviewers; your hard work made a valuable contribution to the success of the EMCB 2023 conference. The conference awarded a Best Reviewer Award at the conference.

We hereby also acknowledge the Track Chairs and Track Co-Chairs who facilitated the conference sessions, within the various tracks. During the conference 28 competitive papers and 8 work-in-progress papers/extended abstracts were presented. Contributors hailed from 7 different countries including South Africa, the United States of America, India, Columbia, Mexico, Greece and Uganda. Through the competitive papers, 12 institutions are represented. In total, 22 different institutions are represented by the contributors. Although the conference was an in-person conference, arrangements were made to accommodate a few contributors to present their papers online. Thank you to the IT support for making this possible.

We would like to thank all conference participants, presenters and attendees for their contributions that made the conference an experience never to forget. Your hard work and dedication to your research areas, in the context of emerging markets, do not go unnoticed, and your work forms part of “making positive changes” in business, especially in the field of marketing.

Where both reviewers indicated that a competitive paper could be considered for the Best Paper Award, a paper became eligible for an EMCB 2023 paper award. The EMCB 2023 Scientific Advisory Committee members each independently considered the four competitive papers in contention for the best paper award (these papers had the highest percentage review averages). Following independent ranking and consideration, two awards were awarded at the conference, namely a Best Paper Runner-up Award and a Best Paper Award. Congratulations to the recipients of these awards.

A huge thank you to the facilitator, panelists and presenter of the special panel discussion and guest talk, respectively. Thank you for sharing your expertise and experience with conference delegates.

We hope you enjoyed the EMCB 2023, and we wish you all well with your future research endeavours.

Regards

EMCB 2023 Conference Chairs, Scientific Advisory Committee and Organising Committee

START OF THE EMCB CONFERENCE AND ITS HOSTS

In 2023, the Emerging Markets Conference Board (EMCB) was formed by Professor Naresh Malhotra. Since then, annual EMCB conferences were organised and hosted internationally:

- 2012 in New Delhi, India – Hosted by IIM Lucknow
- 2013 in Port Elizabeth, South Africa – Hosted by Nelson Mandela Metropolitan University
- 2014 in New Delhi, India – Hosted by IIM Lucknow
- 2015 in Dubai, UAE – Hosted by Institute of Management and Technology, Dubai
- 2016 in Bangkok, Thailand – Hosted by Chulalongkorn Business School, Chulalongkorn University
- 2017 in New Delhi, India – Hosted by IIM Lucknow
- 2018 in Johannesburg, South Africa – Hosted by WITS Business School, University of Witwatersrand
- 2019 in Ghaziabad, India – Hosted by IMT
- 2020 in Ljubljana, Slovenia – Hosted online by School of Economics and Business, University of Ljubljana
- 2021 in Puebla, Mexico – Hosted by UPAEP
- 2022 in Ljubljana, Slovenia – Hosted by School of Economics and Business, University of Ljubljana

The School of Management Sciences at the Nelson Mandela University, South Africa organised the EMCB 2023. The conference was hosted in George, South Africa.

In 2024, the EMCB conference will be hosted by Indian Institute of Management Lucknow, Noida Campus, India.

CONFERENCE ACADEMIC PARTNERS, AS PER THE WEBSITE OF EMCB



ASSOCIATION FOR CONSUMER RESEARCH



CME
Centre for Marketing
in Emerging Economies



SPECIAL PANEL DISCUSSION AND GUEST TALK

Panel discussion: AIB leadership on marketing and business in emerging markets

Panelists:

- Prof Gary Knight (facilitator), Academy of International Business
- Prof Kelly Hewett, University of Tennessee
- Prof Jag Sheth, Sheth Foundation Board
- Prof Helena Barnard, GIBS University of Pretoria

Guest talk: How to get published

Naresh Malhotra, Georgia Institute of Technology

CONFERENCE TRACKS

The main focus of the conference is studies conducted in Emerging markets.

The papers accepted were presentable in various tracks.

- Consumer behaviour and culture
- Customer satisfaction and loyalty
- Customer experience
- Experience and retail marketing
- Marketing strategies
- Marketing communications, including digital marketing
- Green/sustainable/socially responsible marketing and ethics
- Context-specific issues in marketing/emerging markets

During the conference, each session had a Track Chair and Track Co-Chair to facilitate the session.

LIST OF REVIEWERS

1	Edem Bart-Williams	Commerz Savings and Loans in Ghana
2	Shelley Beck	Oxford Brookes University
3	Jotham Mbitto Byarugaba	Makarere University Business School
4	CH Bothma	University of South Africa
5	Barbara Čater	University of Ljubljana
6	Tomaž Čater	University of Ljubljana
7	B Zaheenah Chummun	University of Kwazulu-Natal
8	Johan Coetzee	University of the Free State
9	Edward Dakora	Sol Plaatje University
10	Johan de Jager	Tshwane University of Technology
11	Nombulelo Dilotsotlhe	University of South Africa
12	Marianne Doubell	Nelson Mandela University
13	Debbie Ellis (Vigard)	University of Kwazulu-Natal
14	Danie Ferreira	Nelson Mandela University
15	Mariette Frazer	University of Johannesburg
16	Chantel Harris	Nelson Mandela University
17	Paul Blaise Issock Issock	University of the Witwatersrand
18	Avinash Jain	OP Jindal Global University
19	Yolanda Jordaan	University of Pretoria
20	Ilias Kapareliotis	The American College of Greece
21	Ankit Katrodia	North-West University
22	Jaspreet Kaur	Vivekananda Institute of Professional Studies
23	Nonkukuleko Khumalo	Nelson Mandela University
24	Janine Krüger	Nelson Mandela University
25	Milly Kwagala	Ndejje University
26	Isolde Lubbe (Ward)	University of Johannesburg
27	Theus Louw	Rhodes University
28	Nkosivile W. Madinga	University of Cape Town
29	Daniel Maduku	University of Johannesburg
30	Ntsundeni Madzunya	Nelson Mandela University
31	Khathutshelo M Makhitha	University of South Africa
32	Claudia Malcón Cervera	Universidad Popular Autónoma del Estado de Puebla
33	Naresh Malhotra	Georgia Institute of Technology
34	Mark Maritz	Rhodes University
35	Sanele Matomela	University of Pretoria
36	Reginald Masocha	University of Limpopo
37	Njabulo Mkhize	University of South Africa
38	Thabang Mofokeng	University of Johannesburg
39	Haidy Moreno	University of Ean
40	Joseph Moseki	University of South Africa
41	Vusumzi Msuthwana	Nelson Mandela University
42	Sinaye Mtimba	Nelson Mandela University
43	Paul Mukucha	Bindura University of Science Education
44	Gift Ndlovu	North-West University
45	Tinashe Ndoro	University of Pretoria
46	Albert Nelmapius	Nelson Mandela University
47	Pravina Devpersadh Oodith	University of Kwazulu-Natal
48	Nadine Oosthuizen	Rhodes University

49	Sandra Perks	Nelson Mandela University
50	Semona Pillay	University of Johannesburg
51	Adele Potgieter	Nelson Mandela University
52	Mornay Roberts-Lombard	University of Johannesburg
53	Chantal Rootman	Nelson Mandela University
54	Thérèse Roux	Tshwane University of Technology
55	Tinayeshe Shumba	IIE Rosebank College
56	Sumaiya Sidat	Nelson Mandela University
57	Emmanuel Silva Quaye	University of the Witwatersrand
58	Siya Sirayi	Nelson Mandela University
59	Carly Smith	University of South Africa
60	Elroy Smith	Nelson Mandela University
61	George Lutaaya Ssonkon	Central Bank of Uganda
62	Madéle Tait	Nelson Mandela University
63	Mark Tait	Nelson Mandela University
64	Peter Turakira	Makarere University
65	Gabriel Twumasi	Port St Johns Senior/NMU
66	Marlé van Eyk	Nelson Mandela University
67	Danita van Heerden	University of Pretoria
68	Marike Venter de Villiers	University of the Witwatersrand
69	Storm Watson	Nelson Mandela University
70	Amanda Werner	Nelson Mandela University
71	Alyssa Williams	Rhodes University

**WORK-IN-PROGRESS PAPERS/EXTENDED ABSTRACTS PRESENTED AT THE
CONFERENCE (NOT PUBLISHED IN THE CONFERENCE PROCEEDINGS)**

- The environment and features of digital boards at minibus taxi ranks as non-traditional advertising media
- A proposed conceptual framework of factors influencing consumer behaviour towards online shopping in the medical industry
- The great retail migration? Critical reflections on the exit of South African retailers from east and west African markets
- Revisiting the satisfaction-loyalty link – A perspective of South African banking customers
- Emerging marketing: Trends and future research direction
- In search of minimum prototype optimal choice designs
- Evaluating customer experience factors in e-learning platforms: Insights from user feedback
- Mapping the two decades of research on health-halos: A bibliometric analysis

LIST OF CONTRIBUTORS/AUTHORS OF COMPETITIVE PAPERS

1	Dora Ivonne Alvarez Tamayo	Universidad Popular Autónoma del Estado de Puebla
2	Felix Amoah	Nelson Mandela University
3	Fernando Barbosa	University of Ean
4	Faisal Baulackey	University of Cape Town
5	Gabriella Berman	Nelson Mandela University
6	Luisa Betancourt	University of Ean
7	Cornelis Coetzee	Regenesys Business School
8	José Gerardo de la Vega Meneses	Universidad Popular Autónoma del Estado de Puebla
9	Christine De Meyer-Heydenrych	University of Johannesburg
10	Mauro García Domínguez	Universidad Popular Autónoma del Estado de Puebla
11	Marianne Doubell	Nelson Mandela University
12	Gino Dos Santos	University of Cape Town
13	Felix Amoah	Nelson Mandela University
14	Danie Ferreira	Nelson Mandela University
15	Adam Frankel	University of the Witwatersrand
16	Sadoth Giraldo	University of Ean
17	Paul Blaise Issock Issock	University of the Witwatersrand
18	Ilias Kapareliotis	The American College of Greece
19	Grazanne King	University of the Witwatersrand
20	Janine Krüger	Nelson Mandela University
21	Neo Ligaraba	University of the Witwatersrand
22	Ingrid Nineth Pinto López	Universidad Popular Autónoma del Estado de Puebla
23	Isolde Lubbe (Ward)	University of Johannesburg
24	Nkosivile W. Madinga	University of Cape Town
25	Daniel Maduku	University of Johannesburg
26	Ntsundeni Madzunya	Nelson Mandela University
27	Maretebale Magane	University of the Witwatersrand
28	Claudia Malcón Cervera	Universidad Popular Autónoma del Estado de Puebla
29	Njabulo Mkhize	University of South Africa
30	Thabang Mofokeng	University of Johannesburg
31	Haidy Moreno	University of Ean
32	Joseph Moseki	University of South Africa
33	Vusumzi Msuthwana	Nelson Mandela University
34	Richard Muller	Nelson Mandela University
35	Decent Mutanho	University of the Witwatersrand
36	Sean Nel	University of Johannesburg
37	Gift Ndlovu	North-West University
38	Athanasios G. Patsiotis	The American College of Greece
39	Sandra Perks	Nelson Mandela University
40	Semona Pillay	University of Johannesburg
41	Adele Potgieter	Nelson Mandela University
42	Chantal Rootman	Nelson Mandela University
43	Belinda Senoane	University of South Africa

44	Tariro Shumba	Nelson Mandela University
45	Tinayeshe Shumba	IIE Rosebank College
46	Emmanuel Silva Quaye	University of the Witwatersrand
47	Carly Smith	University of South Africa
48	Elroy Smith	Nelson Mandela University
49	Keegan Swinburn	University of the Witwatersrand
50	Maame Ampebah Tabiri	University of the Witwatersrand
51	Madéle Tait	Nelson Mandela University
52	Darren Till	University of the Witwatersrand
53	Cynthia María Montaudon Tomas	Universidad Popular Autónoma del Estado de Puebla
54	Gabriel Twumasi	Port St Johns Senior/NMU
55	Marike Venter de Villiers	University of the Witwatersrand
56	Sandra Wiese	Vega School of Branding
57	Storm Watson	Nelson Mandela University
58	Ntsatsi Zulu	University of Cape Town

TABLE OF CONTENTS

FLOW EXPERIENCE AS A PREDICTOR OF BRAND ATTITUDE AND PURCHASE INTENTION IN ADVERTISING: THE MODERATING ROLE OF eWOM.....	1
CONSUMERS' ONLINE PERCEIVED RISKS, EWOM AND PURCHASE INTENTIONS: TESTING A MEDIATED-MODERATED FRAMEWORK IN APPAREL CONSUMPTION IN SOUTH AFRICA	19
IN PURSUIT OF THE PERFECT GLOW: THE DETERMINANTS OF LUXURY SKINCARE FACE MOISTURISER PURCHASE INTENTIONS IN SOUTH AFRICA.....	38
CHARTING THE PATH TO ONLINE SHOPPING SUCCESS: INVESTIGATION CUSTOMERS' STORE CHOICE, SATISFACTION, AND REPURCHASE INTENTIONS IN SOUTH AFRICA	65
DO CONSUMER PURCHASING EXPECTATIONS LEAD TO e-CUSTOMER SATISFACTION IN EMERGING MARKETS LIKE SOUTH AFRICA?.....	84
ENHANCING CUSTOMER SATISFACTION, RECOMMENDATION AND REVISITING OF DESTINATIONS OF SOUTH AFRICAN INBOUND TOURISTS.....	101
ARE LOYALTY PROGRAMMES EFFECTIVE? EXPLORING THE IMPACT OF LOYALTY PROGRAMME BENEFITS ON BRAND LOYALTY AND PURCHASE INTENTION.....	126
BRAND LOYALTY IN THE SKINCARE INDUSTRY: A COMPARISON BETWEEN AGE GROUPS	142
WHAT'S LOVE GOT TO DO WITH IT? THE ROLE OF EMOTIONS IN THE CONSUMPTION OF ENERGY DRINKS AMONG YOUNG CONSUMERS IN SOUTH AFRICA	159
IS INSTAGRAM AN EFFECTIVE DIGITAL MARKETING STRATEGY?	185
REDEFINING PRODUCT INVOLVEMENT: EXPLORING THE ROLE OF RISK IN SHAPING CONSUMER ONLINE PURCHASE BEHAVIOUR.....	201
IS YOUR STORE SMART ENOUGH? THE IMPACT OF SMART RETAIL TECHNOLOGY ON THE MODERN CONSUMER EXPERIENCE	223
FACTORS INFLUENCING CUSTOMER SATISFACTION IN ONLINE RETAILING: A MODERATION OF RELATIONSHIP LENGTH.....	252
ASSESSING THE STRATEGY RESPONSES OF ORGANISATIONS TOWARD SOCIAL AND ENVIRONMENTAL SUSTAINABILITY DURING THE COVID-19 PANDEMIC.....	278
A PROPOSED HYPOTHETICAL MODEL ASSESSING THE IMPACT OF CONTEMPORARY CORPORATE SOCIAL RESPONSIBILITY TRENDS ON BUSINESS PERFORMANCE IN THE RETAIL INDUSTRY.....	303
REWARDING CUSTOMERS FOR GREEN PURCHASE BEHAVIOUR: UNTAPPED POTENTIAL FOR GROCERY RETAILERS?	323
MARKETING PROFESSIONALS, PROTAGONISTS WHO BUILD A SUSTAINABLE FUTURE: A STUDY ON THE NEW PROFESSIONAL PROFILE IN COLOMBIA	341

EMPLOYABILITY THROUGH SKILLS AND MOTIVATION: A COMPARATIVE CASE STUDY.....	362
DESCRIBING REASONS FOR EMPLOYEE ATTRITION USING CLUSTERING TECHNIQUE	379
PRIVATE LABEL BRANDS BRAND AWARENESS.....	396
BACK TO THE FUNDAMENTALS: BRAND RESILIENCE SEMIOSIS	408
A CONCEPT MODEL TO DETERMINE POSITIVE BRAND EQUITY CO-CREATION AMONGST LECTURERS WITHIN THE HIGHER EDUCATION SECTOR.....	418
POSTGRADUATE STUDENT RETENTION IN SOUTH AFRICA: HOW CAN STUDENT EXPERIENCE HELP?.....	436
REVITALISING THE SOUTH AFRICAN WOODEN FURNITURE MANUFACTURING INDUSTRY IN THE SOUTHERN CAPE.....	456
THE EFFECT OF WORD-OF-MOUTH COMMUNICATION ON THE PURCHASE DECISIONS OF SPAZA SHOP CUSTOMERS IN MEADOWLANDS .	477
IMPLEMENTATION OF ENTREPRENEURIAL MARKETING AND CONSUMER REPUTATION IN SMALL AND MEDIUM ENTERPRISES: A CONSUMER PERSPECTIVE ON RESTAURANTS IN MANICALAND PROVINCE OF ZIMBABWE.....	490
NAVIGATING GLOBAL MARKETS: UNRAVELLING THE INFLUENCE OF COSMOPOLITANISM AND ETHNOCENTRISM IN SOUTH AFRICAN CONSUMER-PACKAGED GOODS MARKET.....	512
PREDICTING THE DIFFUSION OF MICROGENERATION TECHNOLOGIES: AN EMERGING MARKET PERSPECTIVE	527

FLOW EXPERIENCE AS A PREDICTOR OF BRAND ATTITUDE AND PURCHASE INTENTION IN ADVERGAMING: THE MODERATING ROLE OF eWOM

Isolde Lubbe (Ward)

ABSTRACT

Advergaming, a combination of advertising and gaming, is an effective marketing tool that engages consumers and enhances brand knowledge and attitudes. Advergames offer interactive and immersive brand experiences, leading to positive brand attitudes and purchase intention. Data was collected from 306 Generation Z and Millennial respondents who interacted with the free online M&M advergame via their mobile phones before answering an online questionnaire. After conducting a factor analysis and multiple regression analysis, the results revealed that flow experience predicted both brand attitude and purchase intention; brand attitude predicted purchase intention; and eWOM moderated the relationship between brand attitude and purchase intention. About 44% of the variation in purchase intention could be explained by brand attitude, and this relationship was the strongest in the model. For marketing managers, this means facilitating easy access and the easy and free downloading of advergame apps to enhance brand attitude, which subsequently drives purchase intention towards their brand. Furthermore, it is suggested that marketers encourage online reviews by offering incentives, as eWOM influences both brand attitude and its relationship with purchase intention.

Keywords/phrases: advergaming, brand attitude, electronic-word-of-mouth (eWOM), flow experience, purchase intention.

1. INTRODUCTION AND PROBLEM STATEMENT

Advergaming is the combination of advertising and gaming and is used as an effective marketing tool for building brand awareness and promoting products and services (Hanna 2022; Hernandez, Chapa, Minor, Maldonado & Barranzuela 2004). These electronic games are designed by advertisers and companies to engage consumers in a fun and interactive way with the aim of enhancing brand knowledge and brand attitudes (Ghosh, Sreejesh & Dwivedi 2021). Unlike traditional product placements, advergames allow consumers to interact actively with the brand and to create immersive brand experiences (Azizi & Adis 2020; Kim & Leng 2017). These experiences can ultimately lead to positive brand attitudes and purchase intention (Rathee & Rajain 2019).

Advergaming has been noticed as a fun tool that increases purchase intention and brand familiarity (Hsiao, Lin & Wu 2022). The positive role of advergaming's effectiveness is evident in the increased investment in advergaming, with global investment reaching \$12 billion in 2021, up from \$4.91 billion in the previous year (Statista 2019). This growth can be attributed to the increased recognition of advergames and the widespread use of mobile devices (Sayed 2020; Sharma & Bumb 2022). In South Africa, where 20 to 22 million people own mobile devices and 36.5 million people have internet access, advergames have become easily accessible (Statista 2020; Statista 2021). The country's video game market has also been projected to expand significantly, from 3.5 billion Rand in 2018 to 5.4 billion Rand in 2023, which would have a direct impact on advergames (Clement 2021).

Previous studies have focused on the effectiveness of advergames by investigating factors such as the effect of attitudes towards advergames on the brand, product-game involvement, congruity, flow, brand familiarity, excitement, and brand placement (Chiu 2019; Hsiao et al. 2022; Sreejesh, Anusree & Ponnampal 2018; Vanberlo, Reijmersal & Rozendaal 2020).

Studies in emerging markets have explored emotional value, humour, and product positioning in online gaming advertisements as contributors to the success of advergames (Srivastava 2021; Wanick, Dunn, Rachhod & Wills 2019). Mobile advergames, classified as branded entertainment, are expected to be enjoyable and fun for players (Lee & Cho 2017). The pleasure derived from playing advergames is enhanced by the concept of flow, which refers to a holistic sensation experienced by players when engaging with advergames (Catalan, Martinez & Wallence 2019; Hartini 2020). Flow, therefore, plays a crucial role in shaping the advergame experience. It is worth noting that flow in advergames is highly influenced by online reviews and recommendations from friends on social media (Terlutter & Capella 2013). Furthermore, studies have demonstrated that electronic word-of-mouth (eWOM) influences brand attitudes and purchase intentions (Kudeshia & Kumar 2017).

While the impact of flow experience and brand familiarity on the effectiveness of advergames has been established in developed countries (Bapat 2017; Catalan et al. 2019), their effects in emerging marketing have not yet been explored. To summarise, this study is necessary because interactive advertising, like advergames, is on the rise, and understanding the impact of immersive flow experiences on consumers could offer brands key insights into effective game design and marketing. Such experiences could positively influence brand perception and sales. With the number of online reviews growing, the role of eWOM, which is seen as more genuine than traditional advertising, has become vital in shaping consumer behaviour – particularly its influence on brand attitude and purchase intention in mobile gaming. Brands that recognise eWOM's authenticity and impact might invest more in platforms that promote positive feedback and bolster trust and return on investment. This research bridges a gap in the academic understanding of eWOM's intersection with brand attitude and purchase intention in mobile gaming in a South African context.

2. RESEARCH OBJECTIVES

The primary objective of the research study was to determine the extent to which flow experience can predict brand attitude to and purchase intention towards branded products when customers engage in advergames in an emerging market context. Furthermore, the moderating effect of eWOM on the relationship between brand attitude and purchase intention was determined.

3. LITERATURE REVIEW

3.1. ADVERGAMING

Anthony Giallourakis coined the term 'advergames' in 2000 (Sharma 2020:2). It refers to a form of gamification in which games can be incorporated into campaigns as a playful and motivational tool in a non-game context (Aggarwal & Arora 2021; Hartini 2020). These advergames are created to promote and communicate advertising messages while the consumers are having fun (Cicchirillo 2019; Sung & Lee 2020). Advergames is of great importance for marketers specifically in the field of advertising (Mago 2018; Yang, Asaad & Dwivedi 2017). The saturated traditional media space (Catalán-Matamoros & Peñafiel-Saiz 2019) has motivated advertisers to look for new advertising formats; and the increased

popularity of digital media, when coupled with brand campaign games that are fun, enjoyable, and incentivised, influences consumer behaviour and enhances advertising effectiveness among consumers (Huotari & Hamari 2017; Yang et al. 2017).

Consumers interact with advergames because they are relatively easy to play, they are usually free, and they provide a sense of adventure with positive experiences of the brand that could lead to improved loyalty and increased brand awareness (Ismail & Nasidi 2018; Lee & Cho 2017; Martí-Parreño, Bermejo-Berros & Aldás-Manzano 2017). Advergames are engaging in nature; they offer intrinsic user experience; and they are easy to access (Vanberlo et al. 2021; Xi & Hamari 2019). The internet and mobile phones have enhanced accessibility and changed the advergame landscape, whose origins are in video games, which are usually played on a TV or a computer. The usual platform to access an advergame is the brand's official website (Paramitra, Aruan & Tumpal 2017), which is easily accessible via the consumer's mobile phone, which they carry everywhere (Cilliers, Viljoen & Chinyamurindi 2018). Smartphones facilitate social interaction with other consumers, and it is easy to repeat games wherever you are and as many times as you like (Hou et al. 2017).

In emerging markets, advergame has emerged as a successful advertising tool, showcasing its distinct nature in these regions (Ghosh et al. 2021; Vanberlo et al. 2020). Literature demonstrates the significant influence of advergames on brand attitude and purchase intention, as well as on user engagement (Hsiao et al. 2022; Rathee & Rajain 2019). Research conducted in India, Brazil (Wanick et al. 2019), China (Kowalska, Kostrzewska & Petljak 2021), and South Africa (Komulainen, Lappeman & Islam 2019) highlight the growing popularity of advergames and their effectiveness in advertising (Kim & Lee 2022). Studies also emphasise the influence of eWOM on advertising with millennials and Generation Z who engage in advergames after encountering them online (Taylor & Carson 2021). eWOM, which is characterised by promoting consumers' exploration of online content, significantly impacts brand perception and purchase intention among advergame consumers, influenced by online reviews, in-app comments, and social media interactions (Gupta, Sinha, Singh & Liebana-Cabanillas 2021). Therefore, it can be concluded that eWOM plays a crucial role in shaping brand attitude and purchase intention in the context of advergame.

4. THEORETICAL UNDERPINNING, CONCEPTUAL MODEL, AND HYPOTHESIS FORMULATION

4.1. THEORETICAL UNDERPINNING

This section of the paper presents a brief overview of the flow and social cognitive theories as the supporting theories for the conceptual model. The theory of the constructs of the conceptual model is also presented.

4.1.1. Flow theory

Flow theory, introduced by Csikszentmihalyi (Csikszentmihalyi & Csikszentmihalyi 1992), suggests that the enjoyable experience gained from participating in a game provides instant gratification for the user, without external rewards (Catalan et al. 2019). This positive experience can be transferred to the brand featured in the advergame. Games inherently create flow activities, as recognised by Stolzenburg (2018). Consequently, brands integrated into advergames could benefit from the positive emotions evoked by the game, resulting in a favourable influence on brand attitude (Wanick et al. 2018). When consumers experience a state of flow while playing advergames, this can lead to increased brand attention, recognition,

and recall (Sreejesh et al. 2018). Flow, being a pleasurable and positive experience, fosters regular brand usage and predicts future purchases (Lai et al. 2020).

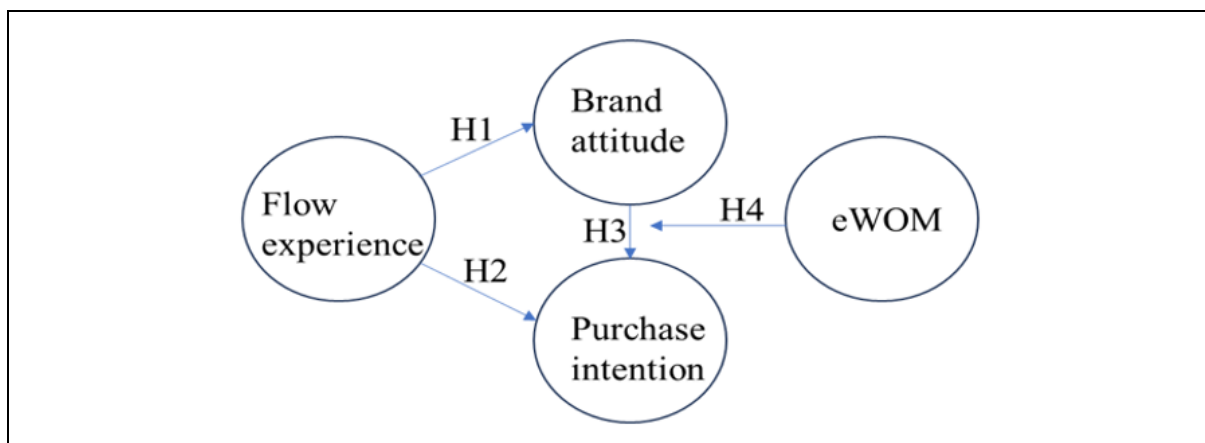
4.1.2. Social cognitive theory (SCT)

Social cognitive theory (SCT), proposed and developed by Bandura (1986), emphasises the significance of social influence, encompassing both internal and external feedback, in shaping individual behaviour. The theory acknowledges the role of personal strategies and learned behavioural patterns while considering the impact of the social environment. In the context of advergaming, SCT supports the idea that social factors influence behaviour, specifically among millennials who are influenced by eWOM (Chu & Chen 2019). Mangold and Smith (2012) explain that millennials' decisions to like or purchase a brand are influenced by reading electronic reviews and comments. The prior experiences of consumers play a crucial role in shaping behavioural activities, and also shape reinforcements, expectations, and beliefs, all of which impact an individual's engagement in specific activities and their underlying motivations. Therefore, in the realm of advergaming, SCT supports the notion that social determinants such as eWOM have a significant influence on millennial behaviour (Mangold & Smith 2012; Yakut 2019).

4.2. THE CONCEPTUAL MODEL

The model proposed in this study is based on flow theory and aims to explore the connections between variables in the context of advergaming in South Africa. The primary focus is to assess the effectiveness of advergaming by examining the impact of flow experience on brand attitude and purchase intention, as well as the moderating role of eWOM on the relationship between brand attitude and purchase intention. These relationships were examined in the specific context of the M&M advergence. The M&M advergence is called the M&M's Adventure and it is a match-and-blast puzzle game with 1,000+ levels. Players play for free and can join live events, travel with M&Ms characters, and collect exclusive accessories (Robbins 2022). Figure 1 provides a visual representation of the proposed model, illustrating the connections between the variables under investigation.

FIGURE 1: CONCEPTUAL FRAMEWORK



Source: Own construction

4.3. HYPOTHESIS FORMULATION

This section aims to explore the interrelationship between the variables of flow experience, brand attitude, purchase intention, and eWOM.

4.3.1. *The influence of flow experience on brand attitude and purchase intention*

'Brand attitude' refers to a complex network of interconnected beliefs and long-term opinions that individuals hold about a particular brand (Nayeem, Murshed & Dwivedi 2019). Research suggests that, when players engage in advergames and experience a state of flow characterised by feelings of amusement, humour, and excitement, they tend to develop more positive attitudes towards the brand (Catalan et al. 2019). Previous studies have also demonstrated that individuals who enjoy a flow experience while playing advergames are more likely to form positive brand attitudes, which, in turn, influence their purchase behaviour (Soebandhi, Hartini & Gunawan 2020). Based on these findings, the following hypotheses have been proposed for this study:

H₁: The flow experience positively influences brand attitude.

This hypothesis suggests that, when individuals experience a state of flow during advergaming, it leads to the development of more positive attitudes towards the brand.

H₂: The flow experience positively influences purchase intention.

This hypothesis posits that, when individuals have a flow experience while engaging with advergames, it enhances their purchase intention, indicating a higher likelihood of making a purchase related to the advertised brand.

The researcher examined these hypotheses, as the study aimed to provide insights into the impact of flow experience on brand attitude and purchase intention in the advergaming context, thus contributing to a deeper understanding of the relationship between these variables.

4.3.2. *The influence of brand attitude and purchase intention*

Previous studies such as those of Chiu (2019) as well as Vanwesenbeeck, Michel and Ponnet (2017) have found that brand attitude changes can be an important indicator of changes in consumer purchasing behaviour. Furthermore, Singh and Banerjee (2018) found that consumers' attitudes towards a brand and an advertisement influence purchase intention. Researchers have investigated the influence of brand attitude, predicting significantly higher purchase intentions in the context of luxury fashion brands (Kamal, Chu & Pedram 2013) and of various product categories, including consumer electronics, apparel, and personal care products (Yoo & Donthu 2001).

In the specific context of advergames, which are games designed for advertising purposes, Catalan et al. (2019) conducted research that demonstrated a relationship between favourable brand attitudes and an increased likelihood of making a purchase. This implies that players who have positive attitudes towards a brand are more inclined to engage in a purchase related to that brand. Based on this information, the following hypothesis is presented:

H₃: Brand attitude has a positive influence on purchase intention.

In other words, when individuals have a favourable attitude towards a brand, it is likely to impact positively their intention to purchase products or services associated with that brand.

4.3.3. *The moderating role of eWOM on the relationship between brand attitude and purchase intention*

‘Electronic word-of-mouth’ (eWOM) refers to any positive or negative statement made by consumers about a product online (Bilal, Jianqiu, Dukhaykh, Fan & Trunk 2021). This can include reviews, comments, or discussions shared on various online platforms. eWOM has a significant influence on consumer perceptions and decision-making processes. According to Zhang, Lee, Zhao and Shah (2019), eWOM plays a crucial role in shaping consumer attitudes towards a brand. When consumers come across eWOM about a specific product, such as a mobile game, they are likely to form an attitude towards that brand based on the shared experiences and opinions of other players. Positive eWOM may lead to more favourable brand attitudes, while negative eWOM can result in less favourable attitudes.

In the context of mobile games or advergaming, consumers often rely on online reviews and feedback from other players before deciding to download or play a particular game, as mentioned by Zhang et al. (2019). These online reviews serve as a source of information, and influence consumers’ perceptions of the brand behind the game. In addition, Jang, Chung and Rao (2021) found that positive online consumer reviews about mobile games play a moderating role in the relationship between brand attitude and purchase intention. This means that, when consumers encounter positive eWOM about a mobile game, it strengthens the relationship between their brand attitudes and their intention to download or make a purchase related to that game. Based on this information, the following hypothesis is formulated:

H4: eWOM has a moderating role in the relationship between brand attitude and purchase intention.

In other words, the hypothesis suggests that positive eWOM enhances the connection between consumers’ brand attitudes and their intention to make a purchase, particularly in the context of mobile games.

5. RESEARCH METHODOLOGY

A research methodology is a systematic approach used by researchers to obtain reliable and precise findings that align with the study’s objectives (Jansen & Warren 2020) – in this case, to determine the extent to which flow experience predicts brand attitude to and purchase intention towards branded products when customers engage in advergaming, as well as the moderating role that eWOM plays in the relationship between brand attitude and purchase intention. The ‘research onion’ was applied as a comprehensive framework for this study, as it aids researchers in making informed decisions about methodology (Saunders, Lewis & Thornhill 2019). Regression analysis was also employed to assess the predictability of the relationships and to gather credible data for the hypothesis testing (Snee 1977).

The study adopted a positivist approach, which emphasises empirical and observable evidence as a basis for knowledge. This approach seeks to provide findings that are verifiable and, under the right conditions, potentially generalisable (Alharahsheh & Pius 2020). A deductive quantitative approach was followed in which the literature was explored to determine whether the proposed relationships between the constructs exist in the advergaming context (Saunders et al. 2019). A quantitative research method quantifies attitudes, views, and other ideas

(Mahajan 2020); therefore, this study investigated the relationships between the construct of flow experience and both brand attitude and purchase intention, as well as the moderating relationship of eWOM on brand attitude and purchase intention. The data collected using a survey was analysed using descriptive and inferential statistics (Saunders et al. 2019).

5.1. RESEARCH INSTRUMENT

The study employed a survey technique. Ethical clearance was obtained from the specific institution before the distribution of an online questionnaire to respondents who had specifically played the M&M advergaming. The questionnaire was distributed after it had been piloted on social media platforms, using the convenience sampling method, as it enabled the researcher to access a larger number of participants. The target population of the study was Generation Z and Millennial South Africans who were 18 years or more but younger than 46, who were willing and able to engage with the M&M advergaming, and who provided their consent to participate in the study. Specifically, Generation Z and Millennials were targeted as a dominant consumer group in various industries, and spend significant time on social media and gaming (Baykal 2020). A link to access and play the M&M game was provided in the online questionnaire, which made it easy for respondents to download the advergaming at no cost before they answered the questions relating to it. Three screening questions were asked: to confirm their consent to participate in the research, that their age was from 18 to 45 inclusive and that they agreed to download the free M&M app at their own risk and to avoid the app's shopping pages.

The link to the questionnaire was distributed via various social media platforms, stipulating the age group that was targeted. Respondents were also asked to forward the questionnaire to their contacts via social media. The questionnaire consisted of four main sections: screening questions, technology background questions, demographic questions, and scaled questions about the constructs of the proposed model that were adapted from existing scales (Table 1). A total of 306 usable responses were cleaned, coded, and entered into Statistical Package for the Social Sciences (SPSS) version 28 before the data was analysed.

TABLE 1: SURVEY CONSTRUCTS AND ITEMS

Construct	Items	Sources
Section 1 Screening questions	Please select this box to indicate your consent to participate in this research	Author's own (2022); Demetrovics et al. (2011)
	Please indicate that you are 18 years or older	
	Please select this box to indicate that you are willing to download the free M&M (sweets/ chocolate brand) app on your mobile phone, and that you are doing this at your own risk	
Section 2 Technological and gaming background	What type of online game do you play the most?	Catalan et al. (2019); Demetrovics et al. (2011); Gross (2014)
	How often do you engage in online gaming activities?	
	How do you engage with online games?	
	What motivates you to play online games?	
	How many times have you played this M&M game before answering the questionnaire?	Kircaburun et al. (2020)
Section 3 Demographics	Gender	Baptista and Oliveira (2017)
	Ethnicity	
	Education	
	Age	
	Home language	
	Marital status	

Construct	Items	Sources
Section 4 Flow experience	Do you think you have ever experienced “flow” while playing online games?	Catalan et al. (2019)
	In general, how frequently would you say you have experienced “flow” while playing online games?	
	Most of the time I play online games, I feel I am in “flow”	
Section 4 Brand attitude	My brand attitude towards M&M is... (unfavourable/favourable, bad/good, negative/positive	Catalan et al. (2019); Wise et al. (2008)
Section 4 Purchase intention	My likelihood of purchasing M&M products is... (very low/very high)	Dodds et al. (1991)
	The probability that I would consider buying M&M products is... (very low/very high)	
	My willingness to buy M&M products is... (very low/very high)	
Section 4 Electronic word-of-mouth	I regularly read online reviews and other online sources to determine which confectionary brands make a good impression	Almana and Mirza (2013)
	I refer to online reviews and other online sources to choose confectionary brands	
	I collect information using online reviews and other online sources before choosing confectionary brands	
	I perceive information obtained from online reviews and other online sources as very important when choosing confectionary brands	

Source: Own construction

5.2. DATA ANALYSIS AND RESULTS

The demographic profile of the respondents indicated that 50.2% of them were females, 32.5% had a university degree, and 51.4% were aged from 18 to 24 years old inclusive. The majority of the respondents were single (56.3%) and were English speakers (26%), followed by Tswana speakers (13.2%). In respect of gaming habits, most respondents played virtual reality online games (25.7%), and a significant portion engaged in online gaming activities (28.4%) several days a week. When it came to gameplay preferences, the majority preferred playing online games (52/1%) individually, and fantasy (27.3%) was the primary motivation for playing online games. Most respondents had played the M&M online game between two and four times before completing the questionnaire.

Further analysis revealed that all of the constructs had negative skewness (<0), indicating a concentration of values on the right side of the mean (they agreed/strongly agreed with the statements). The kurtosis values were all below the value of 3, indicating platykurtic distribution with a lower likelihood of extreme values. Reliability analysis was conducted using Cronbach’s alpha to assess the internal consistency of the constructs in the questionnaire. The collected data exhibited Cronbach’s alpha values of 0.8 and above for all of the constructs (Table 2). The Shapiro-Wilk test indicated normality ($p=0.000$) for all of the constructs (Wiid & Diggins 2021). Investigating the KMO value of 0.765 and Bartlett’s test of sphericity p-value of 0.000 for this study confirmed the suitability and reliability of the selected respondents for the research, as the KMO value was above 0.6 and Bartlett’s test of sphericity p-value was below 0.05 (Wiid & Diggins 2021).

TABLE 2: RELIABILITY ANALYSIS RESULTS

Construct	Items	Cronbach's alpha value
Flow experience	3	0.918
Brand attitude	3	0.855
Purchase intention	3	0.963
eWOM	4	0.969

Source: Own construction

5.2.1. Regression analysis

A collinearity test assesses the level of multicollinearity between constructs. Therefore, the independent variables in the conceptual model were examined using this test. According to Lou and Yuan (2019), there is no significant issue of multicollinearity among the independent variables if their variance inflation factor (VIF) values are below the value of 5 and so do not exceed it. In this study, all of the independent variables had VIF values of 1, indicating no significant multicollinearity concerns.

Regression analysis was conducted to examine the relationship between the variables and to assess the predictive power of one or more independent variables on a dependent variable, thus testing the proposed hypothesis by determining the statistical significance and strength of the relationships between the variables (Saunders et al. 2019). Each hypothesis is listed in Table 3, along with the regression weights, beta coefficients, R-squared values, F-values, and p-values. Table 3 also shows whether each hypothesis is supported, based on the statistical analysis, while Figure 2 portrays the beta coefficient values visually.

For hypothesis 4, a regression analysis was carried out to examine whether eWOM altered the relationship between brand attitude and purchase intention. The researcher employed 5,000 bootstrap samples with a 95% confidence level to correct bias. To ascertain whether moderation was present, the p-value of the interaction term was assessed. A p-value under 0.05 indicates a moderation effect, while a value above 0.05 means that no moderation is observed.

TABLE 3: HYPOTHESIS TESTING

Hypothesis	Regression weights	Beta coefficient	R squared	F	p-value	Hypothesis supported
H ₁	Flow experience– Brand attitude	0.424	0.180	66.231	0.001	YES
H ₂	Flow experience– Purchase intention	0.463	0.214	82.366	0.001	YES
H ₃	Brand attitude– Purchase intention	0.664	0.440	237.517	0.001	YES
H ₄	eWOM– Purchase intention (moderating)	-0.156	0.632	172.299	0.000	YES

Note: * indicates that correlation is significant at the 0.01 level (2-tailed)

Source: Own construction

H₁: The beta coefficient between flow experience and brand attitude is 0.424, indicating a positive relationship between the two variables. For every one-unit increase in flow experience, there is an expected increase of 0.424 units in brand attitude. The magnitude of the beta coefficient (0.424) suggests a moderate positive association between flow experience and brand attitude. With the R-squared of 0.180 between these two variables, about 18% of the

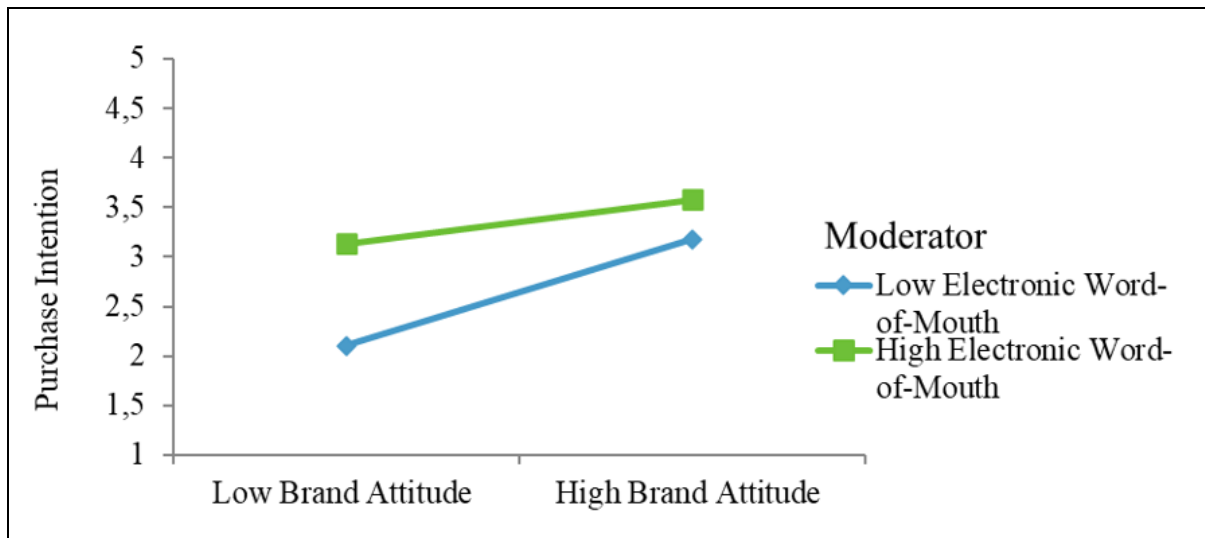
variation in brand attitude can be explained by flow experience; thus flow experience accounts for about 18% of the variability observed in brand attitude. The F-statistic value of 66.231 suggests that there is a significant linear relationship between flow experience and brand attitude; the F-statistic value is accompanied by a p-value of 0.001, supporting H₁.

H₂: The beta coefficient between flow experience and purchase intention is 0.463, indicating a positive relationship, where for every one-unit increase in flow experience, there is an expected increase of 0.463 units in purchase intention. With the R-squared of 0.214 between flow experience and purchase intention, about 21% of the variation in purchase intention can be explained by flow experience; thus, flow experience accounts for about 21% of the variability observed in purchase intention. The F-statistic value of 237.517 suggests that there is a significant linear relationship between brand attitude and purchase intention, accompanied by a p-value of 0.001, thus supporting H₂.

H₃: The beta coefficient between brand attitude and purchase intention is 0.664, indicating a positive relationship. For every one-unit increase in brand attitude, there is an expected increase of 0.664 units in purchase intention. The R-squared of 0.440 between brand attitude and purchase intention explains that about 44% of the variation in purchase intention can be explained by brand attitude, and accounts for about 44% of the variability observed in purchase intention. The F-statistic value of 82.366 suggests that there is a significant linear relationship between flow experience and brand attitude and is accompanied by a p-value below 0.05, thus indicating a statistically significant relationship. The F-value is highly significant with a p-value of 0.001, supporting H₃.

H₄: The moderating relationship between eWOM and the relationship between brand attitude and purchase intention was investigated. The beta coefficient of -0.156 suggests a positive relationship between the moderating variable (eWOM) and the independent variable (brand attitude) and the dependent variable (purchase intention). For every one-unit increase in the moderating variable, there is an expected increase of -0.156 units in the relationship between brand attitude and purchase intention, while holding other variables constant. Figure 3 shows the interaction graph that illustrates the moderating effect of eWOM on the relationship between brand attitude and purchase intention. The results indicate a significant moderating effect, with an R-squared of 0.632 and a p-value significant at 0.000, demonstrating that an increase in eWOM has an influence on brand attitude. Consequently, brand attitude affects purchase intention, therefore supporting H₄.

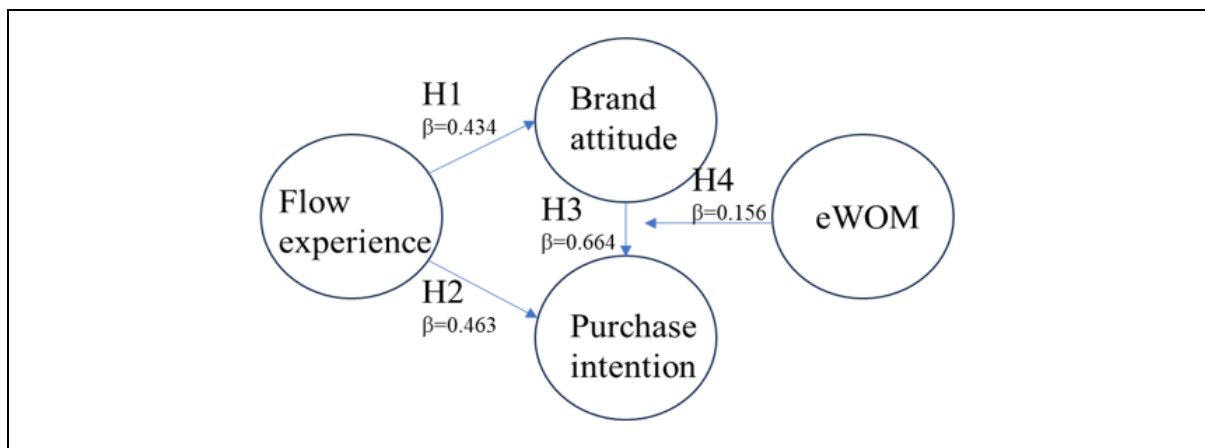
FIGURE 2: INTERACTION GRAPH ILLUSTRATING THE MODERATING EFFECT OF eWOM ON THE RELATIONSHIP BETWEEN BRAND ATTITUDE AND PURCHASE INTENTION



Source: Own construction, adapted from Catalan et al. (2019)

As shown in Figure 3, eWOM weakens the direct link between brand attitude and purchase intention. This means that eWOM can alter consumers' buying intentions, reducing the influence of their brand perception (or brand attitude) on purchase decisions. The exact impact depends on the eWOM's content and individual consumer traits.

FIGURE 3: BETA COEFFICIENT RESULTS



Source: Own construction, adapted from Catalan et al. (2019)

6. MANAGERIAL IMPLICATIONS OF RESULTS

The results section of this paper explained that all of the proposed hypotheses could be accepted, indicating that *flow experience has a significant influence on both brand attitude and purchase intention*, and so predicts both brand attitude and purchase intention. Consumers who experience higher levels of flow experience are likely to have more positive attitudes towards the brand than those with lower levels of flow experience. ‘Flow’ refers to the positive experience that motivates consumers to engage with a brand regularly and make purchases (Lai et al. 2020). To ensure a positive experience, it is crucial for consumers to enjoy the engagement

and have fun while playing advergames (Catalan et al. 2019:504). Previous research has demonstrated that, when consumers experience flow during advergames, it leads to a positive attitude towards the brand, which in turn increases their intention to make a purchase (Soebandhi et al. 2020). Marketers should focus on incorporating features in advergames that are enjoyable for Generation Z and Millennials, such as providing rewards after completing each stage of the game.

The influence of *brand attitude on purchase intention* has been established (Catalan et al. 2019:506). Positive brand attitude significantly increases the likelihood of Millennials and Generation Z individuals making a purchase from the brand (Chiu 2019). In other words, if customers have a positive attitude towards the M&M brand, it increases their inclination to purchase M&M products. As a result of this, marketers should prioritise the ease of downloading advergames and ensure that consumers do not face any fees or barriers when downloading and playing the advergame. By facilitating easy access to the advergame, marketers could enhance brand attitude and subsequently drive purchase intention among their target audience. Strategies marketers should consider creating easy access so that advergames can be downloaded without any difficulty and are easy to find from app stores or websites. Advergames should also be designed to provide an enjoyable and engaging gameplay experience; so marketers should focus on creating interactive and immersive experiences that align with the preferences and interests of Millennials and Generation Z. This could be achieved through competing storylines, captivating graphics, challenging levels, and rewarding achievements within the game. A seamless integration of the brand in the advergame experience could be done through in-game branding and subtle advertising elements to align with the overall gameplay. Personalisation and customisation could enhance consumers' engagement and brand attitude; and allowing players to customise their avatars, game settings, or gameplay experience according to their preferences could create a sense of ownership and connection with the brand.

eWOM plays a significant role in moderating the relationship between brand attitude and purchase intention (Zhang et al. 2019). This means that the impact of eWOM on brand attitude would influence (or predict) the relationship between brand attitude and purchase intention. The more positive electronic messages on a specific brand such as M&M would increase the brand attitude of the brand, thus increasing the positive intention to purchase M&Ms. The pervasive use of mobile devices by Millennials and Generation Z (Rue 2018) means that these consumers actively seek out online reviews and ratings of advergames. These reviews and ratings influence their attitude towards the brand (Soebandhi et al. 2020), which in turn impacts their purchase intention (Catalan et al. 2019). Considering the significance of eWOM, marketers should prioritise online engagement, and encourage consumers to write online reviews and offer incentives such as free products or e-vouchers for doing so (Saxena, Gera, Nagdev & Fatta 2021). Transparency, authenticity, and fostering genuine customer relationships are crucial when implementing these systems to generate eWOM. By creating an enjoyable and engaging advergame experience and encouraging positive eWOM, marketers could harness the power of customer advocacy and increase brand awareness and loyalty.

7. FUTURE RESEARCH AND CONCLUSION

Previous studies on advergaming have primarily focused on factors that affect gameplay (Komulainen et al. 2019). However, there is a lack of research into mobile advergaming and the moderating impact of eWOM in an emerging market context. This study aimed to fill this research gap and to emphasise its importance. By incorporating flow theory (Bandura 1986) and SCT (Catalan et al. 2019), the study explored the predictive relationships among flow

experience, brand attitude, and purchase intention, and the moderating role of eWOM on the relationship between brand attitude and purchase intention. Understanding these connections provided insights into how these constructs act in a specific context and circumstance. Ultimately, this study contributes to both theoretical and practical knowledge by confirming the significant relationship between the constructs that were investigated.

Although all of the hypotheses indicated statistically significant relationships between the constructs, it should be noted that the R-squared value of 0.180 between flow experience and brand attitude suggests that there are other important factors beyond flow experience that contribute to the variability in brand attitude. Therefore, the model might benefit from the inclusion of additional variables or factors, such as brand familiarity, to enhance its predictive power. When investigating brand attitudes (as an example) in advergaming, other variables such as game aesthetics, game mechanics, brand integration, message clarity, user engagement, personal relevance, and social influences should be considered, as they can influence brand perceptions and attitudes.

It is also important to note that the limitations of this study include its focus on only one specific confectionary brand (M&Ms) in a South African context. A variation in results should be expected for different product categories. A relatively small sample of 306, although large enough for regression analysis, suggests the need for a larger sample to generalise to a broader context.

REFERENCE LIST

- Aggarwal, A. & Arora, N. 2021. Gamification and advergaming: An overview of the innovative brain tool in the field of advertising. In *Research anthology on business strategies, health factors, and ethical implications in sports and esports* (pp. 183-192).
- Alharahsheh, H.H. & Pius, A. 2020. A review of key paradigms: Positivism vs interpretivism. *Global Academic Journal of Humanities and Social Sciences*, 2(3):39-43.
- Almana, A.M. & Mirza, A.A. 2013. The impact of electronic word of mouth on consumers' purchasing decisions. *International Journal of Computer Applications*, 82(9):23-31.
- Azizi, A. & Adis, A. 2020. Use of mobile advergaming as brand communication tool. *Journal of Social Transformation and Regional Development*, 2(1):27-41.
- Bandura, A. 1986. *Social foundations of thought and action: A social cognitive theory*. Prentice Hall, Englewood Cliffs, NJ.
- Bapat, D. 2017. Impact of brand familiarity on brands experience dimensions for financial services brands. *International Journal of Bank Marketing*, 35(4):637-648
- Baptista, G. & Oliveira, T. 2017. Why so serious? Gamification impact in the acceptance of mobile banking services. *Internet Research*, 27(1):118-139.
- Baykal, B. 2020. Generational differences in omnichannel experience: Rising new segment: Gen Z. In *Managing customer experiences in an omnichannel world: Melody of online and offline environments in the customer journey* (pp. 117-132). Emerald Publishing Limited.

- Bilal, M., Jianqiu, Z., Dukhaykh, S., Fan, M. & Trunk, A. 2021. Understanding the effects of eWOM antecedents on online purchase intention in China. *Information*, 12(5):192.
- Catalan, S., Martinez, E. & Wallence, E. 2019. Analysing mobile advergaming effectiveness: The role of flow, game, and brand familiarity. *Journal of Product and Brand Management*, 28(4):502-514.
- Catalán-Matamoros, D. & Peñafiel-Saiz, C. 2019. The use of traditional media for public communication about medicines: A systematic review of characteristics and outcomes. *Health Communication*, 34(4):415-423.
- Chiu, Y.P. 2019. Do social and competitive advergaming affect brand attitude in Asia? *International Journal of Electronic Commerce Studies*, 10(1):23-41.
- Chu, S.C. & Chen, H.T. 2019. Impact of consumers' corporate social responsibility-related activities in social media on brand attitude, electronic word-of-mouth intention, and purchase intention: A study of Chinese consumer behavior. *Journal of Consumer Behaviour*, 18(6):453-462.
- Cicchirillo, V.J. 2019. Digital game advertising (IGA and advergaming): Not all fun and games. *Journal of Interactive Advertising*, 19(3):202-203.
- Cilliers, L., Viljoen, K.L.A. & Chinyamurindi, W.T. 2018. A study on students' acceptance of mobile phone use to seek health information in South Africa. *Health Information Management Journal*, 47(2):59-69.
- Clement, J. 2021. *South Africa video games market value 2023*. Statista. Available from <https://www.statista.com/statistics/517310/south-africa-video-games-market-value/> (Date accessed: 9 April 2022).
- Csikszentmihalyi, M. & Csikszentmihalyi, I.S. (Eds.). 1992. *Optimal experience: Psychological studies of flow in consciousness*. Cambridge university press.
- Demetrovics, Z., Urbán, R., Nagygyörgy, K., Farkas, J., Zilahy, D., Mervó, B., Reindl, A., Ágoston, C., Kertész, A. & Harmath, E. 2011. Why do you play? The development of the motives for online gaming questionnaire (MOGQ). *Behavior Research Methods*, 43:814-825.
- Dodds, W.B., Monroe, K.B. & Grewal, D. 1991. Effects of price, brand, and store information on buyers' product evaluations. *Journal of Marketing Research*, 28(3):307-319.
- Ghosh, T., Sreejesh, S. & Dwivedi, Y.K. 2021. Examining the deferred effects of gaming platform and game speed of advergaming on memory, attitude, and purchase intention. *Journal of Interactive Marketing*, 55(1):52-66.
- Gross, E.F. 2004. Adolescent internet use: What we expect, what teens report. *Journal of Applied Developmental Psychology*, 25(6):633-649.
- Gupta, M., Sinha, N., Singh, P. & Liebana-Cabanillas, F. 2021. Instagram advertising among young consumers in wearable fitness trackers: The moderating role of technology acceptance factors. *Journal of Global Marketing*, 34(5):411-432.

- Hartini, S. 2020. Mobile advergame: Analysis of flow, attitudes and competitor trait as the moderating variable. *International Journal of Mobile Learning and Organisation*, 14(3):322-337.
- Hernandez, M.D., Chapa, S., Minor, M.S., Maldonado, C. & Barranzuela, F. 2004. Hispanic attitudes toward advergames: A proposed model of their antecedents. *Journal of Interactive Advertising*, 5(1):74-83.
- Hou, J., Ndasauka, Y., Jiang, Y., Ye, Z., Wang, Y., Yang, L., Li, X., Zhang, Y., Pang, L., Kong, Y. & Xu, F. 2017. Excessive use of WeChat, social interaction and locus of control among college students in China. *PloS one*, 12(8):e0183633.
- Hsiao, W.H., Lin, Y.H. & Wu, I.L. 2022. Advergame for purchase intention via game and brand attitudes from antecedents of system design, psychological state, and game content: Interactive role of brand familiarity. *Journal of Organizational Computing and Electronic Commerce*, 32(1):45-68.
- Huotari, K. & Hamari, J. 2017. A definition for gamification: Anchoring gamification in the service marketing literature. *Electronic Markets*, 27(1):21-31.
- Ismail, H. & Nasidi, Q.Y. 2018. Advergames and consumers: Measuring the impact of advertising on online games. *International Journal of Law, Government and Communication*, 3(12):35-40.
- Jang, S., Chung, J. & Rao, V.R. 2021. The importance of functional and emotional content in online consumer reviews for product sales: Evidence from the mobile gaming market. *Journal of Business Research*, 130:583-593.
- Jansen, D. & Warren, K. 2020. *What (exactly) is research methodology?* Available from <https://gradcoach.com/what-is-research-methodology/> (Date accessed: 15 April 2022).
- Kamal, S., Chu, S.C. & Pedram, M. 2013. Materialism, attitudes, and social media usage and their impact on purchase intention of luxury fashion goods among American and Arab young generations. *Journal of Interactive Advertising*, 13(1):27-40.
- Kim, Y. & Lee, H. 2022. Exploring the effectiveness of advergame: The role of transportation on continuous intention to play advergames. *Journal of Creative Communications*, 17(2):127-141.
- Kim, Y. & Leng, H. 2017. Effectiveness of in-game advertisement: An examination of repetition effect, brand familiarity and the relationship between gaming skills and advertising execution. *Journal of Global Sport Management*, 2(1):42-64.
- Kircaburun, K., Alhabash, S., Tosuntaş, Ş.B. & Griffiths, M.D. 2020. Uses and gratifications of problematic social media use among university students: A simultaneous examination of the Big Five of personality traits, social media platforms, and social media use motives. *International Journal of Mental Health and Addiction*, 18:525-547.
- Komulainen, R., Lappeman, J. & Islam, A.K.M.N. 2019. Determining banner advertisement effectiveness in mobile games: A study from South Africa. *The Retail and Marketing Review*, 15(1):57-71.

- Kowalska, M., Kostrzewska, M. & Petljak, K. 2021. The significance and evaluation of selected online communication tools – A comparative analysis of young consumers from Poland, Croatia and China. *Problemy Zarządzania*, 19:91-106.
- Kudeshia, C. & Kumar, A. 2017. Social eWOM: Does it affect the brand attitude and purchase intention of brands? *Management Research Review*, 40(3):310-330.
- Lai, Y., Mao, Y., Luo, Y., Liu, S., Du, Y., Zhou, J., Ma, J., Bonaiuto, F. & Bonaiuto, M. 2020. Apple or Huawei: Understanding flow, brand image, brand identity, brand personality and purchase intention of smartphone. *Journal of Sustainability*, 12(8):3391.
- Lee, H. & Cho, C.H. 2017. An application of brand personality to advergaming: The effect of company attributes on advergaming personality. *Computers in Human Behavior*, 69:235-245.
- Lou, C. & Yuan, S. 2019. Influencer marketing: How message value and credibility affect consumer trust of branded content on social media. *Journal of interactive advertising*, 19(1):58-73.
- Mago, Z. 2018. The concept of timelessness applied to advergaming. *Acta Ludologica*, 1(2):18-33.
- Mahajan, H.K. 2020. Quantitative research: A successful investigation in natural and social sciences. *Journal of Economics Development, Environment and People*, 9(4):50-79.
- Mangold, W.G. & Smith, K.T. 2012. Selling to millennials with online reviews. *Business Horizons*, 55(2):141-153.
- Martí-Parreño, J., Bermejo-Berros, J. & Aldás-Manzano, J. 2017. Product placement in video games: The effect of brand familiarity and repetition on consumers' memory. *Journal of Interactive Marketing*, 38:55-63.
- Nayeem, T., Murshed, F. & Dwivedi, A. 2019. Brand experience and brand attitude: Examining a credibility-based mechanism. *Marketing Intelligence & Planning*, 37(7):821-836.
- Paramitra, Y., Aruan, H. & Tumpal, D. 2017. Let's playing game: The effects of brand-game- self congruities on player's attitude towards brands in advergaming. *MIX: Jurnal Ilmiah Manajemen*, 7(1):152351.
- Rathee, R. & Rajain, P. 2019. Online shopping environments and consumer's need for touch. *Journal of Advances in Management Research*, 16(5):814-826.
- Robbins, M. 2022. M&Ms Adventure Beginner's Guide: Tips, Tricks & Strategies to Complete More Levels and Unlock Everything. *Level Winner*. Available from <https://www.levelwinner.com/m-and-ms-adventure-beginners-guide-tips-tricks-strategies/>
- Rue, P. 2018. Make way, millennials, here comes Gen Z. *About Campus*, 23(3):5-12.
- Saunders, M.N.K., Lewis, P. & Thornhill, A. 2019. *Research methods for business students*. 8th edn., New York: Pearson Education.

- Saxena, N., Gera, N., Nagdev, K. & Fatta, D.D. 2021. A conjoint analysis of customers' preferences for e-banking channels. *International Journal of Electronic Marketing and Retailing*, 12(1):52-68.
- Sayed, S.E. 2020. Investigating the effectiveness of applying mobile advergames in tourism marketing: An exploratory study. *International Journal of Tourism and Hospitality*, 6(2):21-32.
- Sharma, R. 2020. Effect of advergames on children: A qualitative analysis. *International Journal of Business Ethics in Developing Economies*, 9(1):24-31.
- Sharma, S. & Bumb, A. 2022. Product placement in entertainment industry: A systematic review. *Quarterly Review of Film and Video*, 39(1):103-119.
- Singh, R.P. & Banerjee, N. 2018. Exploring the influence of celebrity credibility on brand attitude, advertisement attitude and purchase intention. *Global Business Review*, 19(6):1622-1639.
- Snee, R.D. 1977. Validation of regression models: Methods and examples. *Technometrics*, 19(4):415-428.
- Soebandhi, S., Hartini, S. & Gunawan, S. 2020. Engaging young consumers with advergames: The effect of presence and flow experience. *Advances in Business, Management and Entrepreneurship*, 97-101.
- Sreejesh, S., Anusree, M.R. & Ponnampal, A. 2018. Does game rules work as a game changer? Analyzing the effect of rule orientation on brand attention and memory in advergames. *Computers in Human Behavior*, 81:325-339.
- Srivastava, R.K. 2021. Comparing the three types of approach of advertising in brand building in emerging markets. *Journal of Strategic Marketing* 29(6):514-527.
- Statista. 2019. *Value of the gamification market worldwide in 2016 and 2021*. Available from <https://www-statista-com.lib.rivier.edu/statistics/608824/gamification-market-value-worldwide/> (Date accessed: 14 March 2022).
- Statista. 2020. *Smartphone users in South Africa 2014-2023*. Available from <https://www.statista.com/statistics/488376/forecast-of-smartphone-users-in-south-africa/> (Date accessed: 18 April 2022).
- Statista. 2021. *South Africa: Mobile internet users 2016-2026*. Available from <https://www.statista.com/statistics/558867/number-of-mobile-internet-user-in-south-africa/> (Date accessed: 18 April 2022).
- Stolzenburg, M.R. 2018. A review of transfer theory and characterization of measured performance for differential mobility analysers. *Aerosol Science and Technology*, 52(10):1194-1218.
- Sung, Y.H. & Lee, W.N. 2020. Doing good while playing: The impact of prosocial advergames on consumer response. *Computers in Human Behavior*, 106:106244.

- Taylor, R.C. & Carson, L. 2021. The future of advertising research: New directions and research needs. *Journal of Marketing Theory and Practice*, 29(1):51-62.
- Terlutter, R. & Capella, M.L. 2013. The gamification of advertising: Analysis and research directions of in-game advertising, advergames, and advertising in social network games. *Journal of Advertising*, 42(2-3):95-112.
- VanBerlo, Z., Reijmersdal, A. & Rozendaal, E. 2020. Adolescents and handheld advertising: The roles of brand familiarity and smartphone attachment in the processing of mobile advergames. *Journal of Consumer Behaviour*, 19(5):438-449.
- Vanwesenbeeck, I., Michel, W. & Ponnet, K. 2017. Children and advergames: The role of product involvement, prior brand attitude, persuasion knowledge and game attitude in purchase intentions and changing attitudes. *International Journal of Advertising*, 36(4):520-541.
- Wanick, V., Dunn, R., Ranchhod, A. & Wills, G. 2019. Analysing cross-cultural design in advergames: A comparison between the UK and Brazil. *EAI Endorsed Transactions on Serious Games*, 18(1):1-13.
- Wiid, J. & Diggins, C. 2021. *Marketing research*. Juta and Company, Cape Town.
- Wise, K., Bolls, P.D., Kim, H., Venkataraman, A. & Meyer, R. 2008. Enjoyment of advergames and brand attitudes: The impact of thematic relevance. *Journal of Interactive Advertising*, 9(1):7-36.
- Xi, N. & Hamari, J. 2019. Does gamification satisfy needs? A study on the relationship between gamification features and intrinsic need satisfaction. *International Journal of Information Management*, 46:210-221.
- Yakut, E. 2019. A social cognitive theory perspective on marketing studies: A literature review. *Yaşar Üniversitesi E-Dergisi*, 14:18-33.
- Yang, Y., Asaad, Y. & Dwivedi, Y. 2017. Examining the impact of gamification on intention of engagement and brand attitude in the marketing context. *Computers in Human Behavior*, 73:459-469.
- Yoo, B. & Donthu, N. 2001. Developing a scale to measure the perceived quality of an internet shopping site (SITEQUAL). *Quarterly Journal of Electronic Commerce*, 2(1):31- 45.
- Zhang, P., Lee, H.M., Zhao, K. & Shah, V. 2019. An empirical investigation of eWOM and used video game trading: The moderation effects of product features. *Decisions Support Systems*, 123:113076.

CONSUMERS' ONLINE PERCEIVED RISKS, EWOM AND PURCHASE INTENTIONS: TESTING A MEDIATED-MODERATED FRAMEWORK IN APPAREL CONSUMPTION IN SOUTH AFRICA

Maame Ampebah Tabiri

Emmanuel Silva Quaye

ABSTRACT

Online shopping has become a preferred mode of shopping for many consumers, particularly following the onset of the COVID-19 pandemic. However, the nature of e-commerce presents higher levels of risk and uncertainty for consumers when intending to shop online due to the inherent information asymmetry. This study focuses on determining the impact of financial, product, and delivery risk perceptions on online purchase intention as well as the role of eWOM in these relationships in South Africa's apparel industry. A web-based survey was administered and a convenience sample of 228 valid participants was drawn. The influence of financial, product and delivery risk on purchase intentions was examined, with eWOM serving as both a mediator and a moderator in each of the relationships. The results show that only product risk perception has a significant and negative impact on online purchase intention and this relationship is partially mediated by eWOM. eWOM also moderates the impact of financial risk perception on online purchase intention. The findings highlight the significance of eWOM in the purchasing journey of consumers. South African apparel merchants need to collect, monitor and leverage eWOM to reduce product risk perceptions and provide certainty of financial safety.

Keywords/phrases: delivery risk, electronic word of mouth (eWOM), financial risk, online product risk, purchase intention, risk perception, South Africa.

1. INTRODUCTION

The nature of e-commerce presents higher levels of risk and uncertainty for consumers as there is a physical and psychological distance between merchants and consumers which introduces information asymmetry as merchants have more information than consumers and there is no way for consumers to verify the claims of the merchant (Rajamma, Paswan, & Hossain 2009). This asymmetry leaves consumers vulnerable to uncertainty around opportunistic behaviour and drives perceived risk (Rajamma et al. 2009). In the context of shopping online for apparel, the spectrum of risks that consumers are exposed to have been identified extensively in literature, and various researchers (Bhatnagar, Misra & Roa 2000; Forsythe, Liu & Gardner 2006; Forsythe & Shi 2003) have converged on 7 well-established risk dimensions that customers perceive in e-commerce: financial, privacy, delivery, product, time, social and psychological risks.

Market research previously conducted in the South African context found that the Top 5 pain points for online shoppers were found to be lack of financial and data security, unreliable delivery, limited details about the product, false advertising/fake products, and difficult return processes (Scheafer & Bulbulia 2021). These insights point to key risk perceptions around financial risk, including the security of information in providing personal data to complete the transaction, delivery risk, including the reliability of delivery and product risk, including the performance of the product (Nuzula & Wahyadi 2022). Financial risk, product risk, and delivery risk are, therefore, the key sources of uncertainty that consumers face when making online purchases (Akdin 2021).

The rise of eWOM has assisted consumers in partially bridging the gap of information asymmetry that exists regarding the risks associated with shopping online in apparel segment of e-commerce. eWOM is defined as any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the internet (Hennig-Thurau, Gwinner & Walsh 2004). eWOM is very influential because consumers are generally more trusting of peer consumers than marketers or advertisers of merchants (Sen & Lenman 2007), and many consumers want to know the opinions of previous customers about a certain product or service before they consider a purchase (Aljaafreh & Al-Adaileh 2020) It is a significant driver of purchase intention and plays an important role in influencing judgement of products and brands and even influences desired lifestyle perceptions (Cheng & Zhou 2010).

Previous studies have shown that risk perceptions play an important role in online purchase decision making including purchase intention (Alif, Hashim, Ramlee & Yusoff 2019; Zhang, Zheng & Wang 2020). However, very few studies have evaluated the relationship between eWOM and risk perceptions towards purchase intention (Hussain, Ahmed, Jafar, Rabnawaz & Jianzhou 2017), particularly in the South African apparel context. This is an important inquiry, as online purchase intention is a key predictor of sales (Morwitz 2012).

The purpose of this study is to determine how financial product and delivery risk perceptions impact South African consumers' online purchase intention when shopping for apparel online and the role that eWOM plays in influencing and shaping these relationships. Consumers' risk perceptions have been found to be among the most significant psychological states that will influence their online purchase behaviour, including purchase intention (Mou, Shin, & Cohen 2017). Managing risk perceptions is, therefore, critical to the continued growth and development of the e-commerce industry in South Africa. By examining the role of eWOM in the relationships between these risk perceptions and online purchase intention, this study aims to provide insights for e-commerce apparel merchants on how to leverage eWOM to reduce risk perceptions and increase purchase intention in the South African apparel e-commerce market.

Therefore, the present study contributes to the existing literature in the following ways. First, our research enriches our understanding concerning the link between consumers' perceived risks and how they influence online purchase intentions. The study confirms that in the apparel market, especially in South Africa, perceived product risk is more important than financial and delivery risk. Second, the study is designed to be one of the first studies that establish the mediating as well as the conditioning role of eWOM in explaining South African consumers' intentions to buy apparel online. That is eWOM serves as a mediating mechanism for product risk to influence online purchase of apparel. Online consumers who are more concerned about the fact that they are unable to examine or judge a product's quality before buying will be convinced to do so when they receive favourable eWOM through useful and trustworthy reviews and recommendations.

Third, this study extends the literature by establishing the strength of financial risk to influence online apparel purchase, and demonstrates that this relationship depends on eWOM, suggesting that positive eWOM may lessen the negative influence of financial risks in online shopping experience. Ultimately, the findings of this study contribute to the literature on the role of eWOM in the context of online purchase intention and perceived risk, providing a better understanding of the factors that influence consumers' purchasing decisions in the South African apparel e-commerce industry and unearthing the nuances in the dynamic purchase decision making process.

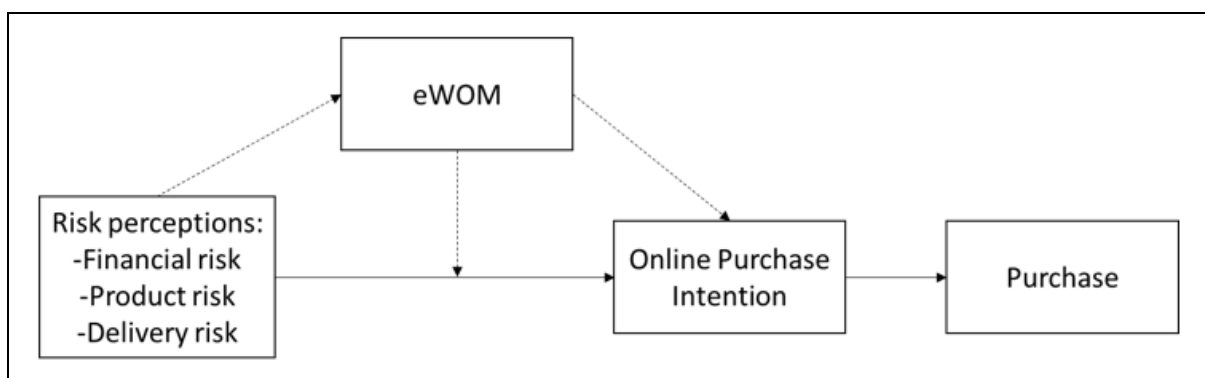
2. THEORETICAL FRAMEWORK

This research is grounded in the Theory of Reasoned Action, which is a positivist model for predicting a person's behaviour (Fishbein 1963; Fishbein & Ajzen 1977). This is determined by the individual's own attitude towards the behaviour including feelings and evaluations of the behaviour, the consequences of the action and subjective norms (Tafimow 2009). Subjective norms describe an individual's evaluation of what other people who are important to them and associated social pressures believe one should do as well as how motivated they are to comply to those pressures (Tafimow 2009).

In the application of this theory to this research, subjective norms are considered from an eWOM evaluation perspective and behavioural intention is considered from an online purchase intention perspective. The model has been extended to consider risk perceptions as a key construct in shaping online purchase intention. Risk perceptions have been found to be positively correlated to attitudes towards shopping online, particularly with respect to product, financial and delivery risk perception (Hong, Zulkiffli & Hamsani 2016). The use of these risk perceptions in the model allows for a more comprehensive understanding of the complex decision-making process consumers undertake when intending to shop online, as it provides a more nuanced understanding of the factors that influence online purchase intention. Previous research has confirmed that risk perceptions strongly influence online purchase intention (Ariffin, Mohan, & Goh 2018). Furthermore, it has been argued that risk perceptions have a more immediate and powerful influence on behaviour (Stone & Gronhaug 1993).

There has been criticism of the Theory of Reasoned Action model concerning the distinction between attitude and subjective norms, as in some cases, it could point to the same thing (Miniard & Cohen 1981). This consideration is the crucial basis for the adaptation of the Theory of Reasoned Action model in this research to evaluate eWOM (subjective norms) as a mediator or moderator in the relationship between perceived risk and online purchase intention as it will either show that eWOM explains a consumer's perceived risk or regulates a consumer's perceived risk as it relates to online purchase intention as shown in Figure 1.

FIGURE 1: THEORETICAL MODEL ADAPTED FROM THEORY OF REASONED ACTION



Source: Own construction

Online purchase intention is a complex decision-making process regarding the reasons to purchase a particular item or service (Rahim, Fong & Jin 2019). This is related to the behaviour, perceptions, and attitudes of customers regarding purchasing (Mirabi, Akbariyeh & Tahmasebifard 2015), and reflects a customer's readiness or willingness to conduct an online purchase under certain conditions (Meskaran, Ismail & Shanmugam 2013). Purchase intention

is regarded as an important metric as it is used to forecast a consumer's purchase behaviour and depends on the influencing factors surrounding the purchase (Ariffin et al. 2018). These influencing factors are primarily grounded in a consumer's perceptions of the risks involved in transacting, particularly in an online context.

The Theory of Perceived Risk was introduced by Raymond Bauer in 1960 within the context of consumer behaviour. He suggested that any buying activity involves an element of risk and is likely to produce consequences that one cannot anticipate whether they will be positive or negative (Bauer 1960). Bauer introduced two key dimensions of risk, uncertainty and consequence, which speak to the probability of loss and the significance of the potential loss (Bauer 1960). Risk perceptions play a foundational role in forming the purchase intention of consumers and previous studies have shown that risk perceptions have a strong negative impact on the purchase intention of consumers, particularly in the apparel industry (Alif 2019; Almousa 2011; Ariffin et al. 2018; Masoud 2013).

Considering the prevalence of perceived risks in e-commerce, it becomes important for consumers to seek out ways of reducing their perceived risk (Bauer 1960) eWOM is seen as a useful tool to influence risk perception through other people's past experiences and evaluations. Consumers have been known to conform to social or vicarious learning paradigms, driving imitation (Hawkins, Best & Coney 2004). This concept is foundational to eWOM, and previous researchers have found that eWOM influences several consumer perception-related variables such as risk perceptions (Zhang et al. 2020), as well as usefulness, trust, attitude, purchase intention and sales of product or services (Akdin 2021).

2.1. FINANCIAL RISK PERCEPTION AND ONLINE PURCHASE INTENTION

Financial risk is defined as the potential for consumers to lose money in engaging in e-commerce transactions and the degree of uncertainty they are willing to accept (Bhatnagar et al. 2000; Forsythe, Liu & Gardner 2006; Forsythe & Shi 2003). When consumers perceive financial risk, they are less likely to purchase online (Forsythe & Shi 2003). Salam, Rao and Pegels (2003) found financial risk perception to be a strong predictor of online purchase intention and that institutional trust reduced consumers' financial risk perception. They observed that consumers develop trust in institutional structures and intermediaries such as reputable banks and credit card companies as they take the initiative in protecting their customers even if it results in a loss for the institution to ensure that their trustworthiness with consumer is not diminished (Salam et al. 2003). Consumers with a greater knowledge and experience with internet use were found to be less risk averse with respect to financial risk and transacting online (Bhatnagar et al. 2000).

Some researchers have found financial risk perception to negatively influence purchase intention (Alif 2019; Almousa 2011; Bhatnagar et al. 2000). However, it has also been found that financial risk perception did not influence online purchase intention (Ahmad, Fauzi, Ditta, Idris & Faizun 2020). It is hypothesised that financial risk perception has a significant negative influence on online purchase intention.

H₁: Financial risk perception will negatively influence online purchase intention.

2.2. PRODUCT RISK PERCEPTION AND ONLINE PURCHASE INTENTION

Product risk perception is defined as the potential for a product to not perform or deliver the value expected, which can occur when items are defective, inferior in quality standards,

dangerous to use or are not as advertised (Bhatnagar et al. 2000; Forsythe et al. 2006; Forsythe & Shi 2003). Perceived product risk is higher in the e-commerce industry as the key constraint and uncertainty that consumers face when shopping online is the inability to physically check and verify the claims of the seller around the quality and other specifications of a product prior to purchasing it (Popli & Mishra 2015). Previous researchers have found that product risk perception has a strong negative effect on online purchase intention (Almoussa 2011; Masoud 2013; Tham, Dastane, Johari & Ismail 2019). Product risk perception has been found to have a very significant influence on a consumer's attitude toward shopping online (Ariffin et al. 2018). Based on previous findings, it is hypothesised that product risk perception has a significant negative influence on online purchase intention.

H₂: Product risk perception will negatively influence online purchase intention.

2.3. DELIVERY RISK PERCEPTION AND ONLINE PURCHASE INTENTION

Delivery risk is defined as the potential that the items purchased are not delivered to consumers reliably (Bhatnagar et al. 2000; Forsythe et al. 2006; Forsythe & Shi 2003). Previous researchers have found that delivery risk has a significant negative influence on purchase intention (Ashoer & Syahmur 2016; Masoud 2013; Naiyi 2004; Tham et al. 2019). Based on these findings, it is hypothesised that delivery risk perception has a significant negative influence on online purchase intention.

H₃: Delivery risk perception negatively influence on purchase intention.

2.4. EWOM AND ONLINE PURCHASE INTENTIONS

eWOM is defined as any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the internet (Hennig-Thurau et al. 2004). Previous research reports that eWOM has a significant influence on online purchase intention (Nuseir 2019) and that consumers find it necessary to know the opinions of others about a certain product or service before they consider a purchase (Aljaafreh & Al-Adaileh 2020). Moloi, Quaye and Saini (2022) found that the perceived helpfulness of online customer reviews was an important driver of purchase intentions among South African consumers. Based on these findings, it is hypothesised that eWOM has a significant negative influence on online purchase intention.

H₄: eWOM has a significant influence on purchase intention.

2.5. THE MEDIATING ROLE OF EWOM

Lee, Park and Han (2011) found that online reviews had a significant positive effect on consumers' purchase intention for apparel products. Similarly, it was found that trust in online recommendations can reduce financial risk and influence the consumers' intention to purchase from the website (Hsiao, Lin, Wang, Lu & Yu 2010). Based on these previous findings, it is hypothesised that the relationship between financial risk perception and online purchase intention is significantly mediated by eWOM.

H₅: eWOM will mediate the relationship between financial risk perception and purchase intention.

It was found that consumers are motivated to search for eWOM to validate the claims of the merchant (Ngarmwongnoi, Oliveira, AbedRabbo & Mousavi 2020). Furthermore, it was found

that e-WOM functions as a mediator variable for the effect of product knowledge and brand image on purchase intention (Khoirunnisa & Albari 2023). Based on these previous findings, it is hypothesised that eWOM will significantly mediate the relationship between product risk perception and online purchase intention.

H₆: eWOM will mediate the relationship between product risk perception and purchase intention.

Delivery risk, including uncertainty around reliability, is a significant concern for consumers shopping online. Even though there is not much literature that specifically suggests a mediating role of eWOM in the relationship between delivery risk perception and online purchase intention, eWOM is considered as an important reference for consumers when considering online purchases as most consumers find it necessary to know the opinions of others about a certain product or service before they consider a purchase (Aljaafreh & Al-Adaileh 2020). This study proposes that this finding extends to delivery risk perceptions as previous customers can share their experiences on the full purchasing journey including delivery and consumers have been shown to rely on eWOM to reduce risk perceptions when they perceive high levels of risk when shopping for apparel online, leading to a higher intention to purchase. It is therefore hypothesised that eWOM significantly mediates the relationship between delivery risk perception and online purchase intention.

H₇: eWOM will mediate the relationship between delivery risk perception and purchase intention.

2.6. THE MODERATING ROLE OF EWOM

eWOM could play a significant role in moderating the relationship between financial risk perceptions and online purchase intention in the context of apparel shopping. It has been noted that consumers use online reviews to rationally maximise the ratio of functional, product benefits to costs (Goldsmith & Horowitz 2006). This means that cost or potential for financial loss becomes a core basis for seeking the opinions from online reviews to affirm or oppose the perceived financial risk in purchasing a particular product. Furthermore, consumers look to eWOM to reassure them that they will not waste money on an online purchase by gaining opinions from trusted purchasers (Burton & Khammash 2010), implying a moderating effect on online reviews regarding financial risk. Thus, the perceived influence of financial risk to affect purchase likelihood depends on eWOM. More positive online reviews about the payment experience online are likely to dampen perceived financial risk and thus lead to purchase intentions. It is therefore hypothesised that eWOM will significantly moderate the relationship between financial risk perception and online purchase intention.

H₈: eWOM will moderate the relationship between financial risk perception and online purchase intention.

It has been postulated that when customers perceive product risk when shopping online, reading online reviews and opinions is used to reduce risk (Hennig-Thurau, Gwinner & Walsh 2003). This means that online reviews are used to change the strength or direction of the impact of perceived product risk on online purchase intention. It was further found that consumers are very likely to adapt their buying behaviour after reading a positive or negative review online in that they will buy a recommended product or refrain from buying a product not recommended (Hennig-Thurau et al. 2003). It is therefore hypothesised that the relationship

between product risk perception and online purchase intention is significantly moderated by eWOM.

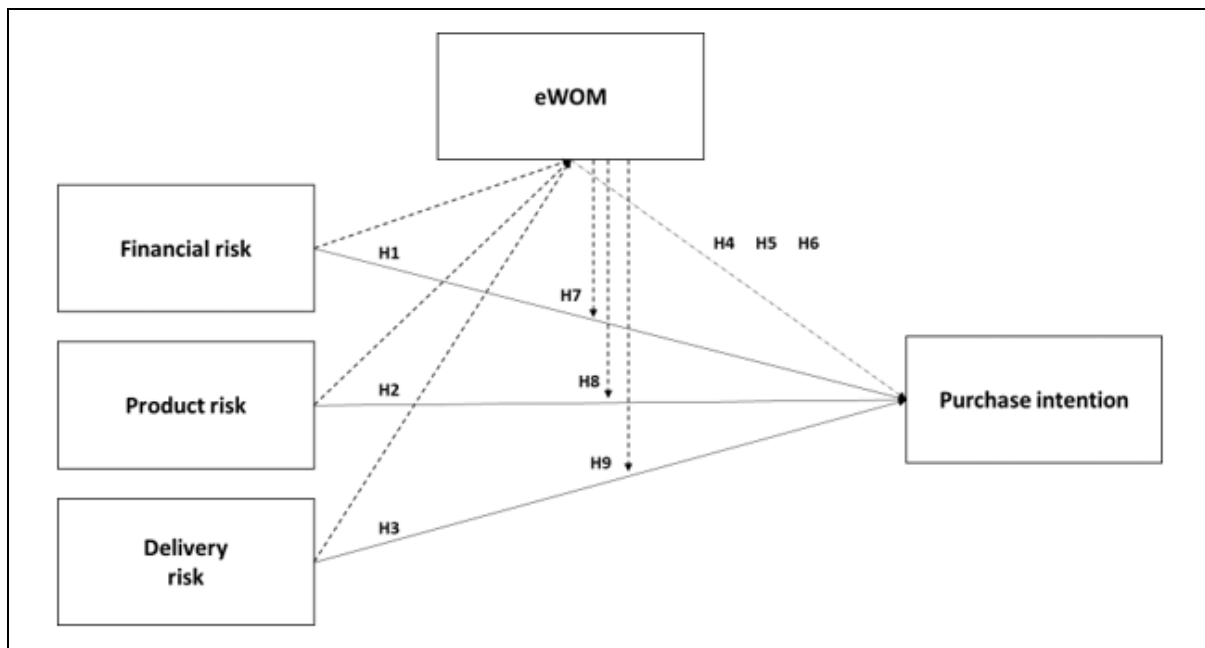
H₉: eWOM will moderate the relationship between product risk perception and online purchase intention.

Non-delivery risk has been found to have a significant and negative impact on online shopping behaviour (Tham et al. 2019), as customers may worry about the reliability and timeliness of the delivery service, as well as the potential difficulty and cost of returning or exchanging products. Consumers have been found to seek out eWOM to reduce their perceived risks as they relate to online purchase intention (Hennig-Thurau et al. 2003). It is therefore hypothesised that will eWOM significantly moderates the relationship between delivery risk perception and online purchase intention.

H₁₀: eWOM moderates the relationship between delivery risk perception and online purchase intention.

Based on the hypotheses developed from a review of previous research, a conceptual framework has been developed as shown in Figure 2.

FIGURE 2: CONCEPTUAL FRAMEWORK



Source: Own construction

3. RESEARCH METHODOLOGY

This research is grounded in the positivist research philosophy, where data is collected to provide evidence to test the hypotheses of this research with the help of numbers. South Africa served as the research focus areas since it is one of the most important countries in emerging African markets with well established and formalised retail systems.

3.1. STUDY DESIGN AND SAMPLE CHARACTERISTICS

The web-based survey hosted on Qualtrics was administered online and shared through social networks including Facebook, Instagram, LinkedIn, and WhatsApp. A non-probability sampling design and a convenience sample method were used to collect the data. After three weeks of online solicitations, 334 individuals, consisting of people from all over the world above the age of 18, completed the survey. Non-South African residents were deleted from the study, leaving 228 valid and usable responses for data analysis. In total, about 70 per cent of the respondents were female. Also, most respondents were aged between 25 and 34 (62.28%) and were all employed. All respondents in the study had access to the internet for personal use and had previously purchased apparel online, with varying frequency of purchases, with more than half indicating that they made about five or more purchases online in a year. Table 1 provides a detailed description of the study respondents.

TABLE 1: PROFILE OF RESPONDENTS

Characteristic	Frequency (N)	Percentage (%)
Gender		
Female	160	70.18%
Male	65	28.51%
Non-binary/third gender	3	1.32%
Age		
18-24	5	2.19%
25-34	142	62.28%
35-44	60	26.32%
45-54	12	5.26%
54-64	5	2.19%
>=65	4	1.75%
Employment status		
Employed	228	100%
Access to internet for personal use		
Yes	228	100%
Previously purchased apparel online?		
Yes	228	100%
Frequency of shopping online for apparel		
Less than 3 purchases per year	56	24.56%
3-5 purchases per year	55	24.12%
5-10 purchases per year	47	20.61%
More than 10 purchases per year	70	30.70%

Note: Differences in frequency is due to missing responses.

Source: Own construction, based on analysis

3.2. MEASURES

A cross-sectional survey was designed to solicit data regarding the key variables of financial risk (FR), product risk (PR), delivery risk (DR), eWOM (E), and online purchase intention (PI) to satisfy the conceptual model for this study. The first part of the survey collected demographic information such as age, gender, country of residence, employment status, online shopping awareness and previous experience shopping online. The second part of the survey solicited data on the independent variables, which are the participants' financial, product and delivery risk perceptions of shopping online for fashion apparel. Items for financial risk perception were adopted from Ariffin et al. (2018) as well as Featherman and Pavlou (2003). Items for product risk and delivery risk were adopted from Masoud (2013). eWOM was measured with three items from Lopez and Sicilia (2014) as well as Zhao, Wang, Tang and Zhang (2020). Lastly,

purchase intention was measured with four items from Chen and Teng (2013). All questions were measured using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree).

3.3. DATA ANALYSIS

Analysis was conducted using SPSS version 28 to prepare the data, provide the profile and characteristics of respondents, carry out an exploratory factor analysis of the constructs in the model. SPSS Amos version 26 was used to conduct confirmatory factor analysis of the constructs to test model fit and reliability of the model. It was then used to conduct structural equation modelling to understand the impact of financial, product and risk perceptions on online purchase intention as well as the mediating role of eWOM. SPSS version 28 was used to test the moderation effect of eWOM in the relationships between risk perceptions and online purchase intention.

3.4. VALIDITY AND RELIABILITY OF THE MEASUREMENT MODEL

Confirmatory Factor Analysis (CFA) was performed on the constructs to ascertain their validity utilising SPSS AMOS version 26. The results show the initial five-factor model did not produce acceptable model fitness. A refined model was reproduced using modification indices. The reproduced model showed that all measures yielded an overall good fit for the data (NFI = 0.93, CFI = 0.98, TLI = 0.98, RMSEA = 0.03, RMR = 0.05). All variables in the refined model showed loadings above .60. All variables have CR values greater than 0.70, as recommended, indicating internal consistency for all items. See Table 2 for all constructs with their respective standardised loadings and reliability scores.

TABLE 2: CONSTRUCT MEASUREMENT AND VALIDITY TESTING

Constructs with items	Estimate	α	CR	AVE
Financial risk		.86	.86	.76
Using an Internet based payment service subjects your checking account to financial risk	.86			
Using an Internet based payment service subjects your banking account to potential fraud	.89			
Product risk		.74	.75	.50
Size might be a problem when buying apparel online	.72			
I can't touch and examine the actual product	.73			
It is hard to judge the quality of products over the Internet	.67			
I can't try on apparel when shopping online				
Delivery risk		.71	.71	.56
The delivery may be sent to the wrong place	.69			
I might not receive the product that I ordered online for delivery	.80			
eWOM		.73	.73	.47
Electronic word of mouth gives me very useful information for decision making	.66			
I feel people providing electronic word of mouth are trustworthy	.70			
The information received can influence my purchase decision	.71			
Online purchase intentions		.91	.91	.72
How likely is it that you would buy new apparel introduced online by your favourite apparel store?	.80			
How likely is it that you would buy apparel online within the next year?	.88			
How likely is it that you would buy apparel online within the next 3 months?	.89			
How likely is it that you would purchase apparel online?	.82			

Source: Own construction, based on analysis

Additionally, the AVE values for all variables were greater than .50 except eWOM which was slightly below .5 (eWOM AVE = .47), however, as suggested by Fornell and Larcker (1981), AVE values more than 0.40 are acceptable if the CR for the variable is more than .6 which is the case for eWOM (eWOM CR = .73). Cronbach's coefficient alpha was calculated for all constructs. According to George and Mallery (2003), the commonly accepted criterion for internal consistency requires Cronbach's alpha results to be greater than .70 to be acceptable. The results of the reliability study for the model indicate that all five constructs (online purchase intention, financial risk, product risk, delivery risk and eWOM) produced acceptable results. The Fornell-Larcker criterion for discriminant validity was met since the square root of the AVE was greater than the paired inter-factor correlation. Table 3 shows the correlation matrix for the constructs.

TABLE 3: MEAN, STANDARD DEVIATION AND CORRELATION MATRIX

Construct	α	CR	AVE	Mean	SD	FR	PR	DR	E	PI
FR	.86	.86	.86	3.32	1.14	.87				
PR	.74	.76	.76	4.51	.63	.23**	.71			
DR	.71	.75	.75	2.89	1.09	.44**	.29**	.75		
eWOM	.73	.50	.50	4.00	.74	-.08	.13*	-.04	.69	
PI	.91	.71	.71	3.32	.99	-.09	-.17**	-.12	.26***	.85

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$, FR = financial risk, PR = product risk, DR = delivery risk, PI = purchase intentions. bold diagonal values are the square root of average variance extracted (AVE) for each construct; off-diagonal values are inter-construct correlations.

Source: Own construction, based on analysis

4. RESULTS

Structural equation model was performed in SPSS AMOS version 26 to test the hypothesised influence of financial risk (FR), product risk (PR) and delivery risk (DR) on online purchase intention (PI), and the mediating role of eWOM (E) in those relationships. The model fit indices for the path analysis show that the model fit results for both models fell within the acceptable range $CMIN/df = 1.93$, $TLI = .95$, $CFI = .96$, $NFI = .92$, $RMR = .05$, and $RMSEA = .06$. The results of the path coefficient analysis are shown in Table 4.

TABLE 4: BASE MODEL DIRECT PATH ANALYSIS RESULTS

Independent Variable		Dependent Variable	β value	t value	p value	Conclusion
Financial Risk	→	Online Purchase Intention	-.07	-.08	.42	H ₁ is not supported
Product Risk	→	Online Purchase Intention	-.47***	-3.42	.001	H ₂ is supported
Delivery Risk	→	Online Purchase Intention	-.03	-.29	.77	H ₃ is not supported
eWOM	→	Online purchase intentions	.60***	4.21	.001	H ₄ is supported

Path significance *** = $p < .001$; ** = $p < .01$; * = $p < .05$.

Source: Own construction, based on analysis

The study assessed the impact of financial risk, product risk and delivery risk on online purchase intention. The impact of financial risk on online purchase intention was negative but insignificant ($\beta = -.006$, $t = -.06$, $p = .96$), which does not support H₁. The impact of product risk on online purchase intention was negative and significant ($\beta = -.23$, $t = -2.46$, $p < .01$),

supporting H₂. The impact of delivery risk on online purchase intention was negative but insignificant ($\beta = -.04$, $t = -.40$, $p = .69$), which does not support H₃. The relationship between eWOM and online purchase intentions is shown to be positive and significant, thus, confirming H₄.

A mediation analysis was performed using bootstrap bias-corrected method with 5000 sample and 95% confidence interval to assess if there was a mediating role of eWOM in the impact of financial risk, product risk and delivery risk on online purchase intention. See the results of the path coefficient analysis as shown in Table 5.

TABLE 5: SUMMARY OF MEDIATION ANALYSIS RESULTS

Relationship	Direct effect (β)	p - value	Indirect effect	p - value	Confidence Interval		Conclusion
					Upper bound	Lower bound	
FR->E->PI	.04	.61	-.05	.15	.02	-.17	No mediation
PR->E->PI	-.41	.003**	.14	.02*	.46	.02	Partial mediation
DR->E->PI	-.05	.65	-.01	.77	.11	.14	No mediation

Bootstrap bias-corrected method used with 95% confidence interval, 5000 bootstraps, N=228. Path significance *** = $p < .001$; ** = $p < .01$; * = $p < .05$. Only 1 path is significant.

Source: Own construction, based on analysis

The results show that eWOM partially mediates the relationship between product risk perception and online purchase intention, indicated by a significant positive indirect effect of the impact of product risk on online purchase intention through eWOM ($\beta = .14$, $p = .02$, CI: .46, .02), supporting H₆. However, eWOM does not mediate the relationship between financial risk perception and online purchase intention or delivery risk perception and online purchase intention, hence H₅ and H₇ were not supported. Furthermore, a moderation analysis of eWOM in the relationships was carried out on SPSS version 28 using a mean-centring approach. Table 6 summarises the results of the analysis.

TABLE 6: SUMMARY OF MODERATION ANALYSIS RESULTS

Independent variable	Dependent variable	Direct effect (β)	t - value	p - value	Confidence Interval		Conclusion
					Upper bound	Lower bound	
Financial risk moderator	Online Purchase Intention	.16	2.18	.03	.34	.02	Significant moderation
Product risk moderator	Online Purchase Intention	.08	1.02	.31	.31	-.10	Insignificant moderation
Delivery risk moderator	Online Purchase Intention	-.12	-1.61	.11	.03	-.31	Insignificant moderation

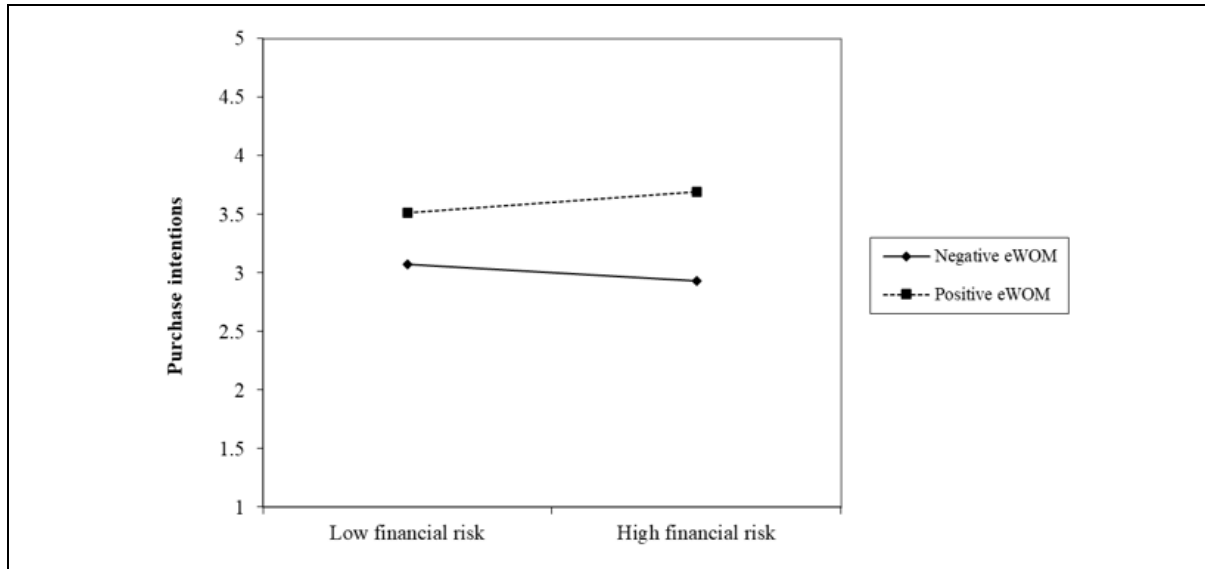
Bootstrap bias-corrected method used with 95% confidence interval, 5000 bootstraps

Source: Own construction, based on analysis

The results showed a positive and significant moderating impact of eWOM on the relationship between financial risk and online purchase intention ($\beta = .16$, $t = 2.18$, $p = .03$), which supports H₈. The simple slope analysis in Figure 3 also reveals that customer who encounter more positive online reviews are likely to consider the perceived financial risks lightly as they purchase online. Thus, when customers perceive high financial risk in online purchase situations but encounter favourable eWOM about value for money purchase, customers will be more inclined to purchase apparel online. However, no significant moderation was observed

regarding product and delivery risk perceptions as H₉ and H₁₀ were not supported. Figure 3 uses the simple slope analysis to depict the interaction between financial risks and eWOM to predict purchase likelihood.

FIGURE 3: SIMPLE SLOPE OF INTERACTION EFFECT OF eWOM



Source: Own construction, based on analysis

5. DISCUSSION AND CONCLUSION

5.1. THEORETICAL IMPLICATIONS

The study findings provide various useful insights for understanding online apparel purchase behaviour. The results of the study found that financial risk perception had a negative influence on online purchase intention. However, this result was not significant. Previous researchers also found financial risk to be insignificant as observed in the study (Ahmad et al. 2020; Alif et al. 2019; Almousa 2011; Tran 2020). This finding is likely due to the strength of the financial institutional systems in South Africa and the trust they have established with consumers. This finding is supported by the findings of Salam et al. (2003), who observed that consumers develop confidence in institutional structures and intermediaries such as reputable banks and credit card companies that take initiative in protecting their customers even if it results in a loss for the institution to preserve the trustworthiness of customers. Furthermore, it was found that consumers with greater knowledge and experience with internet use are less risk averse concerning financial risk and transacting online (Bhatnagar et al. 2000). This is expected of the study sample as the convenience sample criteria required participants to have access to the internet for personal use and should have conducted a previous purchase online for apparel, indicating that they have strong knowledge and experience of internet use.

Furthermore, eWOM is shown to directly influence online purchase likelihood of apparel in South Africa. This finding corroborates previous studies on the positive relationship between eWOM and purchase intentions (Akdim 2021; Lee et al. 2011; Moloji et al. 2022). Furthermore, eWOM significantly moderates the relationship between financial risk perception and online purchase intention. This means that what people say on eWOM channels with regard to financial and transactional risks, including the risk of fraud, has the power to change the strength and direction of a consumer's intention to purchase online from a financial risk

perspective. Even though consumers generally do not perceive significant financial risk due to the high level of institutional trust, the risk of online financial fraud and financial loss still exists. If people share negative experiences from a financial risk perspective which resulted in loss, this is sufficient to dissuade consumers from intending to purchase online through the reported vendor. Similarly, positive eWOM will likely dampen the negative impact of heightening financial risk perception to influence online apparel purchases.

Product risk perception had a significant negative influence on online purchase intention. This finding is consistent with the findings of previous researchers such as Ahmad et al. (2020), Alif et al. (2019) and Almousa (2011). This is expected as the key constraint and uncertainty that consumers face when shopping online is the inability to physically check and verify the claims of the seller around the quality and other specifications of a product prior to purchasing it (Popli & Mishra 2015). The measurement scale used to assess product risk perception points to the significance of not being able to judge the quality of products over the internet, the inability to touch and examine the actual product, and size being a problem in that it may not fit as expected and not being able to try on apparel when shopping online and the potential loss associated.

Additionally, both the direct and indirect effects of product risk perception, with eWOM as a mediator, had a significant negative influence on online purchase intention. This means that eWOM accounts for some of the total effects of product risk perceptions on online purchase intention. Should the eWOM be positive, this will lessen the perceived product risk which will lead to an increase in the level of online purchase intention of the consumers. Should the eWOM be negative, this will increase the perceived product risk and decrease online purchase intention of consumers. Previous research confirms that the relationship between risk perceptions and online purchase intention is mediated by eWOM (Nuzula & Wahyudi 2022), as observed in this study.

Delivery risk perception had a negative influence on online purchase intention; however, this result was not significant. Delivery risk perception was also found to be insignificant to consumers when shopping online by previous researchers (Folarin & Ogundare 2016; Panwar 2018). This finding is likely due to locations and addresses being well documented and available on navigation technologies in South Africa, which creates certainty that delivery companies are very likely to be able to locate a consumer with a large degree of accuracy when making deliveries, provided the address given by the consumer is correct. The South African courier industry has existed for decades and is mature in terms of its level of development, stability, competition, and growth (Marshall 2021). In the presence of eWOM as both a mediator and moderator, delivery risk perception continued to be insignificant. This means that eWOM does not shape or explain South African consumers' perception of delivery risk.

5.2. PRACTICAL IMPLICATIONS

The impact of financial risk perception on online purchase intention was found to be negative but insignificant. This is a relevant finding for new entrants into the South African apparel e-commerce industry. The result reveals that South Africa is an accommodating environment to enter in terms of the perceptions of consumers regarding financial risks based on the strength and trust in financial institutions in South Africa. New entrants must ensure they utilise and display their affiliation with well-known and trusted transaction platform providers. Also, the impact of delivery risk perception on online purchase intention was also found to be negative and insignificant. Similarly, this finding is relevant for new entrants into the sector, revealing the South African courier industry's strength to support e-commerce fulfilment requirements, thereby being regarded as trustworthy by consumers from a risk perspective. Existing firms

must consistently deliver to the satisfaction of customers. The ability to track deliveries provides customers assurance and peace of mind, lessening the threat of perceived delivery risks.

The negative and significant impact of product risk perception on online purchase intention means that merchants need to ensure that their products are accurately advertised on their websites with enough high-quality pictures and videos to demonstrate this to reduce the risk of products received by consumers not meeting expectations. Merchants also need to ensure that they provide an abundance of accurate and detailed information regarding quality, size, fit, materials used, colours and any other specifications used to describe the product towards reducing product risk perception. Technology for customers to try on apparel virtually are also coming into prominence and could be a good tool for merchants to reduce product risk perception in terms of customers not being able to try apparel on physically. A recent study shows that virtual try-on (VTO) technology contributes to growth in online purchases of apparel products (Chidambaram, Rana & Parayitam 2023). The capability to adopt VTO applications for customers to try products digitally with augmented reality will minimise perceived product performance risk.

Merchants must encourage consumers to provide eWOM on the services rendered and prioritise collecting and managing eWOM, including responding to customer comments. With the significance of product risk perception and the mediating role of eWOM in the relationship between product risk perception and online purchase intention, it is important for merchants to focus on product quality by offering high-quality products, improving the description, specifications, and details of products, and providing clear photos and videos to reduce product risk perceptions. Offering product guarantees facilitated by a transparent and efficient process will also assist in reducing product risk perception and increase online purchase intention.

The moderating role of eWOM in the relationship between financial risk perception and online purchase intention requires merchants to focus on providing high-quality and responsive customer services to address the concerns of customers. It is also important to have clear policies including return policies and a transparent process around reimbursement, where applicable, to manage eWOM regarding financial risk as well as to reduce financial risk perception. Product guarantees are also useful to address financial risk perception and provide certainty to customers that they will not suffer financial loss due to products not meeting expectations. It is also important for merchants to provide an abundance of financial security including sensitive banking information protection by using trusted transaction platforms as negative eWOM in this regard has the power to dissuade consumers from purchasing.

6. LIMITATIONS AND AREAS OF FURTHER RESEARCH

This study was limited to the apparel industry in the South African context. The scope of the inquiry was limited to financial, product and delivery risk perceptions and eWOM as sources of influence on online purchase intention. The study did not consider other risk perceptions or the determinants of trust in eWOM sources utilised reliably by participants. The results cannot be generalised to the e-commerce sector as a whole. It is advised that future studies extend the scope to include more e-commerce industry segments to enhance the generalisability of the findings. It will also be necessary to consider more risk perceptions applicable to the context of an extended scope to represent better the risk landscape consumers experience within the various e-commerce industry segments. Future studies can also consider investigating the determinants of trust to bring closer focus to which eWOM sources consumers trust for monitoring purposes.

7. CONCLUSION

The has used online perceived risk and eWOM to understand the attitudes and behaviour of consumers who shop online for apparel products in South Africa. With the help of theory of planned behaviour, the study shows that perceived risks are critical factors to influence online shopping uptake. Importantly the study shows that as competition for online sales intensifies, especially in the apparel market global but also in South Africa, online retailers should consider minimising perceived risks for their shoppers. In this regard, ensuring that perceived financial risks, product, and delivery risks play vital roles as documented in this study and other earlier studies. Another mechanism that plays a significant role is eWOM, which is found to be a crucial route through which perceived risks influence online purchase behaviour. Merchants and e-retailers should continue to serve customers optimally and actively solicit online reviews so that others can benefit to influence their purchase decisions when shopping online. Online consumer behaviour will continue to evolve as competition and technology evolves. However, firms who take active role in this evolution and provide the necessary support so that customers online journey is seamless will win and achieve sustainable competitive advantage.

REFERENCE LIST

- Ahmad, A.H., Fauzi, R.U.A., Ditta, A.S.A., Idris, I. & Yazid, M.F.M. 2020. The role of perceived benefits and perceived risks towards the consumers' purchase intention via ecommerce: An evidence from Indonesia. *Solid State Technology*, 63(2s):3257-3274.
- Akdim, K. 2021. The influence of eWOM. Analyzing its characteristics and consequences, and future research lines. *Spanish Journal of Marketing-ESIC*, 25(2):239-259.
- Alif, N., Hashim, N.A., Ramlee, S.I. & Yusoff, A.M. 2019. Internet shopping: How the consumer purchase behaviour is impacted by risk perception. *Test Engineering and Management*, 9(6):1014-1021.
- Aljaafreh, A. & Al-Adaileh, R.M. 2020. The impact of electronic word of mouth on consumer purchasing intention. *Journal of Theoretical and Applied Information Technology*, 183-193.
- Almousa, M. 2011. Perceived risk in apparel online shopping: A multi-dimensional perspective. *Canadian Social Science*, 7(2):23-31.
- Ariffin, S.K., Mohan, T. & Goh, Y.N. 2018. Influence of consumers' perceived risk on consumer's online purchase intention. *Journal of Research in Interactive Marketing*, 12(3):309-327.
- Ashoer, M. & Syahmur, S. 2016. The impact of perceived risk on consumer purchase intention in Indonesia; A social commerce study. *Management, Economics and Social Sciences (ICAMESS)*.
- Bauer, R. 1960. Consumer behavior as risk taking. *Conference of the American Marketing Association* (pp. 389-398). Chicago: Hancock, R (ed.).
- Bhatnagar, A., Misra, S. & Rao, H.R. 2000. On risk, convenience, and internet shopping behaviour. *Communications of the ACM*, 43(11):98-105.

- Burton, J. & Khammash, M. 2010. Why do people read reviews posted on consumer-opinion portals? *Journal of Marketing Management*, 26(3):230-255.
- Chen, M.Y. & Teng, C.I. 2013. A comprehensive model of the effects of online store image on purchase intention in an e-commerce environment. *Electronic Commerce Research*, 1-23.
- Cheng, X. & Zhou, M. 2010. Study on effect of eWOM: A literature review and suggestions for future research. *2010 International Conference on Management and Service Science*, 1-4.
- Chidambaram, V., Rana, N.P. & Parayitam, S. 2023. Antecedents of consumers' online apparel purchase intention through Virtual Try On technology: A moderated moderated-mediation model. *Journal of Consumer Behaviour*, 1-19.
- Featherman, M.S. & Pavlou, P.A. 2003. Predicting e-services adoption: A perceived risk facets perspective. *International Journal of Human-Computer Studies*, 59:451-474.
- Fishbein, M. & Ajzen, I. 1977. Belief, attitude, intention, and behavior: An introduction to theory and research. *Contemporary Sociology*, 6:244-245.
- Fishbein, M. 1963. An investigation of the relationships between beliefs about an object and the attitude toward that object. *Human Relations*, 16:233-239.
- Folarin, T. & Ogundare, E.A. 2016. Influence of customers' perceived risk on online shopping intention in Malaysia's apparel industry. *International Journal of Information System and Engineering*, 4(2):69-81.
- Fornell, C. & Larcker, D.F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1):39-50.
- Forsythe, M., Liu, S. & Gardner, L. 2006. Development of a scale to measure the perceived benefits and risks of online shopping. *Journal of Interactive Marketing*, 20(2):55-75.
- Forsythe, S.M. & Shi, B. 2003. Consumer patronage and risk perceptions in Internet shopping. *Journal of Business Research*, 56(11):867-875.
- George, D. & Mallery, P. 2003. *SPSS for Windows step by step: A simple guide and reference*. Boston: Allyn & Bacon.
- Goldsmith, R.E. & Horowitz, D. 2006. Measuring motivation for online opinion seeking. *Journal of Interactive Advertising*, 6(2):2-14.
- Hawkins, D., Best, R. & Coney, K. 2004. *Consumer behavior: Building marketing strategy*. Boston: McGraw-Hill.
- Hennig-Thurau, T., Gwinner, K.P. & Walsh, G. 2004. Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves in the Internet. *Journal of Interactive Marketing*, 18(1):38-52.

- Hennig-Thurau, T., Gwinner, K.P., Walsh, G. & Gremler, D.D. 2003. Electronic word of mouth: Motives for and consequences of reading customer articulations on the internet. *International Journal of Electronic Commerce*, 4(8):51-74.
- Hong, L.M., Zulkiffli, W.F. & Hamsani, N.H. 2016. The impact of perceived risks towards customer attitude in online shopping. *International Journal of Accounting, Finance and Business*, 1(2):13-21.
- Hsiao, K.L., Lin, J.C.C., Wang, X.Y., Lu, H.P. & Yu, H. 2010. Antecedents and consequences of trust in online product recommendations: An empirical study in social shopping. *Online Information Review*, 34(6):935-953.
- Hussain, S., Ahmed, W., Jafar, R.M., Rabnawaz, A. & Jianzhou, Y. 2017. eWOM source credibility, perceived risk and food product customer's information adoption. *Computers in Human Behavior*, 96-102.
- Khoirunnisa, D. & Albari, A. 2023. The effect of brand image and product knowledge on purchase intentions with e-WOM as a mediator variable. *International Journal of Research in Business and Social Science*, 12(1):80-89.
- Lee, J., Park, D.H. & Han, I. 2011. The different effects of online consumer reviews on consumers' purchase intentions depending on trust in online shopping malls: An advertising perspective. *Internet Research*, 21(2):187-206.
- Lopez, M. & Sicilia, M. 2014. eWOM as source of influence: The impact of participation in eWOM and perceived source trustworthiness on decision making. *Journal of Interactive Advertising*, 1-12.
- Marshall, G. 2021. April 9. Courier industry growing rapidly as e-commerce expands – SAEPA. (C.M. News, Interviewer)
- Masoud, E. 2013. The effect of perceived risk on online shopping in Jordan. *European Journal of Business and Management*, 5(6):76-87.
- Meskaran, F., Ismail, Z. & Shanmugam, B. 2013. Online purchase intention: Effects of trust and security perception. *Australian Journal of Basic and Applied Sciences*, 7(6):307-315.
- Miniard, L. & Cohen, J. 1981. An examination of the Fishbein behavioral intentions. *Journal of Experimental Social Psychology*, 309-329.
- Mirabi, V., Akbariyeh, H. & Tahmasebifard, H. 2015. A study of factors affecting on customers purchase intention. *Journal of Multidisciplinary Engineering Science and Technology*, 2(1):267-273.
- Moloi, M., Quaye, E.S. & Saini, Y.K. 2022. Evaluating key antecedents and consequences of the perceived helpfulness of online consumer reviews: A South African study. *Electronic Commerce Research and Applications*, 54:101172.
- Morwitz, V. 2012. Consumers' purchase intentions and their behavior. *Foundations and Trends in Marketing*, 7(3):181-230.

- Mou, J., Shin, D. & Cohen, J. 2017. Trust and risk in consumer acceptance of e-services. *Electronic Commerce Research*, 17(2):255-288.
- Naiyi, Y. 2004. Dimensions of consumer's perceived risk in online shopping. *Journal of Electronic Science and Technology of China*, 2(3):177-182.
- Ngarmwongnoi, C., Oliveira, J.S., AbedRabbo, M. & Mousavi, S. 2020. The implications of eWOM adoption on the customer journey. *Journal of Consumer Marketing*, 37(7):749-759.
- Nuseir, M.T. 2019. The impact of electronic word of mouth (e-WOM) on the online purchase intention of consumers in the Islamic countries—a case of (UAE). *Journal of Islamic Marketing*, 10(3):759-767.
- Nuzula, I.F. & Wahyudi, L. 2022. The influence of perceived risk, perceived quality, brand attitude, and e-WOM on purchase intention. *Expert Journal of Business and Management*, 10(2):51-64.
- Panwar, C. 2018. Consumer perceived risk in online shopping environment via Facebook as medium. *International Journal of Engineering & Technology*, 7(4):2485-2490.
- Popli, A., & Mishra, S. 2015. Factors of perceived risk affecting online purchase decisions of consumers. *Pacific Business Review International*, 8(2):69-58.
- Rahim, F.A., Fong, C.L. & Jin, G.P. 2019. Malaysian coffee culture: Attributes considered to purchase coffee beverages. *Journal of Marketing Advances and Practices*, 1(1):51-61.
- Rajamma, R., Paswan, A. & Hossain, M. 2009. Why do shoppers abandon shopping cart? Perceived waiting time, risk and transaction inconvenience. *Journal of Product & Brand Management*, 18:188-197.
- Salam, A., Rao, R. & Pegels, C.C. 2003. Consumer-perceived risk in e-commerce transactions. *Communications of the ACM*, 325-331.
- Scheafer, S. & Bulbulia, A. 2021. *Digital Commerce Acceleration*. Johannesburg: Deloitte.
- Sen, S. & Lenman, D. 2007. Why are you telling me this? An examination into negative consumer reviews on the Web. *Journal of Interactive Marketing*, 21(4):76-94.
- Stone, R. N. & Gronhaug, K. 1993. Perceived risks; Further considerations for the marketing discipline. *European Journal of Marketing*, 27(3):39-50.
- Tafimow, D. 2009. The Theory of Reasoned Action. *Theory & Psychology*, 19(4):501-518.
- Tham, K. W., Dastane, O., Johari, Z. & Ismail, N. 2019. Perceived risk factors affecting consumers' online shopping behaviour. *Journal of Asian Finance Economics and Business*, 6(4):246-260.
- Tran, V.D. 2020. The relationship among product risk, perceived satisfaction and purchase intentions for online shopping. *Journal of Asian Finance, Economics and Business*, 7(6):221-231.

- Zhang, J., Zheng, W. & Wang, S. 2020. The study of the effect of online review on purchase behavior. *International Journal of Crowd Science*, 4(1):73-86.
- Zhao, Y., Wang, L., Tang, H. & Zhang, Y. 2020. Electronic word-of-mouth and consumer purchase intentions in social e-commerce. *Electronic Commerce Research and Applications*, 41.

IN PURSUIT OF THE PERFECT GLOW: THE DETERMINANTS OF LUXURY SKINCARE FACE MOISTURISER PURCHASE INTENTIONS IN SOUTH AFRICA

*Neo Ligaraba
Grazanne King
Maretebale Magane*

ABSTRACT

The luxury skincare market in Africa is experiencing tremendous growth. Despite this growth, luxury face moisturisers have seldom been the subject of empirical research, particularly in the context of an emerging market, such as South Africa, where customers live under the harsh sun of the African climate. Premised on the Social Cognitive Theory and the Theory of Planned Behaviour, this study investigated the determinants of luxury face moisturiser purchase intention. The study adopted quantitative research method and utilised an online survey to acquire data from 301 respondents. Structural equation modelling was used in testing the proposed hypotheses. The results indicate that self-expression, escape, experiential value, product quality, and brand consciousness influence attitude and purchase intention of luxury skincare face moisturisers in South Africa. Interestingly, product quality had the strongest influence. Literature has also confirmed a demand for cost-effective, high-quality skincare products that cater to the needs of different ethnic groups. The study helps marketers to better understand the factors influencing customer attitude and purchase intention towards luxury skincare face moisturisers in South Africa. This study contributes to the literature and practice of luxury skincare branding in an emerging market by identifying the interplay between various personal, social, and marketing factors that can influence luxury skincare face moisturiser brand purchase intentions where the demand for product quality and world-class premium products is on the rise. The study also encourages policymakers and investors to provide the necessary support to luxury skincare face moisturiser entrepreneurs.

Key words/phrases: luxury branding, premium, product quality, skincare, South Africa.

1. INTRODUCTION

1.1. BACKGROUND

Luxury brands are considered as luxury because they include some components of prestige, such as perceived prominence, uniqueness, self-gratification, and quality, as well as other psychological qualities, which lead to increased levels of self-esteem (Davari, Iyer, Guzmán & Veloutsou 2022). They compete by inspiring exclusive products and services, brand identity and perceived quality, and maintaining customer loyalty (Davari et al. 2022). Globally, the revenue in the luxury goods market amounts to US\$354.80 billion in 2023, and is expected to grow (McKinsey & Company 2023). In Africa, markets such as South Africa, Egypt, Morocco, Mauritius, and Nigeria are the leading destinations for luxury brands (KPMG 2015). In 2017, South Africa accounted for US\$2.2 billion of the US\$6.6 billion worth of luxury brands consumed in Africa, making it an attractive launch pad for international luxury brands seeking a foothold in the emerging African luxury goods market (Appiah-Nimo, Muthambi & Devey 2023).

It is important to understand the skincare needs of Africans in the luxury face moisturiser category. The luxury skincare industry in South Africa is currently experiencing rapid growth.

In Africa, the revenue in the luxury skincare segment amounts to US\$1.19 billion in 2023. The market is expected to grow annually by 1.94% (CAGR 2023-2028) (Statista 2023). Globally, luxury skincare continues to experience tremendous growth with a contribution of US\$27.89 billion in 2023 (Statista 2023), with a forecasted annual growth of 4.11% (CAGR 2023-2028).

Within the skincare market, the facial care category encompasses a variety of products specifically designed for the care and maintenance of facial skin (Statista 2023). The facial care category accounts for 70% of the overall skincare market, representing a significant share of customer spending in this industry (ReportLinker 2023). The face moisturiser category was the highest revenue contributor in 2021, moisturising is one of the most important and fundamental skincare steps. Appropriate application of a moisturiser increases skin hydration (Emergen Research 2023). L'Oréal, Estée Lauder, Shiseido's Prestige division are among the leading players in this field (Statista 2023), as well as Unilever and Coty (Emergen Research 2023).

The luxury face moisturiser category excels in ingredients, packaging, and results, while satisfying customers' sensory, emotional, and fantasy needs (Proficient Market Insights 2023). In the luxury skincare category, the increasing focus on self-care and wellness (MarketResearch.com 2023), evolving consumer preferences, technological advances, and increasing awareness of the importance of skincare in overall health and wellness have been reported as key drivers of growth (ReportLinker 2023).

In South Africa, the face moisturiser category is becoming increasingly competitive, with both international and local brands vying for market share (ReportLinker 2023), players are using various strategies, ranging from advertisements and brand building, through proven claims, such as organic, clinically proven, cruelty-free, perfect glow, and more (Mordor Intelligence 2023). In South Africa, the influence of beauty influencers on purchasing decisions cannot be overlooked (Macheka, Quaye & Ligaraba 2023).

In order to fill the gaps, this study aims to first investigate the influence of marketing, personal and social factors on customer attitudes and luxury face moisturisers' purchase intentions. The study investigates how the need for uniqueness, self-expression, escape, social value, experience value, product quality, and brand consciousness influence attitude and purchase intention. This study aims to make an important contribution to the existing literature of luxury skincare face moisturisers, as well as to the Social Cognitive Theory and the Theory of Planned Behaviour.

1.2. PROBLEM STATEMENT

The global skincare market size is expected to reach US\$ 12.34 billion by 2032. The introduction of a wide range of skincare products and the gradual consumer shift toward premium and luxury skincare are some of the key factors driving the growth of the global skincare facial moisturiser market (Emergen Research 2023). In South Africa, the anticipated growth is based on an increase in consumer awareness, regarding the importance of skincare and healthy skin. Some of the demand drivers include the benefits of luxury skincare products (Lionesses of Africa 2023). South Africa has expanding middle class with higher disposable income, using innovative products catering to diverse skin types that have been launched in South Africa, a rise in South Africa home-grown brands that cater to the unique preferences and needs of the local population. An example of this is "Uso" a word that translates loosely to "face" in Swahili, a luxury skincare brand developed specifically for darker skin tones, by a South African entrepreneur whose passion lies in understanding the skincare needs of Africans (BusinessLIVE 2018). The Uso skincare range is currently available in over 35 stores in South

Africa, Botswana, Namibia, Mozambique, as well as online (Uso 2023). The increase in digital penetration and e-commerce platforms has made luxury skincare face moisturiser products more accessible to consumers across South Africa (ReportLinker 2023).

Other influencers of purchasing luxury face moisturiser products are emotional and psychological factors (Anderlová & Pšurný 2020; Reyes-Menendez, Palos-Sanchez, Saura & Santos 2022). Customers are also seeking products that need minimal application time and are prioritising quality over quantity (ReportLinker 2023), resulting in an increase in consumption of luxury beauty items (Wisher 2023). The growing awareness amongst consumers regarding skincare and the importance of personal grooming is also driving the growth of the market (ReportLinker 2023).

There are many substitute brands available for skincare products, and it is difficult to compete with or replace a reputable brand unless modern technology promises skin improvement (Rootman, Oosthuizen & Mabuyana 2019). On the other hand, the rapid increase of luxury skincare face moisturiser brands in the marketplace has also resulted in a decrease in customer loyalty and commitment as a result of the increased variety of brands available (Deloitte 2020).

Limited research has been conducted on factors influencing customer attitude towards luxury skincare moisturiser brands utilising the Social Cognitive Theory (Bandura 1986) and the Theory of Planned Behaviour (Ajzen 1991). There is a gap in the role of personal, social and marketing factors in relation to the two theories. The Theory of Planned Behaviour argues that planned behaviour assumes human behaviour is a result of behavioural intention (luxury purchase intention) determined by attitude, subjective norm, and perceived behavioural control. While the Social Cognitive Theory states that human behaviour is influenced by the environmental (social factors), personal (personal factors), and behavioural settings in which they belong. With the current ever-changing and dynamic business environment, marketers must be able to predict and understand factors that influence a customer's purchase intention of luxury skincare face moisturiser brands in South Africa.

Premised on the identified research gaps, the current study investigates the influence of the need for uniqueness, self-expression, escape, social value, experience value, product quality, brand consciousness on attitude and purchase intention of luxury skincare face moisturiser brands in South Africa. The current study is expected to make academic and practical contributions to existing luxury brand literature in emerging markets, such as South Africa, as well as providing an understanding of luxury skincare needs in South Africa.

1.3. RESEARCH OBJECTIVE

1.3.1. *Primary objective*

To examine the factors that influence purchase intention of luxury skincare face moisturiser brands in South Africa.

1.3.2. *Secondary objective*

Provide managerial implications, based on the results obtained in the empirical research of this study.

1.4. RESEARCH QUESTION

To what extent do personal, social, and marketing factors impact attitude and purchase intention of luxury skincare face moisturiser brands in South Africa?

The remainder of the paper is structured as follows: Section two involves a review of the literature followed by the conceptual model. Section three explains the study's methodology and design followed by data analysis and the account of results in sections four and five. In section six, implications are discussed, followed by the conclusion of the study and limitations, as reflected in section seven.

2. LITERATURE REVIEW

2.1. THE LUXURY SKINCARE MARKET

The skincare industry is a multibillion-dollar industry that includes a wide range of goods such as cleansers, toners, serums, face moisturisers, sunscreens, and anti-aging creams (Chin & Harizan 2017). As skincare companies combatively launch more up-to-date and upgraded products in the market, this list will continue to grow. Thus, it is worth noting that the global skincare business is experiencing rapid growth. Luxury skincare companies, such as Lancôme and Estée Lauder, are among the most valuable luxury skincare care brands in the world. Estée Lauder's revenue increased significantly between 2017 and 2018, jumping from just under \$12 billion to just under \$14 billion in a year (Statista 2022).

While most people may purchase their luxury skincare face moisturiser brands at supermarkets/hypermarkets, convenience stores, pharmacies, online, and other distribution channels (ReportLinker 2023), customers still want a luxury skincare experience.

2.1.1. *Global market performance*

The global luxury goods industry thrives with a rise in the demand for global luxury brands among emerging market customers accounting for a substantial share of this growth (Shukla & Rosendo-Rios 2021). To mention a few, countries such as China, India, and Russia, together account \$70 billion, or almost a quarter of the global luxury goods industry, and are growing at a rate of nearly 7% annually, which is significantly higher than the worldwide growth rate of approximately 4% (Statista 2021). According to Bain and Company's research report (2021), the global luxury market is anticipated to grow at a compound rate of 10% per annum from 2020 to 2025, or alternatively from US\$217 billion to US\$325,5 billion.

Luxury brands are predicted to expand across all continents, with the United States, China, and Japan accounting for 46% of luxury sales in 2020 globally (Statista 2020). The growth in the number of individuals with a high net worth, together with the rising disposable income, and increased expenditure on luxury items are important factors driving global market growth. Furthermore, the increase in customer demand for luxury products like jewellery, perfumes, skincare, clothing, and other items, is predicted to boost the target market's growth, due to rising living standards.

Most luxury cosmetics sales are derived from skincare products (Statista 2020). The luxury beauty market is growing at a rate of 32% annually in Argentina, which is the highest growth rate in all South American countries (Statista 2022). In the United States, skincare and sales are growing as more people become aware of natural and organic products, leading to faster

growth than the overall market. Companies succeed by delivering innovative products to customers, with a focus on creating local, eco-friendly products.

2.1.2. Global market challenges

The global luxury goods industry is highly competitive, and at times it changes rapidly due to variations in customer preferences, as well as emerging trends that can pose challenges to the companies that operate in these fields. To be successful in such a volatile environment, companies need to understand the needs, wants, and purchasing patterns of customers (Anjana 2018). Skincare brands that have achieved substantial local and worldwide brand recognition and customer loyalty face stiff competition for customer recognition and market share from new firms launching new goods into the market.

Luxury companies are also concerned about the market slowdown resulting from global political and economic challenges (Indvi 2020). Counterfeit goods being more widely available in the market, unpredictable volatile economic states in emerging and emerged countries around the world, and currency depreciation are just a few of the significant concerns that could limit or decrease global market growth (Golob, Davies, Kernstock & Powell 2020).

As a result of COVID-19, the preceding economic stagnation had a significant negative influence on luxury goods sales around the world. Currency volatility and limited brand channels in developing economies may be some of the market limiting factors. The increase in luxury brands and the likelihood that customers may switch brands rather than remain loyal to one creates a contradiction that raises questions about the challenges that luxury brands pose to marketers and merchants of luxury skincare moisturiser brands.

2.1.3. An overview of the African and South African market performance

Africa's strong economic growth and growing population has resulted in an ever-growing affluent class that is subject to rising luxury goods demand (Brenot et al. 2019). The beauty industry is made up of skincare taking up 34.8% of the industry, make-up with 27.6%, hair care 19.9%, and other at 17.7%, including toiletries and feminine hygiene. As a country with an emerging economy, South Africa has laid substantially less groundwork for long-term conduct than developed countries (Owusu-Sekyere et al. 2019).

South Africa's workforce is generally gender balanced, with women accounting for 45.3% of the working population (Mordor Intelligence 2021), the number of women in South Africa's working population has reached almost 20.2 million, increasing by 1.4% (Mordor Intelligence 2023), thereby increasing the spending power of consumers, further pushing demand for luxury skincare products. This contributes to the main reasons for the rising demand for skincare products in South Africa.

The market in South Africa is expected to increase at a 7.4% rate per annum by 2026 (Mordor Intelligence 2021). According to the Africa Wealth Report (2019), the total individual fortunes was \$2.2 trillion, with approximately 148,000 high net worth individuals (HNWI). This wealth is expected to have increased by 35%, to \$3 trillion before 2027 ends. South Africa has the highest number of HNWI's in Africa, with 39,200, followed by Egypt, Nigeria, Morocco, and Kenya (8,600) (Brenot et al. 2019). South Africa is estimated to have 7100 millionaires, accounting for 60% of all millionaires on the continent. HNWI buyers from all over Africa are also driving the expansion of luxury companies in South Africa (Visser 2014).

2.2. THEORETICAL GROUNDING

Two major theories—The Theory of Planned Behaviour (Ajzen, 1991) and The Social Cognitive Theory—have guided this study.

2.2.1. *The Theory of Planned Behaviour (TPB)*

In the context of luxury skincare face moisturiser market, this study focuses on the views and purchasing intentions of luxury brands. According to TPB, an individual's behaviour is primarily motivated by three factors: attitudes, subjective norms, and perceived behaviour control (Ajzen 2011). In other words, the theory of planned behaviour can be thought of as an explanation of why customers make the decisions they make, with these reasons being divided into the three sub-groups.

2.2.2. *The Social Cognitive Theory*

The social cognitive theory (SCT) was developed in 1977 by an author named Albert Bandura. According to Davari et al. (2022), SCT claims that an individual's behaviour is a result of the interactions between an individual's personal, social, and experiential influences. SCT, in this study, is used to investigate the influences on customers' purchasing intentions. This helps us understand how a customer's behaviour in their decision-making and purchasing processes is influenced by personal, societal, and experiential aspects. The need for uniqueness, the need to escape, social value, experience value, product quality, brand consciousness, attitude, and purchase intention, are the constructs that have been identified for this study.

2.2.3. *Constructs of the study*

i. Need for uniqueness

The need for uniqueness can be thought of as a customer's desire to convey an individualistic style or identity through the acquisition of a particular brand, product, or service, explain Bian and Forsythe (2012). This shows that the customers' need for creating a personal and unique characteristic is a key element in the decision-making process when deciding on which luxury skincare face moisturiser product would best aid in their ability to convey this message. In this study, the need of uniqueness is tested, using the study of Bian and Forsythe (2012), which questions the customers' willingness to look for luxury skincare face moisturiser products that aid them in creating a unique image for themselves. Luxury brands help customers achieve their need for uniqueness with inherent exclusive characteristics and recognisable designs (Chevalier & Mazzalovo 2021). According to Lee, Bae and Koo (2021), the need for uniqueness is an important psychological motive for inconspicuous luxury consumption, especially when the consumer has an independent self-construal.

ii. Escape

According to Bian and Forsythe (2012), when discussing the customers' need for escape, reference to the customers' need to break free from the stress and anxiety is made. This leads to the understanding that the purchasing of luxury skincare face moisturisers facilitates and fulfils the customers' need for escape from their reality or current circumstance. Bian and Forsythe (2012) note that the consumption of luxury products brings about the same emotions and feelings as a holiday or adventure. In this study, the need for escape is tested using the measurement scale from Davari et al. (2022), wherein the ability of the luxury skincare face

moisturisers aids the respondents in alleviating stress, anxiety and depression, as well as aiding the respondent in not thinking about their problems temporarily.

iii. Social value

According to Fandos Roig, Tena-Monferrer, Tirado and Guillén (2014), social value is believed to be brought about by the acceptance and approval of the customers' purchase in relations to the perceptions that have been developed regarding the brand and its products/services. Fandos Roig et al. (2014) note that societal approval of a brand as one that conveys a message of high social status will bring about positive social value, but likewise in that a negative societal image will create a difficulty and disapproval of the product which will impact the purchasing decisions of the customers. Thus, the importance of luxury skincare moisturiser brands to maintain a positive brand image within society to increase the social value of the brand.

iv. Experiential value

According to Varshneya, Das, and Khare (2017), experiential value is the benefit that a customer experiences as a result of purchasing a certain product. This therefore leads to the understanding of experiential value as the benefits the customer can expect to experience from purchasing the luxury skincare face moisturiser. This study makes use of the measurement scale by Choo, Moon, Kim and Yoon (2012) to measure the customers' need for experiential value. The experiential value was tested by measuring how luxury skincare face moisturiser brands compete within the market.

v. Product quality

An explanation of product quality was provided by Sebastianelli and Tamimi (2002), where it was noted that product quality can be explained as the extent to which the product or service is able to meet the customers' desires from the purchasing of the product. Thus, the customer satisfaction that is derived from the use of the product is associated with the product's quality. Nazarani and Suparna (2021) found that luxury brands and product quality had a positive and significant effect on purchase intention.

vi. Brand consciousness

According to Homburg, Klarmann, and Schmitt (2010), brand consciousness is defined as a customer's perspective wherein the price of a product is directly associated with the quality of the product. It is therefore understood that brand consciousness is the perception of the condition in which the customers receive and interact with a product, thus, the higher the quality of the product, the more it is worth. Janpors, Ziarani and Taghavi (2023), as well as Eom, Seock, and Hunt-Hurst (2019), highlighted that there is a direct positive effect on brand consciousness and behavioural intentions.

vii. Attitude

Attitude can be defined as the customers' positively or negatively associated views of a brand (Ko, Costello & Taylor 2019). It is therefore suggested that attitude reflects a customer's feelings regarding the brand's products and services. In this research study, the views of Ha and Lam (2016), are used to investigate the customers' attitude to luxury skincare face moisturiser products. This has been done through understanding the customers' thoughts regarding the luxury skincare face moisturiser products.

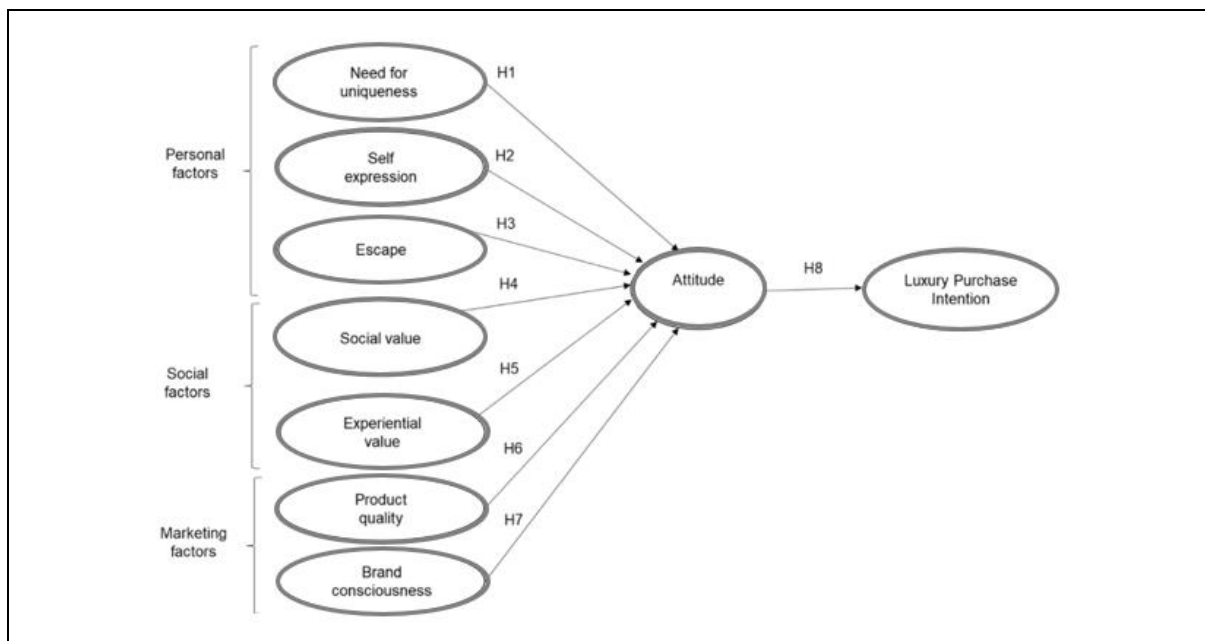
viii. Purchase intention

According to Fishbein and Ajzen (1977), purchase intention refers to an individual's probability to acquire a certain product. Thus, the understanding of purchase intention as the brand's chances that the targeted audience will consciously make the decision to purchase their products. Norberg, Maehle and Korneliussen (2011) noted that purchase intention is a deliberate action taken by the customer to obtain the products.

2.3. HYPOTHESES DEVELOPMENT

This section of the study details the development of the hypotheses statements that have been included in the conceptual model depicted in Figure 1. In the analysis of the hypotheses, the following seven constructs are discussed: need for uniqueness, self-expression, escape, social value, experiential value, product quality, brand consciousness, attitude, and luxury purchase intention.

FIGURE 1: CONCEPTUAL MODEL



Source: Own construction

2.3.1. *Need for uniqueness and attitude*

The need for uniqueness represents the customer's desires to differentiate him/herself from the rest (Kauppinen-Räsänen, Björk, Lönnström & Jauffret 2018). The customers' need for uniqueness impacts on the purchase intention in that the luxury products need to offer the customer the ability to fulfil the desire of individuality and exclusivity while simultaneously fulfilling the need for the product, in essence, the product is required to be able to fulfil the customers' need for a good skincare face moisturiser while giving the customer the desired feeling of uniqueness and escape. The ability of luxury brands to deliver on satisfying the customers' needs impacts on the brand image that the customer creates (Godey et al. 2016). Luxury researchers, Cho, Kim-Vick and Yu (2022), as well as Park, Rabolt and Jeon (2008), found a positive influence of the need for uniqueness on attitudes and purchase intention. Thus, it is hypothesised:

H₁: There is a positive relationship between need for uniqueness and attitude towards luxury skincare face moisturisers in South Africa.

2.3.2. *Self-expression and attitude*

According to Roy and Rabbanee (2015), a user's self-perception can be enhanced through the consumption of luxury brands, which will reinforce this behaviour in the future. Bian and Forsythe (2012) confirmed that customers who prioritise their self-image and appearance have a higher likelihood of consuming luxury products as these products convey a message of prestige, class and a higher social value and status. Bian and Forsythe (2012) further mention that these self-aware customers purchase these luxury products not only for the social value that they hold but for the symbolic value. This emphasises that self-expression through luxury products have a persuasive impact on the customers' attitude to purchase luxury skincare face moisturiser products. Previous literature has revealed that under tough economic situations, some consumers tend to buy and consume luxury brands to support elements of their self-image (Bradshaw, Rodeheffer & Hill 2020). Therefore, it can be hypothesised that:

H₂: There is a positive relationship between self-expression and attitude towards luxury skincare face moisturisers in South Africa.

2.3.3. *Escape and attitude*

Customers make use of luxury products as a means of escaping from the stress and anxieties state; luxury brands offer customers a break from reality, where the ability to be free from confinements and control exists (Davari et al. 2022). These factors need to be considered when examining the customer's purchase intention. Furthermore, extracting from the social cognitive theory, the need for escape will strengthen the expectation of the luxury products to bring about the same intensity related to new experiences, which leads to customers partaking in luxury purchase intentions. Thus, impacting the customers perception of a brand, influencing the decision-making process when deciding on luxury skincare face moisturiser brands. Several authors have identified escape as one of the influencers of luxury purchase intentions (Wiedmann, Hennigs & Siebels 2009). Therefore, based on the forgoing discussion and empirical evidence, this study posits that:

H₃: There is a positive relationship between escape and attitude towards luxury skincare face moisturisers in South Africa.

2.3.4. *Social value and attitude*

In a study conducted by Reyes-Menendez et al. (2022), it has been reported that the customers' value of a luxury brand is determined by the social value of the brand and thus the importance of luxury brands to create a positive brand image within societal influencers. Reyes-Menendez et al. (2022) note that social value provides the consumers of luxury products as being able to bring about the emotion of individuality, approval, and social acceptance by providing customers with the perception of prestige, importance, and self-confidence. It can therefore be stated that social value has an impact on the customers' attitude towards a brand. So et al. (2018), as well as Ajitha and Sivakumar (2017), found a significant influence of social value on attitude. Therefore, it can be postulated that:

H₄: There is a positive relationship between social value and attitude towards luxury skincare face moisturisers in South Africa.

2.3.5. *Experiential value and attitude*

According to Holbrook and Hirschman (1982), experiential value evokes fantasies, feelings, and fun and is essential to the consumption of luxury products. A customer's perception of the brand does not only relate to the utilisation of a product but rather the complete experience of obtaining the product (Maghnati & Ling 2013). Chen and Peng (2014) found that in the context of luxury, experiential value positively impacts on consumers' attitude towards luxury.

Therefore, it can be hypothesised that:

H₅: There is a positive relationship between experiential value and attitude towards luxury skincare face moisturisers in South Africa.

2.3.6. *Product quality and attitude*

Khemchotigoo (2014) notes that product quality is the customer's perception of the product's complete benefits and advantages. Moreover, Khemchotigoo (2014) mentions that the quality of a luxury product positively impacts on the customer's satisfaction, therefore impacting on the customer's attitude towards the brand and its product and/or services. It can then be stated that the quality of the luxury skincare face moisturiser products influences the customer's brand perception, ultimately impacting the attitude towards the brand. According to Aaker (1991), the degree to which customers value a product, known as its "perceived quality", influences their propensity to buy that good. Kapoor and Gupta (2022) found that there is a positive relationship between perceived quality and consumer decision-making. Therefore, based on the forgoing discussion and empirical evidence, this study posits that:

H₆: There is a positive relationship between product quality and attitude towards luxury skincare face moisturisers in South Africa.

2.3.7. *Brand consciousness and attitude*

Customers who are prone to be influenced by intrapersonal elements are more likely to have a positive perception relation with luxury brands and products (Yi-Cheon Yim, Sauer, Williams, Lee & Macrury 2014). The driving force behind these purchases are the customers' need to purchase products that signal higher social status, which has an impact on the customers' perception of the brand or product regarding social value and status gained using these products. Sharda and Bhat (2019) found that there is a positive relationship between brand consciousness and attitude in luxury consumption.

Thus, based on the aforementioned discussion and empirical evidence, this study posits that:

H₇: There is a positive relationship between brand consciousness and attitude towards luxury skincare face moisturisers in South Africa.

2.3.8. *Attitude and luxury purchase intention*

The Theory of Planned Behaviour (Ajzen 1991) supports the perspective that attitude towards behaviour will have a strong relationship or direct effect. Customer's attitude towards a brand can impact the customer's intention when making decisions in the purchasing process (Yang, Sarathy & Walsh 2016). Therefore, it can be noted that the customers' purchase intentions are influenced by the interpersonal factors that impact the decision-making and purchasing process. Yang et al. (2016) further note that the customer's purchasing process is influenced

by the preconceived perceptions and expectations that have been created by the customer which further impacts the customer's intention to purchase. We therefore understand that the predetermined notions that the customers have affect the customers' perception of a brand and its products, affecting the intention to purchase. Therefore, based on the forgoing discussion and empirical evidence, this study posits that:

H₈: Attitude towards luxury skincare has a positive effect on luxury skincare face moisturiser purchase intention in South Africa.

3. RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

Research design is one of the most crucial elements of a research study (Abutabenjeh & Jaradat 2018). The research design of a study can be expressed as the direction that a study will take in terms of developing the research questions, research methodology, research approach, and time horizons. The study is grounded upon empirical research while implementing quantitative data. The researchers have chosen a positivist paradigm to conduct the research while including a deductive research approach. When a definite time horizon is set for the research to assess the selected sample, a cross-sectional approach is implemented (Babbie 2008).

3.2. SAMPLING AND SAMPLE SIZE

One of the important factors to address in the sampling process is the determination, and the establishment of the sample size. The sample size is the number of respondents who will participate in the survey (Hair, Howard & Nitzl 2020). The sample size determination is mainly dependent on five research design variables, namely, the effect size, measurement variability estimated, statistical power desired, significance criterion, and if a one- or two-tailed statistical analysis is planned (Oribhabor & Anyanwu 2019). Studies from several academics indicate that more respondents in the sample results in a more accurately represented target population, which leads to a more accurate study. However, using the Smart Partial Least Squares programme, the analysis for this study is done using partial least squares. It is common practice to calculate the estimated minimum sample size in partial least squares (PLS-SEM/PLS-PM) using the "10-times rule" method (Lamb, Hair & McDaniel 2013). Assuming that there are more than ten times as many latent variable linkages in structural models as there are samples, this is the case. It can be noted that the minimum number required for the sample size should be ten times greater than the number of constructs used (Hair, Ringle & Sarstedt 2011).

3.3. DATA COLLECTION

The demographic of interest for this study included adults over the age of 18, from all racial and socio-economic backgrounds, who had used luxury skincare face moisturiser products in the previous three months. Of the 414 online responses, only 301 were valid. This indicates that the majority of those who attempted to complete the survey were successful. To collect the data, a survey questionnaire was designed, utilising adjusted measurement scales. The questionnaire was distributed electronically. From (1) strongly disagree to (5) strongly agree were the anchors for the five-point Likert scale assessment scales. All statements were revised to fit the requirements of the current study. The gathered data were analysed using structural equation modelling using IBM Amos Graphics version 28 software.

3.4. MEASUREMENT SCALE DEVELOPMENT

The use of previously reputable measurement scales was adopted. The measurement scale was adjusted to meet the criteria of the study. An online questionnaire was distributed to customers of luxury skincare face moisturiser products to gain an understanding of the customers' purchase intentions, based on their favourite luxury skincare face moisturiser product. The questionnaire's independent variables and dependent variable were examined and the following items were adapted in the questionnaire: Need for uniqueness (Bian & Forsythe 2012) four items adapted, Self-Expression and Escape (Davari et al. 2022) measured with four items each, Social Value (Yoo & Park 2016) measured with four items, Experiential Value (Choo et al. 2012) four items adapted, Product Quality (Park, Hyun & Thavisay 2021) four items adapted, Brand Consciousness (Mainolfi, 2020) measured with three items, Attitude (Ha & Lam 2016) measured with four items, and Purchase intention (Hung et al. 2011) four items adapted.

3.5. ETHICS

Due to the nature of the study, as well as the involvement of human beings as the source of information and participants of the study, it is a requirement to obtain ethical clearance before collecting the data. For the study, the researchers complied with the ethics policy detailed by the University of the Witwatersrand. The researchers obtained an ethical clearance before proceeding to collect data from the participants. Taking into consideration all the elements of the study, the ethics committee of the University of the Witwatersrand approved the study and issued clearance. Thereafter, the ethical clearance certificate for the proposed study, issued under the following details, protocol number: CBUSE1969, was issued by the ethics committee on the 17 May 2022. The participants were informed about the requirements and sufficiently explained the terms of their consent when participating in the study. The researchers have endeavoured by all means necessary to meet the ethical requirements regarding the research, thus intending no harm or foul to the participants of the study.

4. RESULTS AND FINDINGS

4.1. RESPONDENT PROFILE

On the basis of the data obtained, it is apparent that women were the major users of the luxury skincare brands. Similar studies revealed the same (Lee, Goh & Mohd Noor 2019). Out of 301 participants, 73.4% were female and 24.9% were male. Of the total respondents, 39.2% were between 18-24 years, 16.9% were between 26–35 years; 22.9% were between 36–45 years; 13.3% were between 46-55 years, 6.3% were between 56-65 years old, and 1.3% were above 66 years. This means that 56.1% of the participants are young adults aged 18-35 years. The luxury skincare sector has seen a shift in demand from old to a growing younger clientele over the years (Lee et al. 2019). It is important for luxury companies to understand the mindset of young consumers and to develop appropriate strategies to capture this lucrative segment (Jain 2020), while also being relevant to and retaining the older customers.

In this study, 50.9% of respondents had a household monthly income of less than R20,000 and 49.1% of respondents had a household monthly income greater than R20,000. According to the Bureau for Economic Research, South Africa households with earnings of between R5,000 and R20,000 per month are regarded as middle-income households, while those with more than R20,000 are regarded as high-income households (Bureau for Economic Research 2023). This means that the results of this study revealed that the demand for luxury products in South Africa

came from what is categorised as the middle- and high-income households. In Table 1, the demographics of the respondents are presented.

TABLE 1: RESPONDENT PROFILE

Respondent characteristics	Category	Valid percentage (%)
Age group	18 - 24	39.2%
	26 - 35	16.9%
	36- 45	22.9%
	46 - 55	13.3%
	56 - 65	6.3%
	66+	1.3%
Gender	Male	24.9%
	Female	73.4%
	Prefer not to say	1.7%
Monthly household income	Less than R10,000	35.9%
	R10,000–R19,999	15%
	R20,000–R29,999	16.9%
	R30,000–R39,000	12.6%
	R40,000–R49,999	7.6%
	R50,000–R59,000	4%
	R60,000 and above	8%
Favourite luxury skincare face moisturiser	Clinique	21.3%
	Neutrogena	17.6%
	Dermalogica	12.3%
	Estée Lauder	8.6%
	Roche-Posay	5.6%
	Nivea	4.3%
	SkinCeuticals	2.7%
	Eucerin	1.7%
	Cetaphil	1.3%
	NeoStrata	1.3%
	L'Oréal	1.3%
	Other	21.9%

Source: Own construction, based on analysis

The respondents indicated that their favourite luxury skincare face moisturiser is Clinique (21.3%), which retails at an average amount of R215 in South Africa, followed by Neutrogena (17.6%) which retails at an average amount of R320. Interestingly, the global leaders, Estée Lauder was at 8.6%, retailing at an average of R1030 and L'Oréal at 1.3% retailing at R400 both appear in the top 10 favourite luxury skincare list (Statista 2023). It is evident that global players have made significant inroads in emerging markets and are also ranked by customers in emerging markets as favourable.

4.2. RESEARCH RESULTS

Confirmatory factor analysis (CFA) was used in the study to assess scale accuracy. Validity and reliability tests were also performed.

TABLE 2: ACCURACY ANALYSIS

Research Constructs		Descriptive Statistics				Cronbach's Test		C.R. Value	AVE Value	Factor Loading
		Mean Value	Standard Deviation	Item - total	α value					
NU	NU1	2.495	2.741	1.151	1.223	0.377	0.748	0.755	0.652	0.422
	NU2	2.983		1.297		0.577				0.687
	NU3	2.631		1.206		0.588				0.678
	NU4	2.854		1.238		0.636				0.822
ES	ES1	1.940	2.029	1.097	1.138	0.851	0.952	0.952	0.912	0.874
	ES2	2.020		1.137		0.893				0.917
	ES3	2.106		1.161		0.872				0.905
	ES4	2.050		1.158		0.914				0.950
SE	SE1	2.704	2.809	1.300	1.291	0.806	0.911	0.914	0.851	0.855
	SE2	2.654		1.257		0.865				0.934
	SE3	2.601		1.276		0.815				0.874
	SE4	3.276		1.332		0.713				0.740
SV	SV1	2.229	2.589	1.082	1.154	0.754	0.850	0.875	0.749	0.858
	SV2	2.409		1.144		0.815				0.901
	SV3	2.352		1.198		0.833				0.930
	SV4	3.365		1.191		0.404				0.439
EV	EV1	3.110	3.311	1.082	1.049	0.651	0.833	0.833	0.685	0.725
	EV2	3.292		1.074		0.686				0.807
	EV3	3.306		1.020		0.697				0.772
	EV4	3.538		1.018		0.613				0.672
PQ	PQ1	3.608	3.834	0.901	0.898	0.688	0.858	0.860	0.778	0.753
	PQ2	3.728		0.875		0.725				0.818
	PQ3	3.867		0.830		0.728				0.771
	PQ4	4.133		0.984		0.680				0.770
BC	BC1	2.505	2.626	1.097	1.148	0.693	0.771	0.784	0.736	0.842
	BC2	2.751		1.195		0.618				0.777
	BC3	2.621		1.153		0.513				0.588
AT	AT1	3.950	3.855	0.891	0.848	0.714	0.867	0.868	0.788	0.790
	AT2	3.814		0.840		0.709				0.753
	AT3	3.771		0.874		0.778				0.856
	AT4	3.884		0.785		0.673				0.754
PI	PI1	3.827	3.769	0.858	0.903	0.857	0.911	0.914	0.870	0.928
	PI2	3.811		0.880		0.815				0.873
	PI3	3.668		0.971		0.803				0.848

Source: Own construction, based on analysis

As shown in Table 2, the current study's Cronbach Alpha values are higher than the suggested cutoff point of 0.70 (Bryman 2016), which suggests an acceptable degree of internal dependability. The reliability of the constructs is confirmed by the CR statistics, which range from 0.755 to 952, suggesting that they are all above the suggested threshold of 0.70. The acceptable AVE cut-off point is 0.50. The AVE values in Table 2 are all higher than 0.50. Examining the factor loadings allowed the researchers to assess the convergent validity of the current study. Items demonstrate satisfactory convergent validity, according to Nusair and Hua (2010), when they load heavily on their shared construct, which is corroborated by Jayasinghe-Mudalige, Udugama and Ikram (2012). A loading above 0.5 is also necessary to prove convergent validity (Cheah et al. 2018). According to Hair et al. (2010), factor loadings of 0.4 and even 0.3 can be acceptable for attitudinal studies. Thus, all the factor loadings meet the acceptable threshold.

- Discriminant validity

The degree to which scores from a measure are unique and do not correspond to other measures is referred to as discriminant validity. Construct correlations were used to measure discriminant validity (Alhadi, Saputra & Supriyanto 2018). Table 3 contains the correlation matrix.

TABLE 3: CORRELATIONS MATRIX

Construct	NU	ES	SE	SV	EV	PQ	BC	AT	PI
NU	1								
ES	.478**	1							
SE	.514**	.589**	1						
SV	.423**	.529**	.629**	1					
EV	.292**	.296**	.520**	.562**	1				
PQ	.119*	-0.014	.204**	.244**	.443**	1			
BC	.306**	.358**	.446**	.491**	.422**	.209**	1		
AT	0.089	-0.047	.219**	.211**	.392**	.715**	.224**	1	
PI	.181**	.167**	.304**	.328**	.372**	.569**	.323**	.616**	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Source: Own construct, based on analysis

As shown in Table 3, all constructs have positive correlations, and they are all below the necessary threshold of 1.0, demonstrating the measurement scale's adequate discriminant validity (Alhadi et al. 2018).

- Hypothesis testing results

Structural equation modelling, using the partial least squares technique, was employed to test and verify the hypothesised relationships. Table 4 shows the results.

TABLE 4: HYPOTHESIS TESTING RESULTS

Hypothesis	Hypothesised relationship	Estimate	P-Value	Decision
H ₁	Need for Uniqueness --> Attitude	0.005	0.911	Not significant
H ₂	Self-Expression --> Attitude	0.089	0.045	Significant and supported
H ₃	Escape --> Attitude	-0.104	0.017	Significant and supported
H ₄	Social Value --> Attitude	-0.065	0.144	Not significant
H ₅	Experiential Value --> Attitude	0.125	0.008	Significant and supported
H ₆	Product Quality --> Attitude	0.801	***	Significant and supported
H ₇	Brand Consciousness --> Attitude	0.13	0.007	Significant and supported
H ₈	Attitude --> Purchase Intention	0.69	***	Significant and supported

Source: Own construction, based on analysis

Significant Level <0.05 *; significant level <0.01 ***; significant level <0.001 **, AT = Attitude, ES = Escape, BC = Brand Consciousness, NU = Need for Uniqueness, EV = Experiential Value, SV = Social Value, PQ = Product Quality, SE = Self-Expression, PI = Purchase Intention.

Table 4 presents the path coefficients, P-values, and hypotheses. P-values should be below 0.05 at 95% confidence interval. The recommended thresholds were met for six hypotheses, while two did not meet the acceptable threshold between the constructs.

5. DISCUSSION OF EMPIRICAL FINDINGS

Derived from the results, it is evident that six of the eight hypotheses were supported and significant (hypotheses one and four were not supported).

H₁: There is a positive relationship between the need for uniqueness and attitude.

The analysis of the data collected indicated that the need for uniqueness has a non-significant influence on attitude. This means that luxury skincare face moisturiser customers' desire to be different and stand out from others has very little influence on their attitude towards those luxury skincare face moisturiser brands. This finding has previously been revealed by several authors who did not find a positive relationship between the need for uniqueness and brand attitudes toward well-known luxury brands (Bian & Forsythe 2012; Cho et al. 2022; Zhan & He 2012), meaning that respondents did not desire approval from others or obsess over possessing unique luxury brands). This contradicts the results found in the study conducted by Lee, Edwards, Youn and Yun (2018), which proved that need for uniqueness is a dimension of the attitude customers have. This is a very interesting finding for the category, as this is in the context of luxury skincare face moisturiser in South Africa.

H₂: There is a positive relationship between self-expression and attitude.

The findings of this study show a positive relationship between self-expression and attitude. The findings further illustrate that the influence that self-expression has on attitude is supported. These findings concur with Lee, Siu and Zhang's research findings from 2020, which indicated a favourable effect of self-expression on attitude.

H₃: There is a positive relationship between escape and attitude.

The study shows a positive relationship between escape and attitude. The findings from this study are similar to those found in studies by Xiao (2020) as well as Huettermann, Trail, Pizzo, and Stallone (2020), which showed a strong relationship between escape and attitude. In other words, customers' positive attitude towards a luxury skincare face moisturiser product is most likely to be influenced by the customers' need or as an escape. The findings in this study suggests that escape has a positive influence on the attitude customers have on luxury skincare face moisturiser brands.

H₄: There is a positive relationship between social value and attitude.

The findings reveal that the influence that social value has on attitude is not significant. Ashfaq, Yun and Yu (2021), as well as Kim, Sun and Kim (2013), also found that the impact of social value on attitude was not statistically significant. Prior literature has defined social value as the need for status and prestige (Hennigs et al. 2015). This could be because the perceived social value is not very important for luxury skincare, as most people use this privately in the home, so the usage is not publicly visible. This means that for luxury skincare face moisturisers in South Africa, customers do not hope to receive social approval nor to make a good impression on others (Wiedmann et al. 2009). Previous literature found differences across countries in the degree of influence of perceived social value, for instance, Indian consumers displayed higher levels of perceived social value than British consumers. Also, Dutch millennials depicted higher levels of perceived social value than Korean millennials on luxury goods (Wong & Park 2022).

H₅: There is a positive relationship between experiential value and attitude.

A strong relationship was found between experiential value and attitude. The relationship is proven to be supported and significant. The results support those found in the study conducted by Kasilingam and Krishna (2022), on experiential value being an integral part of attitude. However, the results pertaining to luxury skincare face moisturiser products lead us to believe that experiential value is enough to influence the attitude customers have towards luxury skincare face moisturiser brands.

H₆: There is a positive relationship between product quality and attitude.

The relationship between product quality and attitude was the strongest. The findings are consistent with Lee et al.'s (2018) study on the relationship between quality and attitude, as it was found that there is indeed a relationship between these constructs. The relationship between these two constructs is supported and significant. In other words, luxury skincare face moisturiser customers are more likely to have a positive attitude toward brands with a high product quality.

H₇: There is a positive relationship between brand consciousness and attitude.

The relationship between brand consciousness and attitude is strong and positive. The findings of this study further illustrate that the influence of brand consciousness on attitude is significant. This means that brand consciousness has a strong influence on the attitude customers have towards luxury skincare face moisturiser products. Previous research studies coincide with the results in this study where it was found that there is indeed a positive and direct influence between brand consciousness and attitude (Alexandra & Cerchia 2018; Sharda & Bhat 2018).

H₈: There is a positive relationship between attitude and purchase intention.

The study shows a strong and positive relationship between attitude and purchase intention. The findings from this study are similar to those found in studies by Prakash, Choudhary, Kumar, Garza-Reyes, Khan, and Panda (2019), as well as Wong, Hsu, and Chen (2018), which revealed a strong and positive relationship between attitude and purchase intention. In other words, customers with a positive attitude towards a product or brand are most likely to have the intention to purchase the product or brand. The study suggests that the attitude of luxury skincare face moisturiser brands has a positive influence on the purchase intention of customers.

6. MANAGERIAL IMPLICATIONS

The main respondents of this study were young female aged between 18 and 35 years. This finding is consistent with the empirical evidence of Lee et al. (2019), who found that younger customers are increasing their need for skincare products in order to begin creating a good skin care regimen at a young age. Social media has also played a pivotal role in promoting skincare trends and influencing consumer preferences, particularly among younger demographics (ReportLinker 2023). Marketers therefore need to focus on marketing strategies, such as social media influencer campaigns, bloggers and customer reviews to recruit and retain younger customers using the relevant online platforms. Relevance to young customers is critical as this segment is technologically savvy and influencer driven; they also have a higher preference for environmentally friendly products. Cosmetics have predominantly been consumed by women

(Kokoi 2011); this is aligned with the finding of the study as more women participated in the study. The growing number of working women in South Africa is leading to an increase in the spending power of customers, further pushing demand for luxury skincare products (Mordor Intelligence, 2023). As consumers have more disposable income, they are willing to spend on premium skincare products (ReportLinker 2023).

The results of this study indicated that 36 – 45 year olds constituted 22.9% of the study, while 46 – 55 constituted 13.3% of the study. It is important to therefore note the trend in customers focusing on skincare and the growing demand for anti-aging products. This means that marketers need to also ensure relevance to senior customers and their needs as they could seek products with active ingredients that can address fine lines, wrinkles, and other signs of aging. Despite fewer respondents being male, the rising demand for male grooming products and services in South Africa cannot be ignored; there is an opportunity to recruit male users while, where applicable, driving gender differentiation in the luxury face moisturiser category. Within emerging markets, affordability continues to play a significant role, the majority of the luxury skincare face moisturiser users are in middle-income segment. Several brands are attempting to develop premium variations of their economic goods with the goal of strengthening consumer connections and make the shift from economic to premium products with ease with the support of familiar names, while also keeping the brands' economic versions (Allied Market Research 2023).

The route-to-market and channels of distribution to ensure availability of stock in emerging markets remains a key priority for marketers. Access to infrastructure (brick-and-mortar stores, increasing e-commerce penetration and the number of smartphone users) and technological infrastructure, such as network and data, remains areas that marketers need to consider when working on marketing campaigns in emerging markets.

In this study, product quality had the strongest results. Marketers can therefore use perceived quality attributes to gain competitive advantage over their competitors (Lee et al. 2019). Statista (2023) also reported that 35.5% of respondents considered high quality as one of the most key features in skin care products, and 26.6% claimed that natural and organic ingredients were an important feature. Numerous scholars have confirmed that perceived product quality impacts customer satisfaction (Sinurat, Heikal, Simanjuntak, Siahaan & Ilham 2021); trust (Lamasi & Santoso, 2022); brand image (Suhaily & Darmoyo 2017), and brand loyalty (Hoe & Mansori 2018). Marketers could benefit from implementing Armstrong, Kotler and Silva's (2006) dimensions of product quality, namely, performance, feature, reliability, conformity, aesthetics, serviceability, and perceived quality determinations in the luxury skincare face moisturiser category.

Customers are becoming more conscious of the ingredients in their skin care products and now seek natural and organic options. Companies need to innovate and invest in research and development in order to cater for the changing consumer needs, especially skincare needs in Africa. Marketers could also focus on eco-friendly packaging and sustainable sourcing of ingredients, which could further appeal to environmentally conscious customers (ReportLinker 2023).

7. CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH

The main purpose of this study was to examine the factors that influence luxury skincare face moisturiser purchase intention. The study confirmed that personal, social, and marketing factors influence purchase intention in the luxury skincare face moisturiser category. The study

is not without limitations. The study was conducted using an online questionnaire meaning that only those who had the resources and had access to the questionnaire link were able to participate in the survey, in emerging communities, access could be a barrier for participation. Furthermore, future researchers should consider the influence of culture within luxury skincare face moisturiser choice. It is recommended that future researchers consider studies in natural and organic skin care, and also research in sustainable and environmentally friendly ingredients. Despite the aforementioned limitations, opportunities for further research on luxury skincare face moisturiser brands in other emerging markets exist.

REFERENCE LIST

- Aaker, D.A. 1991. *Managing brand equity: Capitalizing on the value of a brand name*, Free Press.
- Abutabenjeh, S. & Jaradat, R. 2018. Clarification of research design, research methods, and research methodology. *Teaching Public Administration*, 36(3):237-258.
- Africa Wealth Report. 2019. Available from <https://www.afribank.com/en/about/newsroom/africa-wealth-report-2019#:~:text=Total%20wealth%20held%20on%20the,US%241%20million%20or%20more/> (Date accessed: 9 September 2023).
- Ajitha, S. & Sivakumar, V.J. 2017. Understanding the effect of personal and social value on attitude and usage behavior of luxury cosmetic brands. *Journal of Retailing and Consumer Services*, 39:103-113.
- Ajzen, I. 1991. The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2):179–211.
- Ajzen, I. 2011. The theory of planned behaviour: Reactions and reflections. *Psychology & Health*, 26(9):1113-1127.
- Alexandra, Z. & Cerchia, A.E. 2018. The influence of brand awareness and other dimensions of brand equity in customers behaviour: The “affordable luxury” strategy. *“Ovidius” University Annals, Ovidius Univ Annal Economic Sci Series*, 18(1):222-427.
- Alhadi, S., Saputra, W. & Supriyanto, A. 2018. The analysis of validity and reliability of self-regulated learning scale. *International Conference on Education Innovation*, 139:284-286.
- Allied Market Research. 2023. *Skin care products market. Global opportunity analysis and industry forecast, 2022-2031*. Available from <https://www.alliedmarketresearch.com/skin-care-products-market>. (Date accessed: 9 September 2023).
- Anderlová, D. & Pšurný, M. 2020. Exploring the importance of emotions within customer behaviour on the Czech luxury cosmetic Market. *Acta Universitatis Agriculturae Et Silviculturae Mendelianae Brunensis*, 68(2):363-372.
- Anjana, S.S. 2018. A study on factors influencing cosmetic buying behavior of customers. *International Journal of Pure and Applied Mathematics*, 118(9):453-459.

- Appiah-Nimo, K., Muthambi, A. & Devey, R. 2023. Customer-based brand equity of South African luxury fashion brands. *Journal of Fashion Marketing and Management: An International Journal*, (ahead-of-print).
- Armstrong, G., Kotler, P. & Da Silva, G. 2006. *Marketing: An introduction: An Asian perspective*. Pearson/Prentice Hall.
- Ashfaq, M., Yun, J. & Yu, S. 2021. My smart speaker is cool! perceived coolness, perceived values, and users' attitude toward smart speakers. *International Journal of Human-Computer Interaction*, 37(6):560-573.
- Babbie, E. 2008. *The basics of social science research*. New York: Thomson Wadsworth.
- Bain & Company. 2021. *The future of luxury: bouncing back from covid-19*. Available from <https://www.bain.com/insights/the-future-of-luxury-bouncing-back-from-covid-19/> (Date accessed: 8 May 2022).
- Bandura, A. 1977. *Social cognitive theory*, Englewood Cliff.
- Bandura, A. 1986. The explanatory and predictive scope of self-efficacy theory. *Journal of Social and Clinical Psychology*, 4(3):359-373.
- Bian, Q. & Forsythe, S. 2012. Purchase intention for luxury brands: A cross cultural comparison. *Journal of Business Research*, 65(10):1443-1451.
- Bradshaw, H.K., Rodeheffer, C.D. & Hill, S.E. 2020. Scarcity, sex, and spending: Recession cues increase women's desire for men owning luxury products and men's desire to buy them. *Journal of Business Research*, 120:561-568.
- Brenot, A., Chuffart, C., Coste-Manière, I., Deroche, M., Godat, E., Lemoine, L., Ramchandani, M., Sette, E. & Tornaire, C. 2019. Water footprint in fashion and luxury industry. In *Water in Textiles and Fashion*, 95-113.
- Bryman, A. 2016. *Social research methods*, 5th edn., Oxford University Press, New York.
- Bureau for Economic Research. 2023. *FNB/BER Consumer Confidence Index 2023Q3*. Available from <https://www.ber.ac.za/BER%20Documents/FNB/BER-Consumer-Confidence-Index/?doctypeid=1054/> (Date accessed: 15 September 2023).
- BusinessLIVE. 2018. *Entrepreneur: Theo Mothoa-Frendo, founder of Uso — African Dermal Science*. Available from <https://www.businesslive.co.za/bd/national/2018-04-12-entrepreneur-theo-mothoa-frendo-founderof-uso--african-dermal-science/> (Date accessed: 14 September 2023).
- Cheah, J.H., Sarstedt, M., Ringle, C.M., Ramayah, T. & Ting, H. 2018. Convergent validity assessment of formatively measured constructs in PLS-SEM: on using single-item versus multi-item measures in redundancy analyses. *International Journal of Contemporary Hospitality Management*, 30(11):3192-3210.
- Chen, A. & Peng, N. 2014. Examining Chinese consumers' luxury hotel staying behavior. *International Journal of Hospitality Management*, 39:53-56.

- Chevalier, M., & Mazzalovo, G. (2021). *Luxury brand management in digital and sustainable times*. John Wiley & Sons.
- Chin, T.K. & Harizan, S.H.M. 2017. Factors influencing customers' purchase intention of cosmetic products in Malaysia. *International Journal of Business and Innovation*, 3(1):1-15.
- Cho, E., Kim-Vick, J. & Yu, U.J. 2022. Unveiling motivation for luxury fashion purchase among Gen Z consumers: need for uniqueness versus bandwagon effect. *International Journal of Fashion Design, Technology and Education*, 15(1):24-34.
- Choo, H.J., Moon, H., Kim, H. & Yoon, N. 2012. Luxury customer value. *Journal of Fashion Marketing and Management: An International Journal*, 16(1):81-101.
- Davari, A., Iyer, P., Guzmán, F. & Veloutsou, C. 2022. The determinants of personal luxury purchase intentions in a recessionary environment. *Journal of Marketing Management*, 1-32.
- Deloitte 2020. *Global powers of luxury goods 2018*. Available from <https://www2.deloitte.com/tl/en/pages/customer-industrial-products/articles/global-powers-of-luxury-goods.html> (Date accessed: 5 May 2022).
- Emergen Research. 2023. *The Top 10 facial cream companies in the world*. Available from <https://www.emergenresearch.com/blog/the-top-10-facial-cream-companies-in-the-world>. (Date accessed: 9 September 2023).
- Eom, H.J., Seock, Y.K. & Hunt-Hurst, P. 2019. Purchase intention toward luxury brands among young adult consumers from social comparison perspective. *Journal of Marketing Management and Consumer Behavior*, 2(4).
- Fandos Roig, J., Tena-Monferrer, S., Tirado, D. & Guillén, M. 2014. The role of social value over individual's final behavior. *8th International Technology, Education and Development Conference*. Available from <https://library.iated.org/view/FANDOSROIG2014ROL>. (Date accessed: 14 September 2023).
- Fishbein, M. & Ajzen, I. 1977. Belief, attitude, intention, and behavior: An introduction to theory and research. *Journal of Business Venturing*, 5:177-189.
- Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R. & Singh, R. 2016. Social media marketing efforts of luxury brands: Influence on brand equity and customer behavior. *Journal of Business Research*, 69(12):5833-5841.
- Golob, U., Davies, M.A., Kernstock, J. & Powell, S.M. 2020. Trending topics plus future challenges and opportunities in brand management. *Journal of Brand Management*, 27:123-129.
- Ha, N. & Lam, N. 2016. The effects of celebrity endorsement on customer's attitude toward brand and purchase intention. *International Journal of Economics and Finance*, 9(1):64.
- Hair J.F., Hult, G.T.M., Ringle, C.M. & Sarstedt, M. 2021. *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.

- Hair, J.F., Black, W.C., Babin, B.J. & Anderson, R.E. 2010. *Multivariate data analysis*, 8th edn., Prentice Hall, Englewood Cliffs.
- Hair, J.F., Ringle, C.M. & Sarstedt, M. 2011. PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2):139-151.
- Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. & Tatham, R.L. 1998. *Multivariate data analysis*, Prentice Hall, Upper Saddle River, NJ.
- Hair, J.F., Howard, M.C. & Nitzl, C. 2020. Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109:101-110.
- Hair, J.F., Risher, J.J., Sarstedt, M. & Ringle, C.M. 2019. When to use and how to report the results of PLS-SEM. *European Business Review*.
- Hennigs, N., Wiedmann, K.P., Klarmann, C., Behrens, S., Jung, J. & Hwang, C.S. 2015. When the original is beyond reach: consumer perception and demand for counterfeit luxury goods in Germany and South Korea. *Luxury Research Journal*, 1(1):58-75.
- Hoe, L.C. & Mansori, S. 2018. The effects of product quality on customer satisfaction and loyalty: Evidence from Malaysian engineering industry. *International Journal of Industrial Marketing*, 3(1):20.
- Holbrook, M.B. & Hirschman, E.C. 1982. The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of Consumer Research*, 9(2):132-140.
- Homburg, C., Klarmann, M. & Schmitt, J. 2010. Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27(3):201-212.
- Huettermann, M., Trail, G.T., Pizzo, A.D. & Stallone, V. 2020. Esports sponsorship: An empirical examination of esports customers' perceptions of non-endemic sponsors. *Journal of Global Sport Management*, 1-26.
- Indvik, L. 2020. Future of luxury: A look at the year ahead. *Financial Times*, 31.
- Jain, S. 2020. Role of conspicuous value in luxury purchase intention. *Marketing Intelligence & Planning*, 39(2), 169-185.
- Janpors, N., Raeisi Ziarani, M. & Taghavi, S.M. 2023. The effect of consumer values, brand consciousness, and behavioral intentions on luxury fashion apparel consumption. In *5th International Conference on Brand Marketing, Challenges and Opportunities*.
- Jayasinghe-Mudalige, U.K., Udugama, J.M.M. & Ikram, S.M.M. 2012. Use of structural equation modelling techniques to overcome the empirical issues associated with quantification of attitudes and perceptions. *Sri Lankan Journal of Applied Statistics*, 13:15-37.
- Kapoor, D. & Gupta, P. 2022. An assessment of factors influencing university students' intentions to purchase luxury skincare products. *EAI Endorsed Transactions on e-Learning*, 8(3):3-3.

- Kasilingam, D. & Krishna, R. 2022. Understanding the adoption and willingness to pay for internet of things services. *International Journal of Customer Studies*, 46(1):102-131.
- Kauppinen-Räsänen, H., Björk, P., Lönnström, A. & Jauffret, M. 2018. How customers' need for uniqueness, self-monitoring, and social identity affect their choices when luxury brands visually shout versus whisper. *Journal of Business Research*, 84:72-81.
- Khemchotigoo, Y. 2014. The relationship between customer animosity, marketing mix, perceived product quality, customer satisfaction and intention to purchase of customer behavior. In *International Conference on Trends in Multidisciplinary Business and Economics Research*, 27:28.
- Kim, S.B., Sun, K.A. & Kim, D.Y. 2013. The influence of consumer value-based factors on attitude-behavioral intention in social commerce: The differences between high-and low-technology experience groups. *Journal of Travel & Tourism Marketing*, 30(1-2):108-125.
- Ko, E., Costello, J.P. & Taylor, C.R. 2019. What is a luxury brand? A new definition and review of the literature. *Journal of Business Research*, 99:405-413.
- Kokoi, I. 2011. *Female buying behaviour related to facial skin care products*. Available from <https://core.ac.uk/download/pdf/38026078.pdf> . (Date accessed: 9 September 2023).
- KPMG. 2015. *Luxury goods in Africa*. Available from www.kpmg.com/Africa/en/IssuesAndInsights/Articles-Publications/General-industries-Publications/Documents/LuxuryGoodssectorreport2015.pdf (Date accessed: 8 July 2023).
- Lamasi, W.I. & Santoso, S. 2022. The influence of promotion, product quality and brand image towards customer purchase decisions of Wardah cosmetic products. *International Journal of Research in Business and Social Science*, (2147-4478):11(2):67-73.
- Lamb, C.W., Hair, J.F. & McDaniel, C. 2013. *Marketing MKTG*. Beograd: Data Status.
- Lee, E., M. Edwards, S., Youn, S. & Yun, T. 2018. Understanding the moderating effect of motivational values on young customers' responses to luxury brands: A cross-cultural study of South Korea and the USA. *Journal of Marketing Communications*, 24(2):103-124.
- Lee, J.E., Goh, M.L. & Mohd Noor, M.N.B. 2019. Understanding purchase intention of university students towards skin care products. *PSU Research Review*, 3(3):161-178.
- Lee, J.L., Siu, N.Y & Zhang, T.J. 2020. Does brand equity always work? A study of the moderating effect of justice perceptions and customer attribution towards Chinese customers. *Journal of International Customer Marketing*, 32(1):69-81.
- Lee, M., Bae, J. & Koo, D.M. 2021. The effect of materialism on conspicuous vs inconspicuous luxury consumption: focused on need for uniqueness, self-monitoring and self-construal. *Asia Pacific Journal of Marketing and Logistics*, 33(3):869-887.
- Lionesses of Africa. 2023. *Lioness Launch: African Dermal Science launches its exciting Use Skincare range in South Africa*. 2019. Available from

- <https://www.lionessesofafrica.com/blog/2019/8/25/lioness-launch-african-dermal-science-launches-its-exciting-uso-skincare-range-in-south-africanbsp> (Date accessed: 14 September 2023).
- Macheka, T., Quaye, E.S. & Ligaraba, N. 2023. The effect of online customer reviews and celebrity endorsement on young female consumers' purchase intentions. *Young Consumers*, Emerald Publishing Limited.
- Maghnati, F. & Ling, K. 2013. Exploring the relationship between experiential value and usage attitude towards mobile apps among the smartphone users. *International Journal of Business and Management*, 8(4):1.
- Mainolfi, G. 2020. Exploring materialistic bandwagon behaviour in online fashion consumption: A survey of Chinese luxury customers. *Journal of Business Research*, 120:286-293.
- MarketResearch.com. 2023. *Global luxury skincare market research report 2023*. Available from <https://www.marketresearch.com/Maia-Research-v4212/Global-Luxury-Skincare-Research-Competitive-33786348/>. (Date accessed: 8 September 2023).
- McKinsey & Company. 2023. *The beauty market in 2023: A special state of fashion report*. Available from https://www.mckinsey.com/industries/retail/our-insights/the-beauty-market-in-2023-a-special-state-of-fashion-report#. (Date accessed: 8 September 2023).
- Mordor Intelligence. 2021. South Africa skincare market - Growth, trends, COVID-19 impact, and forecasts (2021 - 2026). *Mordor Intelligence*. Available from <https://www.mordorintelligence.com/industry-reports/south-africa-professional-skincare-product-market>. (Date accessed: 29 April 2022).
- Mordor Intelligence. 2023. *Skin care market in South Africa size & share analysis - Growth trends & forecasts (2023 - 2028)*. Available from <https://www.mordorintelligence.com/industry-reports/south-africa-professional-skincare-product-market>. (Date accessed: 11 September 2023).
- Nazarani, M.R. & Suparna, G. 2021. The effect of luxury brand, brand image, and product quality on purchase intention. *American Journal of Humanities and Social Sciences Research*, 5(1):290-295.
- Norberg, H., Maehle, N. & Korneliussen, T. 2011. From commodity to brand: antecedents and outcomes of customers' label perception. *Journal of Product & Brand Management*, 20(5):368-378.
- Nusair, K. & Hua, N. 2010. Comparative assessment of structural equation modelling and multiple regression research methodologies: E-commerce context. *Tourism Management*, 31(3):314-324.
- Oribhabor, C.B. & Anyanwu, C.A. 2019. Research sampling and sample size determination: A practical application. *Journal of Educational Research (Fudjer)*, 2(1):47-57.
- Owusu-Sekyere, E., Mahlathi, Y. & Jordaan, H. 2019. Understanding South African customers' preferences and market potential for products with low water and carbon footprints. *Agrekon*, 58(3):354-368.

- Park, H.J., Rabolt, N.J. & Sook Jeon, K. 2008. Purchasing global luxury brands among young Korean consumers. *Journal of Fashion Marketing and Management: An International Journal*, 12(2):244-259.
- Park, J., Hyun, H. & Thavisay, T. 2021. A study of antecedents and outcomes of social media WOM towards luxury brand purchase intention. *Journal of Retailing and Customer Services*, 58:102-272.
- Prakash, G., Choudhary, S., Kumar, A., Garza-Reyes, J.A., Khan, S.A.R. & Panda, T.K. 2019. Do altruistic and egoistic values influence customers' attitudes and purchase intentions towards eco-friendly packaged products? An empirical investigation. *Journal of Retailing and Customer Services*, 50:163-169.
- Proficient Market Insights. 2023. *Luxury Skincare Market Report 2023*. Available from [https://www.globenewswire.com/en/news-release/2023/05/11/2666385/0/en/Luxury-Skincare-Market-Size-2023-reach-USD-35797-48-million-in-2028-with-DRO-analysis-Recent-industry-trends-and-developments.html#:~:text=As%20of%202022%2C%20the%20global,8.64%25%20du ring%20the%20forecast%20years](https://www.globenewswire.com/en/news-release/2023/05/11/2666385/0/en/Luxury-Skincare-Market-Size-2023-reach-USD-35797-48-million-in-2028-with-DRO-analysis-Recent-industry-trends-and-developments.html#:~:text=As%20of%202022%2C%20the%20global,8.64%25%20du ring%20the%20forecast%20years.). (Date accessed: 8 September 2023).
- ReportLinker. 2023. *Skin care market in South Africa size & share analysis - Growth trends & forecasts (2023 - 2028)*. Available from <https://www.reportlinker.com/p06483301/Skin-Care-Market-In-South-Africa-Size-Share-Analysis-Growth-Trends-Forecasts.html/> (Date accessed: 9 September 2023).
- Reyes-Menendez, A., Palos-Sanchez, P., Saura, J. & Santos, C. 2022. Revisiting the impact of perceived social value on customer behavior toward luxury brands. *European Management Journal*, 40(2):224-233.
- Rootman, C., Oosthuizen, N. & Mabuyana, B. 2019. Selected product variables and customer buying behaviour in the South African skin care industry. In *31st Annual Conference of The Southern African Institute for Management Scientists (SAIMS)*:444.
- Roy, R. & Rabbanee, F.K. 2015. Antecedents and consequences of self-congruity. *European Journal of Marketing*, 49(3/4):444-466.
- Sebastianelli, R. & Tamimi, N. 2002. How product quality dimensions relate to defining quality. *International Journal of Quality & Reliability Management*, 19(4):442-453.
- Sharda, N. & Bhat, A.K. 2018. Austerity to materialism and brand consciousness: Luxury consumption in India. *Journal of Fashion Marketing and Management: An International Journal*, 22(2):223-239.
- Shukla, P. & Rosendo-Rios, V. 2021. Intra and inter-country comparative effects of symbolic motivations on luxury purchase intentions in emerging markets. *International Business Review*, 30(1):101768.
- Sinurat, M., Heikal, M., Simanjuntak, A., Siahaan, R. & Ilham, R.N. 2021. Product quality on consumer purchase interest with customer satisfaction as a variable intervening in black online store high click market: case study on customers of the Tebing Tinggi black market online store. *Morfai Journal*, 1(1):13-21.

- Statista. 2020. *In-depth: Luxury Goods 2020, Statista Consumer Market Outlook*. Available from <https://www.statista.com/news/luxury-goods-report-2020/en>. (Date accessed 7 May 2022).
- Statista. 2021. *Luxury Goods – Worldwide*. Available from [Luxury Goods - Worldwide | Statista Market Forecast](#).
- Statista. 2022. *Prestige/luxury cosmetics market - statistics & facts*. Available from <https://www.statista.com/topics/5073/prestige-luxury-cosmetics/>.
- Statista. 2023. *Value of the personal luxury goods market worldwide from 1996 to 2022*. Available from <https://www.statista.com/statistics/266503/value-of-the-personal-luxury-goods-market-worldwide/>. (Date accessed: 5 March 2023).
- Suhaily, L. & Darmoyo, S. 2017. Effect of product quality, perceived price and brand image on purchase decision mediated by customer trust (study on Japanese brand electronic product). *Journal Manajemen*, 21(2):179-194.
- Uso, 2023. *USO by African Dermal Science*. Available from <https://uso.africa/> (Date accessed: 14 September 2023).
- Varshneya, G., Das, G. & Khare, A. 2017. Experiential value: A review and future research directions. *Marketing Intelligence & Planning*, 35(3):339-357.
- Visser, R. 2014. *The relationship between status-and conspicuous consumption in luxury brands in the South African emerging market*. (Doctoral dissertation). South Africa: University of Pretoria.
- Wiedmann, K.P., Hennigs, N. & Siebels, A. 2009. Value-based segmentation of luxury consumption behavior. *Psychology & Marketing*, 26(7):625-651.
- Wisher N. 2023. *A golden rule of skin care: Quality over quantity*. Available from <https://www.skinelite.com/blog/skin-care-quality-over-quantity/>. (Date accessed: 9 September 2023).
- Wong, K.Y.J. & Park, S.Y. 2022. That's so Gucci: a comparison of cultural values and the influence of perceived values on luxury goods attitudes and purchase intention among Korean and Dutch millennials. *Asian Business & Management*, 1-26.
- Wong, S.L., Hsu, C.C. & Chen, H.S. 2018. To buy or not to buy? Customer attitudes and purchase intentions for suboptimal food. *International Journal of Environmental Research and Public Health*, 15(7):1431.
- Xiao, M. 2020. Factors influencing eSports viewership: An approach based on the theory of reasoned action. *Communication & Sport*, 8(1):92-122.
- Yang, J., Sarathy, R. & Walsh, S.M. 2016. Do review valence and review volume impact customers' purchase decisions as assumed? *Nankai Business Review International*, 7(2):231-257.
- Yi-Cheon Yim, M., L. Sauer, P., Williams, J., Lee, S. & Macrury, I. 2014. Drivers of attitudes toward luxury brands. *International Marketing Review*, 31(4):363-389.

- Yoo, J. & Park, M. 2016. The effects of e-mass customization on customer perceived value, satisfaction, and loyalty toward luxury brands. *Journal of Business Research*, 69(12):5775-5784.
- Zhan, L. & He, Y. 2012. Understanding luxury consumption in China: Consumer perceptions of best-known brands. *Journal of Business Research*, 65(10):1452-1460.

CHARTING THE PATH TO ONLINE SHOPPING SUCCESS: INVESTIGATION CUSTOMERS' STORE CHOICE, SATISFACTION, AND REPURCHASE INTENTIONS IN SOUTH AFRICA

Daniël Maduku

Sean Nel

ABSTRACT

Online shopping is gradually emerging as a popular shopping medium among consumers in emerging countries, including South Africa. With the growing middle class in these economies, there is a potential for rapid acceptance of online shopping. However, more research is needed to understand the factors influencing consumers' online store choice, satisfaction, and loyalty. This study investigates the impact of selected online shopping attributes as cues for consumers' store choice and examines how that choice influences their satisfaction and loyalty. Survey data from 580 South African online shoppers were analysed using empirical testing. The results indicate that adequate product information, ease of navigation, and perceived online store security significantly and positively influence consumers' store choice. Furthermore, the study reveals that store choice is significantly associated with customer satisfaction and repurchase intention. The implications of these results for developing online stores as preferred shopping destinations for South African consumers and other emerging markets are discussed.

Keywords/phrases: customer satisfaction, e-commerce, online shopping, repurchase intention, store choice.

1. INTRODUCTION

In recent years, online shopping has experienced explosive growth in both developed and developing countries (Maduku & Thusi 2013:1; Smith 2018). As a result of this growth, many offline retailers are venturing into the online retail space in order to benefit from the online market (Booyesen 2018). This situation is, however, contributing to high levels of saturation and increased competition in online markets (Rudansky-Kloppers 2017:43). According to Ecommercedb (2023), South Africa ranks the 42nd largest market for e-commerce with a predicted revenue of US\$7,217.8 million by 2023. It projected that the e-commerce market will grow by 12.5% between 2022 and 2027 (Mordor Intelligence 2023). In spite of this healthy growth, it is estimated that South African online sales still only make up under 5% of total retail sales (iAfrica 2023).

This low online retail sales level is disappointing considering the growth rate that could be attributed to the growing number of online stores. Indeed, Rudansky-Kloppers (2017:44) contends that the plethora of online retailers carrying the same product categories has left online retailers with the difficult task not only of differentiating their offering, but also of attracting and retaining online shoppers (Rudansky-Kloppers 2017:44). Developing differentiation strategies will enable online stores to position themselves as online store destinations of choice (Melis, Campo, Breugelmans & Lamey 2015:272). Recent empirical evidence has identified the importance of online shopping attributes in shaping customers' online store choices (Oliveira, Alhinho, Rita & Dhillon 2017:160; Pham & Ahammad 2017:329; Sam & Sharma 2015:69). Success in developing online stores as choice destinations for online shopping customers will ultimately lead to online shopper / online retailer outcomes, such as satisfaction

and repurchase intention (Paul, Sankaranarayanan & Mekoth 2016:638; Kamran-Disfani, Mantrala, Izquierdo-Yusta & Martínez-Ruiz 2017:20).

A review of the existing literature, however, shows a dearth of research on the determinants of online customers' online store choice and their consequences for shopper/retailer relationship outcomes. The few studies (see: Melis et al. 2015; Pavur, Abdullah & Murad 2016; Pham & Ahammad 2017) that examined the issue did so from the perspective of consumers in Western countries. Research on the issue from the perspective of emerging countries, such as South Africa, is significantly sparse. Gaps, therefore, exist in the South African literature about how online shopping attributes contribute to explaining shoppers' online store choice selection and its consequential effects on their satisfaction and loyalty to online retailers. The discernible differences in consumer behaviour across cultural contexts provide a research imperative for context-specific research in order to advance the theory and practice of marketing across contexts.

The current study therefore seeks to contribute to the literature by investigating the factors that underline online store choice selection and its consequences for the satisfaction and repurchase intention of customers in an emerging African economy.

2. THEORETICAL BACKGROUND, CONCEPTUAL MODEL, AND HYPOTHESES DEVELOPMENT

2.1. THEORETICAL BACKGROUND

This study used cue utilisation theory and the expectation confirmation theory as a theoretical base. A brief overview of these theories is provided in the sections that follow.

2.1.1. Cue utilisation theory (CUT)

Cue utilisation theory is a framework used to understand consumer behaviour in the context of online shopping. It examines how consumers rely on various cues or signals provided by online stores to make judgements and decisions (Kukar-Kinney & Xia 2018:191). In the context of online shopping, where consumers cannot physically assess products, cues play a crucial role in shaping consumers' perceptions and behaviours. This is because consumers are unable to assess the value of a product based on its physical characteristics and dimensions, as they would in a physical shop (Choi, Ko, Medlin & Chen 2018:88).

Cue utilisation theory suggests that consumers use both intrinsic and extrinsic cues to evaluate the quality and attributes of products and online stores. Intrinsic cues are inherent to the product, such as price, brand name, colour, and packaging. Extrinsic cues, on the other hand, are external to the product and include factors like website usability, navigation, content quality, and trust signals (Choi et al. 2018:88; Moon et al. 2017:75). According to the CUT, these cues serve as information shortcuts for consumers to form judgements about product quality, store credibility, and overall satisfaction. For example, a well-designed and user-friendly online shopping website may signal trustworthiness and professionalism, leading to positive perceptions and increased purchase intention. Therefore, relying on the CUT, in this study, we argue that consumers' choice of online retailers may be influenced by specific external cues they infer from the online store, including ease of navigation, adequacy of product information on the website, and the security cues conveyed by the online store.

2.1.2. *Expectation confirmation theory (ECT)*

The Expectation Confirmation Model (ECM), originally proposed by Bhattacharjee (2001:351), builds upon the foundation of the Expectation Confirmation Theory (ECT) introduced by Oliver (1977:480). It serves as a theoretical framework that elucidates how individuals develop expectations before engaging in a consumption experience and how the confirmation or disconfirmation of these expectations influences their satisfaction and subsequent behaviour. Within the realm of online shopping, the ECM provides valuable insights into how customers' pre-purchase expectations and post-purchase experiences impact their satisfaction and their intentions to continue shopping online (Maduku & Thusi 2023:4).

According to the ECM, consumers enter a purchase situation with preconceived expectations regarding the performance of products or services. These expectations are shaped by their prior knowledge, information, and past experiences. When the actual performance of a product or service aligns with or surpasses these expectations, it leads to confirmation, thereby enhancing customer satisfaction. Conversely, if the performance falls short of expectations, it results in disconfirmation, potentially leading to dissatisfaction (Oliver 1977:483).

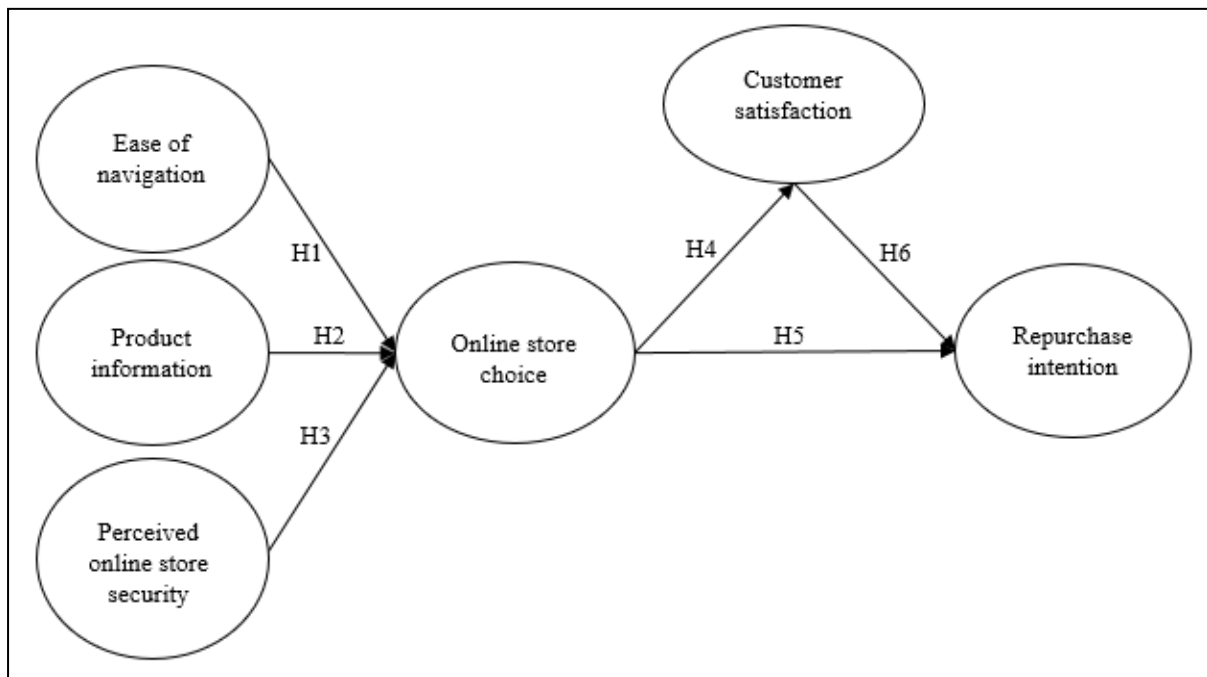
In the context of online shopping, the ECM is particularly relevant for investigating customer satisfaction, repurchase intention, and related behaviours. Researchers delve into how customers' initial expectations regarding various facets of online shopping, including website design, product information, customer service, and delivery, influence their satisfaction with the overall online shopping experience (Cao, Aijan & Hong 2018:413; Kim, Jin & Swinney 2009:245; Luo, Ba & Zhang 2012:1141). When an online store meets or exceeds customers' expectations in these areas, it results in confirmation and heightened satisfaction, subsequently influencing their intention to repurchase from the same online retailer.

Moreover, the ECM facilitates an understanding of the factors that foster customer loyalty in online shopping (Lin & Lekhawipat 2016:466; Maduku & Thusi 2013:7). By exploring the relationship between customers' online store choice, satisfaction, and repurchase intention, researchers can identify the key drivers that cultivate customer loyalty and encourage repeat purchases within the online environment.

2.2. CONCEPTUAL MODEL

This study presents a theoretical model (Figure 1) that integrates the (CUT) and ECT. Drawing upon CUT, the current study asserts that product information, online store security, and website navigation serve as extrinsic cues that can influence customers' choice of online stores. Aligning with ECT, the selection of an online store based on these extrinsic cues, which align with customers' expectations, is expected to generate customer satisfaction, ultimately leading to repurchase intention.

FIGURE 1: CONCEPTUAL MODEL



Source: Own construction

2.3. HYPOTHESES DEVELOPMENT

2.3.1. *Ease of navigation and online store choice*

Navigation refers to how users navigate through a website and the features implemented to assist them in this process (Stokes 2017). Efficient navigation is crucial as it enables users to access different pages on the website quickly and effortlessly (Hasan 2016:227). Previous research, such as studies conducted by Belance et al. (2012:128), Verkijika and De Wet (2018:26) as well as Pee et al. (2018), has consistently demonstrated the significant positive impact of navigation on online store choice. Building on this body of knowledge, the current study proposes the following hypothesis:

H₁: There is a significant positive relationship between the ease of navigating an online store and customers' online store choice.

2.3.2. *Adequate product information and online store choice*

Product information encompasses all the relevant details about the items offered for sale by a retailer. In the context of websites, it also includes information provided by other consumers in the form of peer reviews (Markopoulos, Aron & Ungar 2016:647). Prior studies conducted by Lee, Chang and Shih (2017:227), Li, Wei, Tayi and Tan (2016:476) as well as Ha and Im (2012) have consistently demonstrated the significant positive impact of product/service information on website/online store choice and satisfaction. Building upon this existing research, the present study proposes the following hypothesis:

H₂: There is a significant positive relationship between adequate product information on customers' online store choice.

2.3.3. *Perceived online store security and customers' online store choice*

Online safety addresses consumers' concerns regarding the protection of their personal and banking information from being shared with third parties when making online purchases (Masoud 2013:82). Several recent studies conducted by Aghekyan-Simonian, Forsythe, and Kwon (2012:325), Geetha and Rangarajan (2015:9) as well as Kram (2018:118) have consistently demonstrated the significant positive impact of online safety on online store choice and satisfaction. This finding aligns with the principles of cue utilisation theory, which suggests that consumers rely on various cues to evaluate and make choices regarding their online shopping experiences (Unnava & Burnkrant 1991:226). In line with this theory, the present study proposes the following hypothesis:

H₃: There is a significant positive relationship between online security and online store choice

2.3.4. *Online store choice and satisfaction, and repurchase intention*

Online store choice is the decision made by consumers to select a specific online retailer from which to purchase products or services. This decision is influenced by various factors such as convenience, product variety, and the overall shopping experience (Akram 2018:118). In line with the Expectation Confirmation Theory (ECT), it can be argued that the act of choosing a particular online store indicates a level of satisfaction with the store's performance, as it meets or exceeds the customer's expectations. Several recent studies, including those conducted by Luo et al. (2012:1142) as well as Lim, Heng, Ng and Cheah (2016:77), have consistently demonstrated a significant positive relationship between online store choice, customer satisfaction, and repurchase intention.

Furthermore, repurchase intention refers to the consumer's intention and willingness to continue purchasing from the same retailer in the future (Wu, Chen, Chen & Cheng 2014:2771). Numerous studies, such as those conducted by Kitapci, Akdogan, and Dortyol (2014:165), Chinomona and Dubihlela (2014:29) as well as and Huang, Yen, Lui and Chang (2014:125), have found a significant positive association between customer satisfaction and repurchase intention.

Based on the existing literature, this study proposes the following hypotheses:

H₄: Online store choice has a significant positive impact on customer satisfaction.

H₅: Online store choice has a significant positive impact on repurchase intention.

2.3.5. *Satisfaction and repurchase intention*

Repurchase intention refers to the consumer's inclination, willingness, and plan to continue purchasing products or services from a specific retailer after experiencing their market offerings, regardless of whether it is a service or a product (Wu et al. 2014:2769). Studies conducted by Kitapci et al. (2014:165), Chinomona and Dubihlela (2014:29) as well as Huang, Yen, Lui and Chang (2014:125) have consistently demonstrated a significant relationship between customer satisfaction and repurchase intention. Based on this body of research, this study proposes the following hypothesis:

H₆: There is a significant positive relationship between satisfaction and repurchase intention.

3. METHODS

3.1. INSTRUMENT DEVELOPMENT

A paper-based questionnaire was employed to collect the primary data for this study. The questionnaire comprised three sections. Section A consisted of multiple items to capture participants' perceptions of the constructs under investigation. The measurement items used for each construct were derived from previous literature and modified to suit the context of this study. The specific measurement items, along with their sources, are provided in Appendix 1.

All measurement items were assessed using a five-point Likert response format, ranging from 1 'strongly disagree' to 5 'strongly agree'. Appendix 1 includes the complete set of items used to measure the constructs, along with their respective anchors.

The second section of the questionnaire (Section B) was designed to collect demographic information from the respondents, including gender, age, average monthly income, and level of education. Before administering the questionnaire, a pilot test was conducted with a convenient sample of 30 respondents. Their feedback was sought to evaluate the clarity of the wording, instructions, format, and overall appeal of the questionnaire. The feedback received from the pilot test was largely positive. The data obtained from the pilot test were analysed to assess the reliability of the measurement items for the constructs. The Cronbach's alpha coefficients for all the constructs exceeded the acceptable threshold of 0.7, indicating that the items were internally consistent measures of their respective constructs. Based on these positive results, no adjustments were deemed necessary for the questionnaire. Following the pilot test and validation of the measurement items, the finalised questionnaire was then distributed to the selected sample for data collection.

3.2. SAMPLE AND DATA COLLECTION

The target population for this study consisted of South African consumers aged between 18 and 65 years old who had made a purchase from an online store within the month preceding the survey. To select participants for the research, a non-probability convenience sampling technique was employed. The researchers approached potential participants in various settings, such as their homes, public parks, and busy street corners, and invited them to take part in the study. A clear explanation of the research purpose, data collection process, and ethical considerations was provided to ensure transparency. Individuals were given the choice to participate or decline. Those who expressed interest in participating were provided with a copy of the questionnaire to complete, making it a self-administered study. Once they completed the questionnaire, they returned it to the fieldworker, who expressed gratitude for their participation and emphasised the importance of their contribution to the study.

Out of the total 1,000 questionnaires distributed, 619 were received. After a thorough examination, 39 questionnaires were deemed unusable due to excessive missing data. This resulted in a final sample of 580 participants for the analysis, representing an effective response rate of 58 per cent. The responses were recorded and managed using the SPSS statistical software, specifically version 26. Descriptive statistics of the sample were computed using the same software, and the participant profile is presented in Table 1.

4. DATA ANALYSIS AND RESULTS

4.1. SAMPLE CHARACTERISTICS

The data analysis for this study was conducted using the Statistical Package for Social Sciences (SPSS) version 26, and the descriptive statistics results are presented in Table 1. The results reveal a balanced participation between males (49.7%) and females (50.3%). A significant portion of the participants were relatively young, with 71.5% falling within the age range of 18 to 30. Regarding education level, the participants' distribution was spread across different categories, including matriculants (34%), college diplomas (11%), university diplomas (19.5%), and bachelor's degrees (23.3%). This indicates a considerable number of educated participants, with matric being the base level of education. In terms of income, the majority (60.9%) of participants earned between R1,500 and R20,000 per month, suggesting a low to middle-income class. This may be attributed to the participants' age, as many were in the early stages of their careers. Regarding online shopping behaviour, around 31.6% of participants reported purchasing five items online. In contrast, the remaining participants had varying numbers of online purchases, with only a small group (four participants) having bought six or more items. Regarding time spent on online shopping, 80.5% of participants spent three or fewer hours per month, while 19.5% spent four or more hours per month engaging in online shopping activities.

TABLE 1: DESCRIPTIVE STATISTICS OF THE SAMPLE

	Frequency	Percentage
Gender:		
Male	288	49.7
Female	292	50.3
Age:		
18-22	205	35.3
23-30	210	36.2
31-36	91	15.7
37-40	39	6.7
40 and above	35	6.0
Education:		
Below matric	12	2.1
Matric	197	34.0
College diploma	65	11.2
University diploma	113	19.5
Bachelor's degree	135	23.3
Postgraduate diploma/Honours	32	5.5
Master's degree	17	2.9
Doctoral degree	8	1.4
Income:		
0-1499	83	14.3
1500-5000	186	32.1
10001-20000	167	28.8
20001-30000	74	12.8
30001-40000	39	6.7
40001 and above	31	5.3
No. of items bought online:		
Less than two	123	21.2
Two	99	17.1
Three	91	15.7
Four	80	13.8
Five	183	31.6
Six or more	4	0.7

	Frequency	Percentage
Hours spent shopping online:		
Less than an hour	238	41.0
2-3 hours	229	39.5
4-5 hours	75	12.9
6 hours	19	3.3
7 hours or more	17	2.9

Source: Own construction, based on analysis

4.2. STRUCTURAL EQUATION MODELLING

To test the research model proposed, a structural equation modelling technique using the partial least squares approach with the aid of SmartPLS software version 4.0.9.5 was implemented. Following the recommendation of Anderson and Gerbing (1988:411), the measurement model was first analysed to confirm its validity. The structural model was then analysed to test the hypotheses and to determine the variance explained in the endogenous variables by the exogenous variables.

4.2.1. Measurement model analysis

The validity of the measurement model was assessed through confirmatory factor analysis (CFA), which allowed for the evaluation of convergent validity and discriminant validity. Convergent validity was evaluated using multiple measures, including standardised factor loadings, composite reliability (CR), and average variance extracted (AVE). To establish convergent validity, it is recommended that the standardised factor loadings of the measurement items exceed 0.7. In addition, both the CR and AVE values for each construct should exceed 0.7 and 0.5, respectively (Hair et al. 2010). The results, as presented in Table 2 and Figure 1, indicate that the standardised factor loadings for all items were above the threshold of 0.7, except for item ONS1, which had a loading score of 0.540. The CR values for all constructs exceeded 0.7, with the lowest value of 0.871 observed for the perceived online security construct. Similarly, the AVE values for all constructs were above the 0.5 threshold, with the lowest value of 0.628 found for perceived online security. These results provide robust evidence of the convergent validity of the measurement model. Considering that the CR and AVE values for the perceived online security construct are greater than the recommended thresholds, it is appropriate to retain item ONS1 in the model.

After confirming the convergent validity, the assessment of discriminant validity was conducted using the Fornell and Larcker (1981) technique. This technique compares the square roots of the AVEs (bold diagonal estimates in Table 2) with the inter-construct correlations (estimates beneath the bold diagonal estimates) to determine discriminant validity. In this case, the square roots of the AVEs were found to be higher than the correlations among the constructs, as shown in Table 2. This finding provides empirical evidence supporting the discriminant validity of the measurement model. The higher values of the square roots of the AVEs indicate that the shared variances within each construct are greater than the variances shared between different constructs, suggesting distinctiveness among the constructs.

TABLE 2: PSYCHOMETRIC PROPERTIES OF THE MEASUREMENT MODEL

Constructs		α	CR	AVE	1	2	3	4	5	6
1	Product information	0.854	0.901	0.696	0.834					
2	Ease of navigation	0.842	0.894	0.679	0.671	0.824				
3	Online store choice	0.838	0.892	0.674	0.654	0.726	0.821			
4	Online store security	0.803	0.871	0.628	0.562	0.577	0.572	0.792		
5	Repurchase intention	0.929	0.950	0.825	0.595	0.578	0.562	0.483	0.908	
6	Satisfaction	0.948	0.960	0.827	0.591	0.581	0.564	0.416	0.671	0.909

*Bold diagonal estimates are the square roots of the AVEs; the estimates beneath them are the correlations among the constructs.

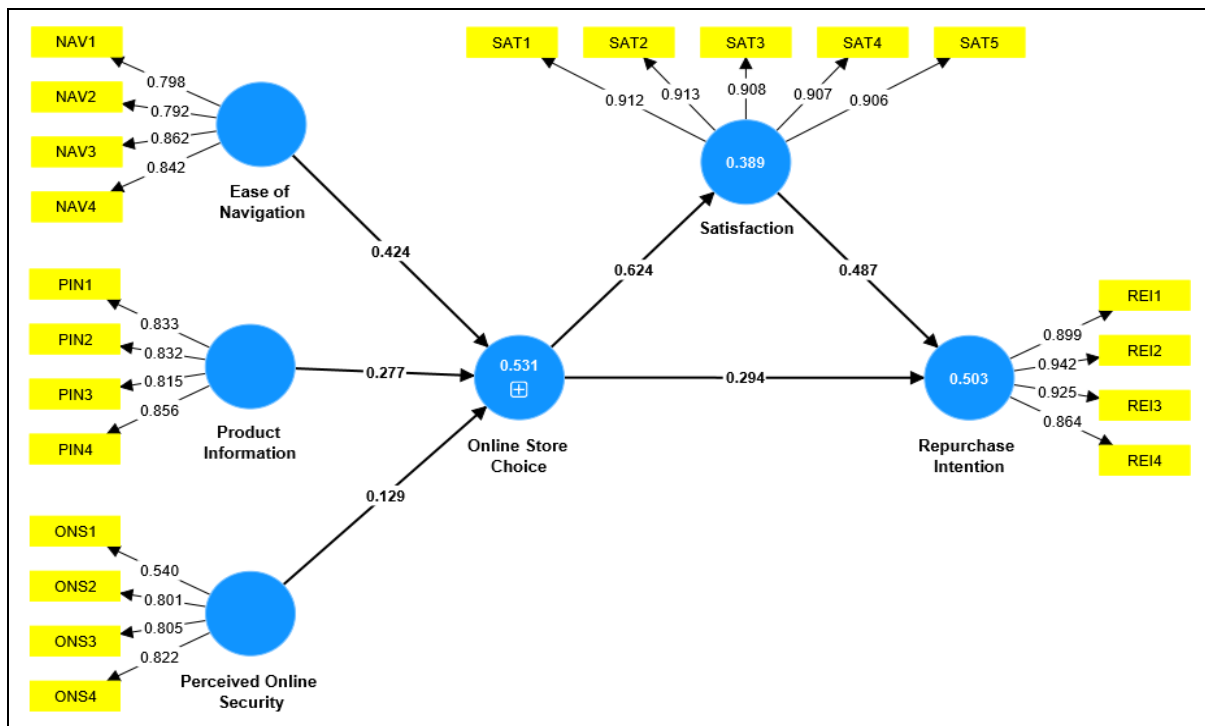
Source: Own construction, based on analysis

4.2.2. Structural model analysis

Once the validity of the measurement model had been confirmed, the structural model was analysed to verify the significance of the structural paths using the bootstrapping technique, with 5,000 subsamples (500 observations per sub-sample) with no sign change option. Before examining the structural model, the threat of collinearity at critical levels among the exogenous constructs was analysed using the variance inflation factor (VIF). The VIF values realised in this study ranged from 1.00 to 2.034. These values were below the widely accepted critical threshold of 3.3, thus suggesting that collinearity did not present a critical threat in the present study (Kock & Lynn 2012). Moreover, all the path coefficients depicted in Figures 2 and 3, and Table 3 exhibit statistical significance ($t > 1.96$, $p < 0.05$) and demonstrate positive relationships.

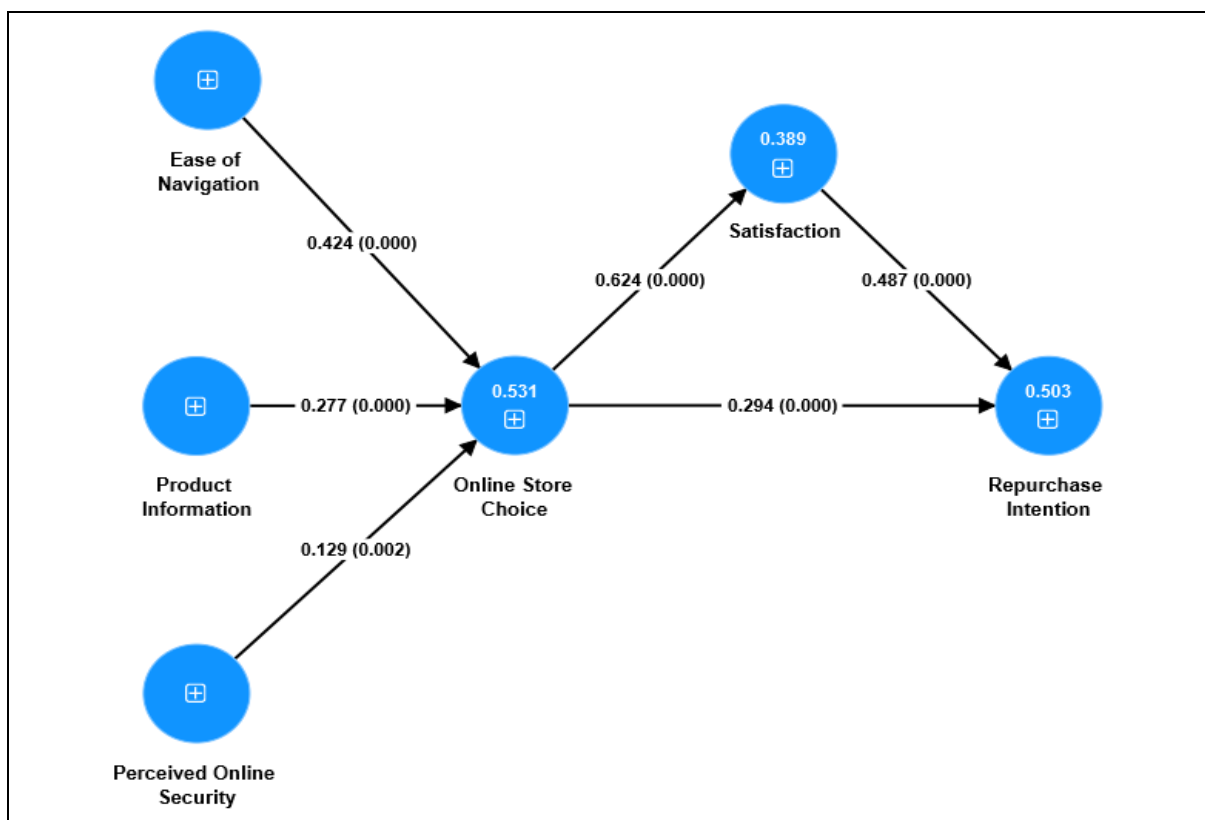
The coefficient of determination, R^2 , indicates that the exogenous constructs accounted for 53.1% of the variance in online store choice, 50.3% of the variance in repurchase intention, and 38.9% of the variance in satisfaction. These high R^2 values demonstrate the model's strong explanatory power in relation to the key target construct. Moreover, the predictive relevance of the structural model was assessed using Stone-Geisser's Q^2 criterion (Hair et al. 2019). The Q^2 statistics for online store choice ($Q^2 = 0.522$), repurchase intention ($Q^2 = 0.371$), and satisfaction ($Q^2 = 0.361$) were all greater than 0, indicating the predictive relevance of all exogenous constructs.

FIGURE 2: MODEL TESTING



Source: SmartPLS results for model estimation

FIGURE 3: STRUCTURAL MODEL WITH PATH COEFFICIENTS AND P-VALUES



Source: SmartPLS results for model estimation

TABLE 3: RESULTS OF HYPOTHESES TESTING

Hypothesised path	Path Coeff	T statistics	P values	Decision	f ² (effect size)
Ease of Navigation → Online Store Choice	0.424	9.034	0.000	Supported	0.191
Product Information → Online Store Choice	0.277	6.298	0.000	Supported	0.083
Online Security → Online Store Choice	0.129	3.144	0.002	Supported	0.023
Online Store Choice → Satisfaction	0.624	21.819	0.000	Supported	0.637
Online Store Choice → Repurchase Intention	0.294	6.564	0.000	Supported	0.106
Satisfaction → Repurchase Intention	0.487	11.166	0.000	Supported	0.291

Source: Own construction, based on analysis

The results of the hypotheses analysis show that ease of navigation ($\beta=0.424$, $t=9.034$ $p<0.001$), adequate product information ($\beta=0.277$, $t=6.298$, $p<0.001$), and perceived online security ($\beta=0.129$, $t=3.144$, $p<0.01$) are significant, and positively predict consumers' online store choice. These results provide statistical support for H₁, H₂, and H₃. The results show that 53.1% of the variance in online store choice is explained by the ease of navigation, adequate product information, and perceived online security.

The results further show that online store choice is significant and positively associated with consumers' satisfaction with online retailers ($\beta=0.624$, $t=21.819$, $p<0.001$) and repurchase intention ($\beta=0.294$, $t=6.564$, $p<0.001$), thus providing support for H₄ and H₅. Finally, the results show that satisfaction with online retailers significantly influences customers' repurchase intention ($\beta=0.487$, $t=11.166$, $p<0.001$). This provides support for H₆.

5. DISCUSSION AND IMPLICATIONS

The aim of the study was to examine the influence of selected factors of online retail stores on customers' choice of online retail stores, as well as their satisfaction and repurchase intention. The study's results demonstrate statistical support for all six hypotheses that were tested.

The study's results demonstrate that ease of navigation significantly influences online store choice. This suggests that the ease with which a consumer can navigate between different pages of an online shop and the number of steps required to reach their goal are important considerations when designing the layout and structure of an online store (Bilgihan 2016:109). This finding aligns with the results of Melis et al. (2015), which indicated a significant and positive impact of navigation on store choice, as well as its indirect effect on customer satisfaction.

For contemporary retailers, it is paramount to prioritise creating seamless navigational experiences within their online stores. By enabling consumers to move effortlessly between products and pages without encountering obstacles or frustrations, retailers can increase the likelihood of consumers choosing their stores over those of their competitors. This underscores the importance of optimising the navigation experience to enhance customer satisfaction and bolster the competitiveness of online retailers. Moreover, online retailers may aim to reduce the number of steps required for customers to complete a purchase. This may involve simplifying the checkout process, reducing unnecessary form fields, and offering guest checkout options. Fewer steps can reduce the risk of cart abandonment. Online retailers may also need monitor website analytics to track user behaviour. Metrics such as bounce rates, time spent on pages, and conversion rates can provide insights into the effectiveness of navigation. This data can be used for data-driven improvements to the navigation of the online retailer's website.

Moreover, the findings of the study show that product information is a salient determinant of online shoppers' online store choice. This means that an online store with detailed and adequate product information is likely to be the destination of choice for online shoppers. This study's results are consistent with earlier research (Ha & Im 2012; Li et al. 2016:476) that has underscored the importance of adequate product information as an important factor in online retailing. To leverage these results, online retailers may need to invest in creating comprehensive and detailed product descriptions for all their items in the online store. This should include specifications, features, dimensions, and any other relevant information that aids shoppers in making informed decisions. Moreover, retailers may consider providing high-quality images and multimedia content for products. Multiple images from different angles, product videos, and 360-degree views can help customers visualise the product better. Online retailers may also consider including tools or features that allow customers to compare products side by side. This helps them assess which product aligns best with their needs.

Furthermore, perceived online security emerges as a significant predictor of online store choice. This finding is in line with the study conducted by Clemons et al. (2016:1140). Their research, along with the present study, underscores the importance of online safety and perceived risk in influencing consumers' online buying behaviour. This finding may be particularly relevant in the context of South Africa's developing economy, where online shopping is still in its early stages of adoption compared to more developed economies. Given the specific concerns and priorities of South African consumers, safety and security considerations hold a high level of importance. Consumers in this context often express fear of fraud and dishonesty, especially when it involves sharing personal or financial information required for online purchases (Rudansky-Kloppers 2017:50). Consequently, consumers who perceive a greater level of safety or a lower level of risk are more likely to have satisfying and positive online shopping experiences (Martin et al. 2015:89). They are also more inclined to choose online stores that prioritise the perception of safety and security, particularly when it comes to safeguarding personal and financial information (Hille, Walsh & Cleveland 2015:14).

To address consumer skepticism and enhance customer acquisition, online retailers in South Africa may consider implementing features such as highly interactive interface designs, trusted third-party security seals, detailed privacy statements, and improved authentication procedures (Celik 2015). These measures can help mitigate concerns, reduce perceived risks, and increase consumer trust in online transactions. Moreover, online retailers should be transparent in communicating their security measures to customers. This can include displaying security badges, privacy policies, and terms of service that emphasise the protection of customer information. Online retailers may also need to encourage customers to provide feedback on their perception of online security during their shopping experience. This feedback can help to identify areas for improvement.

The significant and positive relationship between store choice and satisfaction has critical implications for store managers and owners operating in the competitive South African online shopping landscape. It emphasises the importance of persuading consumers to choose their online store over competitors. Based on the results of this study, several factors contribute to acquiring new customers and fostering satisfaction, including providing adequate product information, ensuring easy navigation, and prioritising the security of consumers' personal and financial information.

Given the abundance of easily accessible online store options, consumers' choice signifies their satisfaction with the decision they have made. Therefore, store managers should focus on delivering an exceptional online shopping experience that meets or exceeds customer

expectations. By doing so, they can increase the likelihood of customer retention and repeat purchases, as highlighted by Blut, Frennea, Mittal and Mothersbaugh (2015:226) as well as Pawlasová and Klézl (2017:250). When the performance of the online store positively influences customers' satisfaction, they are more inclined to return to the same store and make additional purchases (Cho 2015:218).

Recognising the significance of customer loyalty, online store owners should prioritise strategies that encourage repeat purchases. Repeat customers have been found to contribute to increased revenue and reduced costs, making them a valuable asset for sustainable business growth (Wilson, Zeithaml, Bitner & Gremler 2016:67). By consistently delivering a satisfying shopping experience and exceeding customer expectations, online store owners can foster loyalty and establish a solid customer base.

The study has important theoretical implications. By integrating CUT and ECM into the research framework, it offers valuable insights into the influence of various cues, including product information, navigation, and online security, on online store choice, satisfaction, and repurchase intention. This extension of CUT enhances our understanding of consumer behaviour in the context of South African online shopping, making it applicable to this specific market. Furthermore, the study contributes to the limited research available on online consumer behaviour in South Africa. It sheds light on the unique characteristics and considerations of this developing market, particularly the significance of safety and security concerns and the challenges of attracting and retaining customers in a highly competitive landscape. These insights provide a valuable contribution to the existing literature and offer a deeper understanding of the intricacies of online consumer behaviour in the South African context.

6. RECOMMENDATIONS FOR FUTURE RESEARCH

The study followed a cross-sectional design, which limits the extent to which causal inferences can be made on the relationships. Thus, future research should consider longitudinal studies to track the changes in online store choice, satisfaction, and repurchase intention over time. This would enable researchers to capture the dynamics and fluctuations of these variables and assess the long-term effects. Future research could also conduct comparative studies across different emerging countries or regions to compare the results of online shopping behaviours and shed light on cultural and contextual factors influencing online store choice and customer outcomes. Moreover, future research could consider investigating the mediating mechanisms that explain the relationships between online store choice, satisfaction, and repurchase intention. The role of critical variables such as trust, perceived value, or perceived quality could be examined as mediators to provide deeper insights into the underlying mechanism of the influence of store choice satisfaction and repurchase intention.

REFERENCE LIST

- Aghekyan-Simonian, M., Forsythe, S. & Kwon, W.K. 2012. The role of product brand image and online store image on perceived risks and online purchase intentions for apparel. *Journal of Retailing and Customer Services*, 19(3):325-331.
- Akram, S.K. 2018. Drivers and barriers to online shopping in a newly digitalized society. *TEM Journal*, 7(1):118-127.

- Anderson, J.C. & Gerbing, D.W. 1988. Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3):411-423. <https://doi.org/10.1037/0033-2909.103.3.411>
- Belance, D., Casalo, L.V. & Miguel, G. 2012. Website usability, consumer satisfaction and the intention to use a website: The moderating effect of perceived risk. *Journal of Retailing*, 19:124-132.
- Bhattacharjee, A. 2001. Understanding information systems continuance: An expectation-confirmation model. *MIS Quarterly*, 25(3):351-370.
- Bilgihan, A. 2016. Gen Y customer loyalty in online shopping: An integrated model of trust, user experience and branding. *Computers in Human Behavior*, 61(2):103-113.
- Blut, M., Frennea, C.M., Mittal, V. & Mothersbaugh, D.L. 2015. How procedural, financial and relational switching costs affect customer satisfaction, repurchase intentions, and repurchase behaviour: A meta-analysis. *International Journal of Research in Marketing*, 32:226-229.
- Booyesen, J. 2018. *Online shopping grows in South Africa*. Available from <https://www.iol.co.za/business-report/companies/online-shopping-grows-in-sa-15532887>.
- Cao, Y., Ajjan, H. & Hong, P. 2018. Post-purchase shipping and customer service experiences in online shopping and their impact on customer satisfaction: An empirical study with comparison. *Asia Pacific Journal of Marketing and Logistics*, 30(2):400-416.
- Celik, H. 2016. Customer online shopping anxiety within the Unified Theory of Acceptance and Use Technology (UTAUT) framework. *Asia Pacific Journal of Marketing and Logistics*, 28(2). <https://doi.org/10.1108/APJML-05-2015-0077>
- Chen, Y., Yan, X., Fan, W. & Gordon, M. 2015. The joint moderating role of trust propensity and gender on consumers' online shopping behavior. *Computers in Human Behavior*, 43(2):272-283.
- Childers, T.L., Carr, C.L., Peck, J. & Carson, S. (2001). Hedonic and utilitarian motivations for online retail shopping behaviour. *Journal of Retailing*, 77(1):511-535.
- Chinomona, R. & Dubihlela, D. 2014. Does customer satisfaction lead to customer trust, loyalty and repurchase intention of local store brands? The case of Gauteng Province of South Africa. *Mediterranean Journal of Social Sciences*, 5(9):23-32.
- Cho, K. 2015. Creating customer repurchase intention in internet retailing: The effects of multiple service events and product type. *Journal of Retail Consumer Services*, 22(1):213-222.
- Choi, H., Ko, M., Medlin, D. & Chen, C. 2018. The effect of intrinsic and extrinsic quality cues of digital video games on sales: An empirical investigation. *Decision Support Systems*, 106(2):86-96.
- Clemes, M.D., Gan, C. & Zhang, J. 2014. An empirical analysis of online shopping adoption in Beijing, China. *Journal of Retailing and Consumer Services*, 21:364-375.

- Clemons, E., Wilson, J., Matt, C., Hess, T., Ren, F., Jin, F. & Koh, S. 2016. Global differences in online shopping behavior: Understanding factors leading to trust. *Journal of Management Information Systems*, 33(4):1117-1148.
- Cronbach, L. 1951. Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3):297-334.
- Cunningham, N. 2015. *Consumer perceptions of shopping channel attributes and risk factors influencing apparel purchases*. (Master's dissertation). Auckland Park, Johannesburg: University of Johannesburg. Available from <http://hdl.handle.net/10210/14339>.
- eCommercedb. 2023. *eCommerce online share in South Africa*. Available from <https://ecommercedb.com/markets/za/all>. (Date accessed: 8 July 2023).
- Fong, H. 2013. *A study on consumers' attitude towards online shopping on Penang famous fruit pickles*. (Bachelor's project paper) Kuala Lumpur: University of Malaysia. Available from <http://library.oum.edu.my/repository/976/1/library-document-976.pdf>.
- Geetha, V. & Rangarajan, K. 2015. A conceptual framework for perceived risk in consumer online shopping. *Sona Global Management Review*, 10(1):9-22.
- Ha, Y., & Im, H. 2012. Role of web site design quality in satisfaction and word of mouth generation. *Journal of Service Management*, 23(1), 79-96.
- Hair, J., Black, W., Babin, B. & Anderson, R. 2010. *Multivariate data analysis*. 7th edn., London: Pearson.
- Hasan, B. 2016. Perceived irritation in online shopping: The impact of website design characteristics. *Computers in Human Behaviour*, 54:224-230.
- Hille, P., Walsh, G. & Cleveland, M. 2015. Consumer fear of online identity theft: Scale development and validation. *Journal of Interactive Marketing*, 30(1):1-19.
- Huang, C., Yen, S., Lui, C. & Chang, T. 2014. The relationship among brand equity, customer satisfaction, and brand resonance to repurchase intention of cultural and creative industries in Taiwan. *The International Journal of Organizational Innovation*, 6(3):106-129.
- iAfrica. 2023. 2023 Retail Trends. Available from <https://iafrica.com/2023-retail-trends/#:~:text=Although%20the%20use%20of%20online,prefer%20an%20in%20pers on%20experience> Date accessed: 8 July 2023).
- Kamran-Disfani, O., Mantrala, M.K., Izquierdo-Yusta, A. & Martínez-Ruiz, M.P. 2017. The impact of retail store format on the satisfaction-loyalty link: An empirical investigation. *Journal of Business Research*, 77:14-22.
- Kim, J., Jin, B. & Swinney, J.L. 2009. The role of etail quality, e-satisfaction and e-trust in online loyalty development process. *Journal of Retailing and Consumer Services*, 16(4):239-247.

- Kitapci, O., Akdogan, C. & Dortyol, I.T. 2014. The impact of service quality dimensions on patient satisfaction, repurchase intentions and word-of-mouth communication in the public healthcare industry. *Procedia – Social and Behavioral Sciences*, 148(1):161-169.
- Kock, N. & Lynn, G. 2012. Lateral collinearity and misleading results in variance-based SEM: An illustration and recommendations. *Journal of the Association for Information Systems*, 13(7):546-580.
- Kram, M.S. 2018. Drivers and barriers to online shopping in a newly digitalized society. *TEM Journal*, 7(1):118-127.
- Kukar-Kinney, M., & Xia, L. 2017. The effectiveness of number of deals purchased in influencing consumers' response to daily deal promotions: A cue utilization approach. *Journal of Business Research*, 79:189-197.
- Kuo, F. & Wu, C. 2012. Satisfaction and post-purchase intentions with service recovery of online shopping websites: Perspectives on perceived justice and emotions. *International Journal of Information Management*, 32(1):127-138.
- Lee, W., Chang, S. & Shih, Y. 2017. Effects among product attributes, involvement, word-of-mouth, and purchase intention in online shopping. *Asia Pacific Management Review*, 22(1):223-229.
- Lim, Y.S., Heng, P.C., Ng, T.H. & Cheah, C.S. 2016. Customers' online website satisfaction in online apparel purchase: A study of Generation Y in Malaysia. *Asian Pacific Management*, 21(1):74-78.
- Lin, C. & Lekhawipat, W. 2016. How customer expectations become adjusted after purchase. *International Journal of Electronic Commerce*, 20(4):443-469.
- Luo, J., Ba, S. & Zhang, H. 2012. The effectiveness of online shopping characteristics and well-designed websites on satisfaction. *MIS Quarterly*, 36(4):1131-1144.
- Maduku, D.K., & Thusi, P. 2023. Understanding consumers' mobile shopping continuance intention: New perspectives from South Africa. *Journal of Retailing and Consumer Services*, 70:103185.
- Markopoulos, P., Aron, R. & Ungar, L. 2016. Product information websites: Are they good for consumers? *Journal of Management Information Systems*, 33(3):624-651.
- Martin, J., Mortimer, G. & Andrews, L. 2015. Re-examining online customer experience to include purchase frequency and perceived risk. *Journal of Retailing and Consumer Services*, 25(2):81-95.
- Masoud, E.Y. 2013. The effect of perceived risk on online shopping in Jordan. *European Journal of Business Management*, 5(6):76-87.
- Mehrabian, A. & Russell, A. 1974. *An approach to environmental psychology*. Cambridge, MA: MIT Press.

- Melis, K., Campo, K., Breugelmans, E. & Lamey, L. 2015. The impact of the multi-channel retail mix on online store choice: does online experience matter? *Journal of Retailing*, 91(2):272-288.
- Moon, M., Khalid, M., Awan, H., Attiq, S., Rasool, H. & Kiran, M. 2017. Consumers perceptions of website's utilitarian and hedonic attributes and online purchase intentions: A cognitive-affective attitude approach. *Spanish Journal of Marketing*, 21(2):73-88.
- Mordor Intelligence. 2023. *South Africa e-commerce market size and share analysis – Growth trends and forecasts (2023-2028)*. Available from <https://www.mordorintelligence.com/industry-reports/south-africa-ecommerce-market>. (Date accessed: 8 July 2023).
- Oliveira, T., Alinho, M., Rita, P. & Dhillon, G. 2017. Modelling and testing consumer trust dimensions in e-commerce. *Computers in Human Behavior*, 71:153-164.
- Oliver, R.L. 1977. Effect of expectation and disconfirmation on post exposure product evaluations: An alternative interpretation. *Journal of Applied Psychology*, 62(4):480-486.
- Oliver, R.L. 1980. A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17(4):460-469.
- Paul, J., Sankaranarayanan, K.G. & Mekoth, N. 2016. Consumer satisfaction in retail stores: Theory and implications. *International Journal of Consumer Studies*, 40(6):635-642.
- Pavur, R., Abdullah, A. & Murad, W. 2016. Factors influencing web customers' willingness to engage in online shopping with an internet retailer. *Journal of Internet Commerce*, 15(3):292-310.
- Pawlasová, P. & Klézl, V. 2017. Factors affecting generation Y customers' satisfaction with online group-buying purchases in South Korea. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 65(6):2045-2054.
- Pee, L.G., Jiang, J. & Klein, G. 2018. Signalling effect of website usability on repurchase intention. *International Journal of Information Management*, 39:228-241.
- Pham, T. & Mohammed, A. 2017. Antecedents and consequences of online customer satisfaction: A holistic process perspective. *Technological Forecasting & Social Change*, 124(1):332-342.
- Rao, S., Lee, K., Connelly, B. & Iyengar, D. 2018. Return time leniency in online retail: A signaling theory perspective on buying outcomes. *Decision Sciences*, 49(2):275-304.
- Robert, D. & John, R. 1982. Store atmosphere: An environmental psychology approach. *Journal of Retailing*, 58(1):34-57.
- Rudansky-Kloppers, S. 2017. Key factors influencing the online buying decision when purchasing products in specific product categories. *African Journal of Science, Technology, Innovation and Development*, 9(1):43-54.

- Sam, C.Y. & Sharma, C. 2015. An exploration into the factors driving consumers in Singapore towards or away from the adoption of online shopping. *Global Business and Management Research: An International Journal*, 7(1):60-73.
- Seock, Y.K. & Norton, J.T.M. 2008. College students' perceived attributes of internet websites and online shopping. *College Student Journal*, 1(1):186-198.
- Smith, C. 2018. *How ecommerce is exploding in SA*. Available from <https://www.fin24.com/Economy/how-ecommerce-is-exploding-in-sa-20180316>
- Statista. 2018. *Sales of eCommerce worldwide by region 2018*. Available from <https://www.statista.com/statistics/311357/sales-of-e-commerce-worldwide-by-region>.
- Stokes, R. 2017. *eMarketing: The essential guide to marketing in a digital world*. Available from https://www.redandyellow.co.za/content/uploads/2017/11/Red-Yellow-eMarketing-Textbook_Beta.pdf.
- Tandon, U., Kiran, R. & Sah, A. 2017. Analyzing customer satisfaction: Users perspective towards online shopping. *Nankai Business Review International*, 8(3):266-288. Available from <https://doi.org/10.1108/NBRI-04-2016-0012>.
- Trevinal, A.M. & Stenger, T. 2014. Toward a conceptualization of the online shopping experience. *Journal of Retailing and Consumer Services*, 21(3):314-326.
- Unnava, H. & Burnkrant, R. 1991. An imagery-processing view of the role of pictures in print advertisements. *Journal of Marketing Research*, 28(2):226-231.
- Urvashi, T., Ravi, K. & Ash, S. 2017. Analysing customer satisfaction: User's perspective towards online shopping. *Nankai Business Review International*, 8(3):266-288.
- Verkijika, S.F. & De Wet, L. 2018. A usability assessment of e-government websites in sub-Saharan Africa. *International Journal of Information Management*, 39:20-29.
- Wilson, A., Zeithaml, V.A., Bitner, M.J. & Gremler, D.D. 2016. *Services marketing: Integrating customer focus across the firm*. London: McGraw-Hill Education.
- Wu, L., Chen, K., Chen, P. & Cheng, S. 2014. Perceived value, transaction cost, and repurchase-intention in online shopping: A relational exchange perspective. *Journal of Business Research*. 67:2768-2776.

APPENDIX 1: MEASUREMENT ITEMS AND SOURCES

Construct	Items	Source
Product information	I find consistent information about the products while shopping online.	Seock and Norton (2008)
	Retailers' websites provide information and instructions for the products.	
	Retailers' website shows the prices of products on offer.	
	Shopping online provides detailed description of the product.	
Customer service	Information about follow-up services is provided.	Seock and Norton (2008)
	I can get personal sales assistance by e-mail or via phone call.	
	I can return products if I am not happy with them.	
	If I want to return a product I bought online, I will get my money back quickly.	
Online safety	Information I provide is confidential	Uvarshi, Ravi and Ash (2017)
	I believe personal information that I give about myself to the online retailer is kept confidential.	
	I believe my credit card number won't be stolen.	
	Online retailers provide protection for shopping activities on their website	
Navigation	User-friendly retailers' website simplifies online shopping.	Childers, Peck and Carson (2001)
	I can easily trace the path I have followed on the website.	
	I can easily browse the retailers' website.	
	I can conveniently access the retailer's website.	
Online store choice	I prefer the online store of this online retailer for my online shopping.	Developed by the researchers
	I select the online store of this online retailer for my online shopping needs.	
	This online store of this online retailer is my choice	
	I have accepted the online store of the online retailer as my shopping.	
Customer satisfaction	I am satisfied with my decision to shop online	Uvarshi, Ravi and Ash (2017:287)
	I made a wise decision to shop online	
	When I finished my online shopping, I feel like I did the right thing	
	I am satisfied with my overall online shopping experiences	
	Online shopping meets my expectations	
Repurchase intention	I intend to shop more often at this retailer's website in future.	Fong (2013:64); Lin and Lekhaipat (2016:611).
	I intend to continue shopping at this retailer's website.	
	I plan to continue shopping at this retailer's website in future.	
	I expect that my shopping from this online retailer to continue in the future.	

DO CONSUMER PURCHASING EXPECTATIONS LEAD TO e-CUSTOMER SATISFACTION IN EMERGING MARKETS LIKE SOUTH AFRICA?

*Sandra Perks
Danie Ferreira
Tariro Shumba*

ABSTRACT

The increase in online shopping due to the Covid-19 pandemic has brought renewed attention to the topic of e-customer satisfaction. Online shops are now making continuous efforts to understand consumers' purchasing expectations to ensure e-customer satisfaction. Thus, the primary objective of the study is to determine if consumer expectations can predict e-customer satisfaction. The literature review identified service-, product- and effortless shopping expectations as consumer purchasing expectations. The paper adopts the quantitative research approach as the data is numeric in nature and tests statistical relationships between consumer purchasing expectations and e-consumer satisfaction. The sample comprised of South African online shoppers over the age of 18 years. A final sample of 237 consumer respondents was obtained. The results show that South African online consumers relate service expectations to service touchpoint expectations and are more focused on product branding expectations. No statistically significant relationships were found between service touchpoint- product branding- and effortless shopping expectations with e-customer satisfaction. It is recommended that online stores ensure that they have adequate communication touch points, focus on promoting consumer trust by selling branded unique or well-known products and ensure that they make the shopping experience effortless for consumers.

Keywords: customer satisfaction, online shopping, purchasing expectations.

1. INTRODUCTION AND PROBLEM STATEMENT

Due to the rapid rise of online shopping due to Covid-19 lockdown regulations, e-customer satisfaction has become a significant topic for debate in the context of e-commerce (Ilieva, Yankova, Klisarova & Dzhabarova 2022). The growing middle class, greater internet access, and the spread of mobile commerce are driving e-commerce growth in emerging markets such as South Africa (Parmanand 2022). Consumers are mostly drawn to online shopping because of its convenience and time-saving effect (Vasić, Kilibarda & Kaurin 2019). As opposed to buying in traditional brick-and-mortar businesses, consumers can save time and money by shopping online instead of going to physical shops and incurring the cost of parking, transacting and transporting their products home (Klenow 2019). Therefore, consumers may find it increasingly difficult to buy in physical shops owing to changing consumer habits and lack of time. Online shopping solves this problem since consumers can purchase from the comfort of their own homes (Rudansky-Kloppers 2017). Because online purchasing is open to virtually everyone, everywhere, anytime, consumers have access to a far larger number of businesses. Products can be ordered from across the country or from around the world (Klenow 2019; Zhao, Yao, Lui & Yang 2021)

Online shopping provides a range of different brands and products from various sellers from a single site. Consumers may also visit several online shopping websites (Silpa, Rajasree & Balasubramanian 2016). When buying online, it is easier and faster to compare costs, models and options. Consumers have more information and chances to compare products and prices

while buying online (Zhao et al. 2021). Consumers also have the advantage of reading other consumer reviews, either about the online shop or the products. This assists them in making more informed purchase decisions (Silpa et al. 2016). Furthermore, consumers can use search engines and websites designed to guide them to a range of online shopping websites, examine extensive product information from a variety of websites, compare price and quality, and make purchases online (Baluch 2022). When shopping online, consumers can get better deals (Menoe & Barnard 2020). Better prices can be obtained through online shopping since products are sent straight from the manufacturer or seller, eliminating the need for intermediaries (Rahimzadeh & Heydari 2017). Comparing prices on the Internet is easy since price information is more widely available (Wang, Li & Zhang 2021). Also, many online shops provide discount coupons and rebates, lowering prices even further. Furthermore, consumers can be satisfied with the value-added services provided by online shopping platforms such as product introductions and personalised products before purchasing a product, and track the delivery status online (Baluch 2022).

Mofokeng (2021) indicates that customer satisfaction is an important concept in the context of the online shopping environment as it contributes to consumer retention and the long-term growth of online retailers. Khan, Liang and Shahzad (2015) highlight that a satisfied consumer has a greater intention to purchase an online shop's products and services. Tandon, Kiran and Sah (2017) state that customer satisfaction is a critical component in deciding whether to buy a product or service in an online shopping environment. On the one hand, satisfied consumers are likely to increase the usage of a product or service and they spread positive information about the product to others. In this way, customer satisfaction helps to attract and retain consumers (Deyalage & Kulathunga 2020). On the other hand, when consumers are not satisfied with a product or service provided by an online shop, they are likely to stop purchasing from the online store, and they spread negative information to other potential consumers (Deyalage & Kulathunga 2020). This indicates that consumers have certain purchasing expectations when they shop online that can lead to either satisfaction or dissatisfaction. According to Mostaghimi, Akhlagh and Danesh (2016), customers' purchasing expectations influence their satisfaction. Ashfaq, Yun, Waheed, Khan and Farrukh (2019) assert that there is not sufficient literature available on customers' purchasing expectations when shopping online. The aim of this paper is to investigate if customers' purchasing expectations influence e-customer satisfaction in South Africa.

2. OBJECTIVES OF THE STUDY

The primary objective of the study is to determine if consumer expectations can predict e-customer satisfaction. The secondary objectives that support the primary objective are to:

- determine what are online consumers' expectations regarding service quality, product offerings and effortless shopping;
- test whether online consumers' expectations can predict e-customer satisfaction; and
- recommend to marketers which online consumers' expectations to pay attention to and how to satisfy consumers better when buying online.

3. LITERATURE REVIEW

Mulilima (2021) argues that with the onset of the COVID-19 pandemic, more and more consumers have been drawn to doing business online as it presents the benefits of being safe from the deadly virus whilst meeting their needs. Online shopping provides consumers with more options and access to products and services than ever before (Tran & Vu 2019). As a

result of this, several shops have added online channels in order to reach more customers (Ravula 2023). Consumers are more likely to engage in online purchasing if they perceive those online shops offering them some benefits (Lim, Osman, Salahuddin, Romle & Abdullah 2016). Convenience is one of the major benefits sought by consumers (Amoah & Marriott 2021; Skaržauskienė, Baubonienė & Gulevičiūtė 2018). Consumers choose what they shop for when they feel like it and at their own time. This lessens the pressures involved in physically going to the shops (Xu, Duca, Ahmed, Márquez & Hajiyev 2020). Consumers can search for and find information about products online anywhere instead of physically walking from shop to shop which can be time consuming (Kasuma, Kanyan, Khairol, Sa'ait & Panit 2020). Additionally, the convenience of online shopping involves time saving, flexibility, less physical effort, easiness in price and product comparison and better deals in terms of lower prices and promotions (Dewi, Mohaidin & Murshid 2020). Due to the benefits of online shopping, consumers have developed purchasing expectations when shopping online.

3.1. CONSUMER PURCHASING EXPECTATIONS

Consumer purchasing expectations can be measured by the level of service expected, variety of products available and perceived effortless shopping. These consumer purchasing expectations will now be discussed in more detail.

3.1.1. *Service expectations*

When it comes to online purchases, customers have certain service expectations, which contribute to their entire experience and shopping satisfaction (Rita, Oliveira & Farisa 2019). The expectation of electronic service quality includes responsiveness. According to Suleiman, Mat, Adesiyani, Mohammed and Alekam (2012), responsiveness guarantees that users receive prompt service. As a result, it might be defined as a willingness to serve customers and provide prompt service.

Consumers want online stores to respond quickly and to provide valuable assistance with product inquiries (Lionello, Slongo & De Matos 2020). Thus, consumers require efficient service, helpful support and accurate information about the items or services. Zygiaris, Hameed, Alsubaie and Rehman (2022) assert that communication between the online store and the customer is crucial to the quality of service provided. Thus, consumers expect communication or notifications throughout the sale process, shipment and delivery (Dholakia & Zhao 2010).

According to Blut (2016), customer satisfaction can differ between the initial checkout (sale) and after delivery, implying that delivery performance is an important factor in consumers' overall satisfaction. Furthermore, consumers want online stores to provide effective means for returning products, and there should be no additional costs imposed for goods returned and consumers want the option of replacement products (Rita et al. 2019).

Order processing speed is connected to delivery time; customers expect orders to be processed within a day or two (Ravula 2023). Real-time systems provide customers with up-to-date information regarding the progress of their order, this allows consumers to track the parcel from initial purchase until the parcel is ready for delivery (Shbool, Al-Bazi & Al-Hadeethi 2022). In addition, consumers expect online shops to have systems and/or a policy in place to confirm the delivery of a parcel; this process should allow for an easy way for the consumer to report any problems that may occur during the delivery process (Tandon et al. 2021). Ravula

(2023) confirms that customers expect to be notified when their parcel arrives as this leads to e-customer satisfaction.

3.1.2. Product expectations

Product expectations relate to the variety of products, services and experiences that consumers expect online stores to provide. It goes beyond just the physical product and encompasses how it is advertised, sold as well as the total experience that the consumer has with the company (MacKenzie, Meyer & Noble 2013).

Consumers expect access to high quality unique products and the comfort of well-known brands when buying on line (Makudza, Tasara & Muridzi 2021). Katawetawaraks and Wang (2011) indicate that consumers expect that online shops provide them with a greater variety of products and services from which to choose. Product variety pertains to the range of products that can be purchased online (Rudansky-Kloppers & Strydom 2020).

Moreover, consumers are motivated to shop online where they can find all kinds of products with different available features, colours and sizes. If online shops offer variety and more categories to consumers, they stand a better chance of enhancing the e-customer experience. Product mix depth and product mix width drive e-customer satisfaction through covering all aspects of consumer needs (Rudansky-Kloppers & Strydom 2020).

Information about promotions and discounts is much sought after by consumers as they aspire to obtain low-priced products (Khan et al. 2015). Also, online shopping websites need to provide more payment plans and payment methods options for consumers that can suit their preferences (Katawetawaraks & Wang 2011). A study by Wu, Xiong, Yan and Wang (2021) confirms a strong positive association between product offering expectations and e-customer satisfaction.

3.1.3. Effortless shopping expectations

Effortless shopping entails the little effort expended by a consumer to purchase a product (Rudansky-Kloppers & Strydom 2020). When consumers perceive that online shopping is simple and easy to use, they are more likely to be satisfied, leading to exceeding their shopping expectations (Makudza 2020). To enhance consumers' value and shopping benefits, online shopping should have shopping carts that aid in product selection and purchase (Tandon et al. 2021). Typically, most websites use cookies to track consumer product preferences and tailor an easy browsing experience for consumers.

Both locally manufactured and international brands should be easily accessed by consumers to minimise consumer search cost (Wang & Sahin 2018). Where there are special offers such as price cuts, price adjustments and product promotions, an easy-to-use website should have a notification system which notifies consumers (Amrullah, Aziz & Rachman 2019). Even when consumers prefer deferred purchasing, an easy-to-use website should allow consumers to save their purchasing progress, secure their already loaded online carts and allow the resumption of purchase later (Deufel, Kemper & Brettel 2019). Adoption of online shopping is driven by the simplicity of the online shopping system (Makudza et al. 2021) and consumers are more satisfied with simple-to-use online shopping platforms. A study by Rawland and Carnis (2021) confirmed that e-customer satisfaction is augmented through perceived ease of use and perceived benefits of an online shop.

Perceived effortless shopping is also determined by ease of payment. Ease of payment refers to the simplicity with which a payment policy can be understood and the speed with which a payment transaction can be completed (Rudansky-Kloppers & Strydom 2020). Online consumers expect online websites to offer a wide range of payment methods which can include credit and debit cards, electronic transfers, instant electronic fund transfers, mobile payments, cash payments and proprietary payment systems (Goga, Paelo & Nyamwena 2019). A simple and easy-to-use payment system is a critical aspect in enhancing e-customer satisfaction (Sam & Sharma 2015).

3.2. E-CUSTOMER SATISFACTION

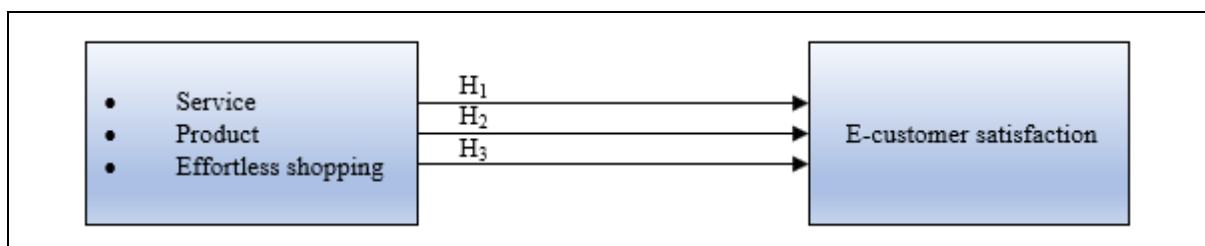
Customer satisfaction can be defined as the number of consumers, or percentage of total consumers, whose reported experience with a business, its products or its services (ratings) exceed specified satisfaction goals (Alsamydai, Yousif & Al Khasawneh 2012). This indicates that satisfaction can be subjectively measured against consumers' perception and expectation of a service. When consumers' satisfaction is owing to online buying, it becomes e-customer satisfaction (Vijay, Prashar & Sahay 2019).

Consumers need after-sales services to guarantee their post-purchase satisfaction. It is for this reason that product guarantees, safe money transfer guarantees and usage warranties are essential for consumer satisfaction (Tarhini, Alalwan, Al-Qirim & Algharabat 2018). Online shopping satisfies consumers if the online shop has a return and replacement policy which allows online or offline returns, or both (Khan et al. 2015). A refund policy is also a key driver locking in consumers and promoting future purchases (Taleizadeh, Rezvan-Beydokhti & Cardenas-Barrón 2018).

If online shops exceed consumers' expectations through offering quality products, variety and more categories to consumers, they stand a better chance of enhancing e-customer satisfaction (Rudansky-Kloppers & Strydom 2020). Makudza, Tasara and Muridzi (2021) note that if consumers' product quality expectations are outweighed by the actual performance of the product, it leads to customer satisfaction. Not only should the product exceed quality expectations, it should also exceed consumers' expectations in terms of delivery time and packaging (Vasić et al. 2020). Online shops should update their websites more often so as to keep only relevant information on the page (Tandon & Kiran 2019).

The hypothesised model presented in Figure 1 was created based on the previous literature discussion.

FIGURE 1: HYPOTHESISED MODEL FOR THE INFLUENCE OF CONSUMERS' PURCHASING EXPECTATIONS ON E-CUSTOMER SATISFACTION



Source: Own construction

Based on the hypothesised model, the following three research hypotheses were formulated:

H₁: Service expectations influence e-customer satisfaction.

H₂: Product expectations influence e-customer satisfaction.

H₃: Effortless shopping expectations influence e-customer satisfaction.

As can be seen from Figure 1, the hypothesised model variables measured three independent variables, namely service-, product- and effortless shopping expectations. Service expectations refer to what consumers expect regarding the online shopping process (Barutçu 2010). Product expectations concern the expectations of consumers about variety, value and quality of products offered (Rudansky-Kloppers & Strydom 2020). Effortless shopping expectations are related to what consumers expect in terms of effort required to purchase a product (Rudansky-Kloppers & Strydom 2020).

4. RESEARCH DESIGN AND METHODOLOGY

This study followed a positivistic research paradigm which can be used according to Saunders, Lewis and Thornhill (2016) to study the cause and effect of relationships through logical reasoning such as the shopping expectations that influence e-customer satisfaction. Alongside this, a quantitative research approach was followed as the data is numeric in nature and the study tests statistical relationships, therefore involves forming deductions based on quantitative data. Both explanatory and descriptive research design typologies were followed. The study is explanatory in nature as it aimed to explain the relationships among the independent variables, consumer purchasing expectation factors and the dependent variable, e-customer satisfaction; and descriptive as the purchasing expectation factors and what comprises e-customer satisfaction will be described.

The population was South African online shopping consumers. The sample comprised online shoppers over the age of 18 years. A final sample of 237 consumer respondents was obtained. The non-probability convenience and snowball sampling methods were used whereby friends and family of the researchers were asked to complete the online survey and they were asked to forward the link to their friends and family. The link of the questionnaire was distributed through various communication and social media channels. A newly structured questionnaire was developed containing 10 statements each related to product-, service- and effortless shopping expectations as well as e-customer satisfaction. The online survey was administered via Google Forms.

Face validity was ensured as the questionnaire was scrutinised by two marketing experts and content validity was ensured as it was based on literature. The questionnaire was further validated by administering it to a pilot study of 30 respondents. Based on the results of the pilot study, adjustments were made to the questionnaire to ensure that all items in the questionnaire were interpreted correctly by the respondents. The data was analysed using descriptive and inferential statistics such as Pearson product moment correlation and multiple regression analysis. Exploratory Factor Analysis was used for data reduction and to ensure construct validity. Cronbach's alpha coefficients were calculated to confirm construct reliability.

5. EMPIRICAL RESULTS

Unlike what consumers regard according to literature as online purchasing expectations determinants (service-, product - and effortless shopping), the online South African consumers in this study only identify three of the ten tested statements per variable as related to their specific expectations. The factor extraction thus required the renaming and re-operationalisation of two of the three variables. Table 1 presents findings of the factor extraction, construct validity and reliability scores for the variables.

TABLE 1: EMPIRICAL FINDINGS OF THE FACTOR EXTRACTION, CONSTRUCT VALIDITY AND RELIABILITY SCORES

Variables	Eigen values	Retained items	Factor loadings range	Cronbach's alpha coefficients
Service touchpoint expectations	2.56	3	0.504 - 0.642	0.737
Product branding expectations	1.15	3	0.608 - 0.668	0.816
Effortless shopping expectations	1.87	3	0.519 - 0.559	0.864
E-service satisfaction	8.15	10	0.711 - 0.959	0.971

Source: Own construction, based on analysis

As can be seen in Table 1, all Eigen values exceed 1. All constructs retained at least three items with all factor loadings above 0.5, confirming construct validity. Reliability of the constructs are confirmed as all Cronbach's alpha coefficients exceed 0.7. Table 2 presents the empirical results of the descriptive statistics. Service expectations were renamed as service touchpoint expectations which can be operationalised as consumers' expectations about communication opportunities that online businesses should provide for them to enable brand engagement (Mocano 2022). Product expectations were renamed as product branding expectations which can be operationalised as consumers' expectations that products sold have a specific design, identity or presence in the market that create familiarity (Hodgson 2023).

TABLE 2: DESCRIPTIVE STATISTICS

Variables	Mean	Standard deviation
Service touch point expectations	3.53	0.99
Product branding expectations	3.78	1.01
Effortless shopping expectations	4.08	1.02
E-customer satisfaction	4.25	1.03

Source: Own construction, based on analysis

All variables had means exceeding 3.5 which tended to the agreement endpoint of the scale. This means that respondents agree that they have certain service touchpoint-, product branding- and effortless shopping online expectations as well as what is required for their e-customer satisfaction.

With regards to service touchpoint expectations, Blackstock (2020) confirms that consumers prefer interactive live support chats over email and social media support. Beneke Greene, Lok and Mallet (2012) point out that consumers like product demonstrations as they eliminate the hassle of having to figure out how to use a product for the first time. According to Masoud (2013), service touchpoint expectations are also about keeping one's social status in the consumer's social group either through product disapproval or encouraging buying via the internet.

With regards to product branding expectations, Naduvilveetil (2020) found that consumers like flash sales and online promotions offered for a limited time. Kelly (2021) notes that consumers will buy online immediately if they know the brand or have had confirmation that it can be trusted. Rudansky-Kloppers (2014) confirms that it is easier for online stores to sell well-known or unique products.

With regards to effortless shopping expectations, Cheung and Lee (2014) confirm that consumers expect to be guided through the shopping process with courteous help-screens and guidance boxes. Wang and Sahin (2018) confirm that recommended products are easier to purchase.

Bhatti, Saad and Gbadebo (2018) found that lack of adequate product information contributes to e-customer dissatisfaction. It was confirmed that online consumers are satisfied when they perceive that there is a reduced risk when purchasing from an online store (Antarama 2019). Online shopping satisfies consumers also if the online shop has a favourable return and replacement policy which allows online or offline returns, or both (Khan et al. 2015). Another issue is whether the online shop has a refund policy as it is a key driver locking in consumers and promoting future purchases (Taleizadeh et al. 2018). In a study by Blackstock (2020), it was found that consumers indicate that they prefer live chats over email and social media support because it is faster, more efficient and convenient than other web communication tools. Consumers need after-sales services to guarantee their post-purchase satisfaction. It is for this reason that product quality guarantees and safe money transfer guarantees are essential for e-consumer satisfaction (Tarhini et al. 2018). Consumers are also more satisfied when their expectations in terms of delivery time are met (Vasić et al. 2020). Table 3 presents the results of the Pearson product moment correlation analysis.

TABLE 3: CORRELATION MATRIX OF VARIABLES

Variables	ES	SE	PE	EE
E-customer satisfaction (ES)	1.000			
Service touchpoint expectations (SE)	0.465	1.000		
Product branding expectations (PE)	0.601	0.586	1.000	
Effortless shopping expectations (EE)	0.748	0.597	0.700	1.000

Source: Own construction, based on analysis

All the independent variables are positively and strongly correlated with each other except for a moderate association between *e-customer satisfaction* and *service touchpoint expectations*. The lowest correlation was between *e-customer satisfaction* and *service touchpoint expectations* ($r=0.465$); whilst the highest correlation was between *e-customer satisfaction* and *effortless shopping expectations* ($r=0.748$).

The moderate association between *e-customer satisfaction* and *service touchpoint expectations* ($r=0.465$) was confirmed by Barutçu (2010) who indicate that service expectations are about how efficiently and effectively the online shop communicates with consumers about their return and replacement processes which can lead to *e-customer satisfaction*. *E-customer satisfaction* had positive strong associations with *product branding expectations* ($r=0.601$) and *effortless shopping expectations* ($r=0.748$). A study by Uka and Köse (2013) confirmed a strong positive association between product brand experience and brand name expectations with *e-customer satisfaction*. Turhan (2014) pointed out that *e-customer satisfaction* occurs because

online consumers relate effortless shopping to quick-and easy shopping excursions using an easily navigable purchasing system.

Service touchpoint expectations reported strong positive correlations with product branding expectations ($r=0.586$) and effortless shopping expectations ($r=0.597$). High associations between product branding and service touchpoint expectations were justified in a study by Ray (2023) who found that if a business creates touchpoint interactions it can shape consumers' perceptions and expectation of a brand and increase brand awareness. A study by Koch and Hartmann (2022) confirmed that consumers expect interactive communication touch points on a website for quick answers to simple questions.

Product branding expectations reported strong and positive correlations with *effortless shopping expectations* ($r=0.700$). Mathur (2019) indicates that consumers expect a business to inform, teach and enrich their knowledge about their brand, product offerings and services to enable them to make better informed online purchasing decisions.

For regression analysis to be carried out, multi-collinearity assumptions must be tested to ensure that independent variables are not too correlated (Saunders et al. 2016). The variance inflated factor values varied between 1.74 and 7.06 which is below the cut-off value of 10 while the tolerance values varied between 0.142 and 0.573 thus above 0.1. Multiple regression analysis could thus be conducted. Table 4 presents the results of the multi linear regression analysis.

TABLE 4: MULTIPLE REGRESSION ANALYSIS RESULTS

Dependent variable: E-customer satisfaction				R ² =0.215	
Independent variable	Beta	t-value	Sig.(p)	H number	Hypothesis
Service touchpoint expectations	-0.084	-1.653	0.099	H ₁	Reject
Product branding expectations	0.013	0.218	0.828	H ₂	Reject
Effortless shopping expectations	0.113	1.140	0.255	H ₃	Reject

$p < 0.05$

Source: Own construction, based on analysis

No statistically significant relationships were found between *service touchpoint*-, *product branding*- and *effortless shopping expectations* with *e-customer satisfaction*. The p-values all exceeded 0.05. Therefore, H₁ H₂ and H₃ were all rejected. This means that *service touchpoint*-, *product branding*- and *effortless shopping expectations* do not influence *e-customer satisfaction*.

Mulilima (2021) confirms the results of this study regarding no relationship between *service expectations* and *e-customer satisfaction* while Barutçu (2010) found a relationship between *service expectations* and *e-customer satisfaction*. Barutçu (2010) regards *service touchpoint expectations* of online consumers as related to the return and replacement-, ordering time process, the response speed to queries and the available real-time consumer services. Tran and Vu (2019) also found a statistically insignificant relationship between service quality and *e-customer satisfaction*. Ginting (2023) confirms that prior user experience rather than service expectations influences favourable *e-customer satisfaction* with mobile banking platforms. This may confirm why there is no relationship between *service touchpoint expectations* and *e-customer satisfaction* as online shoppers highly value service assistance thereby relying on communication during and after the shopping process.

The statistically insignificant relationship between *product branding expectations* and *e-customer satisfaction* was confirmed in a study by Khan et al. (2015) that confirmed that frequent information about promotions and discounts, which are part of *product branding expectations*, are much sought after by consumers; however, it merely promotes immediate purchase but does not predict *e-customer satisfaction*. Gajewska, Zimon, Kaczor and Madzk (2020) argue that product expectations do not influence *e-customer satisfaction* since online consumers place prominence on the online shop's reliability. Related insights were highlighted in a study by Miao, Jalees, Zaman, Khan, Hanif and Javed (2022), where it was established that low price sensitivity and information quality had an influence on *e-customer satisfaction* rather than product expectations. Ayinaddis, Taye and Yirsaw (2023) also emphasise that, instead of *e-customer satisfaction*, product expectations only influence purchase intention. Therefore, this may confirm why no relationship was found between *product branding expectations* and *e-customer satisfaction* as online consumers are more satisfied by the reliability of the online shop, the best deals and prices than product expectations.

The statistically insignificant relationship between *effortless shopping expectations* and *e-customer satisfaction* rather diverged from the findings of the study by Sam and Sharma (2015) who found that a simple and easy-to-use online shopping system is a critical aspect in enhancing *e-customer satisfaction*. Rawland and Carnis (2021) also confirmed that *e-customer satisfaction* is augmented through perceived ease of use of an online shop. However, Kelly (2021) pointed out that online shopping is only more convenient when it is an easy process. However, Suleman and Zuniarti (2019) support the insignificant relationship between *effortless shopping expectations* and *e-customer satisfaction* when related to fashion product shopping in Indonesia which makes it seem that it depends on the type of product that a consumer buys.

6. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Online shopping has become a trend to stay since the Covid-19 pandemic. From the results, it can be concluded that online consumers in emerging markets such as SA relate service expectations only to service touchpoint expectations. Service touchpoint expectations are about access to an interactive chat function for enquiries, product demonstrations showing the use of the product and a product reputation that can give a consumer social status. The empirical results also reveal that online shoppers in emerging markets such as SA do not have expectations about product variety but have product branding expectations in that they want online stores to offer unique products, especially well-known brands and to get frequent promotional offers of them. Online consumers in this emerging market SA study relate effortless shopping expectations only to a well-designed website that allows them to save their favourite products for later purchase and to offer them access to a 24-hour support team that can be always available if they want to make an enquiry. Shopping is also made easier if they can see reviews on the website from family and friends who recommend the store or products so that there is no need to look for additional confirmation on whether the store or products are reputable.

In this study, online emerging market consumers were found to be satisfied with their online shopping experience when the online store satisfies their needs, exceeds their consumer expectations and provides them with up-to-date timely product information on promotion offerings, enables timely refunds, offers favourable refund terms, provides a preferred communication mode choice, as well as meets product quality standards and on time delivery, while allowing for safe money transfers.

Although there are previous studies that hinted at supporting or had contrary findings to this study, these studies did not test all the items in each variable in this study. It thus seems that what is specifically tested for each variable determines whether there is a relationship or not. It may also be that these variables influence purchase intention which is not related to customer satisfaction. Some previous findings may also be because the items tested do not relate to the purchasing process stage but rather to the post purchasing stage. The post-purchase stage for online shopping commences after the order has been placed. When considering the low beta values, it is clear that these variables could hardly predict e-customer satisfaction even if statistically significant relationships were found which may be because SA is still an emerging market and online shopping is not yet as well accepted as in developed countries.

Consumers' expectations about service touch points, product branding and effortless shopping in the SA emerging market thus do not lead to customer satisfaction. E-customer satisfaction thus seems to be only related to how consumers feel after they have purchased the product and not while they are on the purchasing journey. However, the major contribution of this study is about the fact that when consumers shop online, they value service touchpoints, product branding communication and that the website provides for an effortless purchasing experience. It is thus recommended that online stores should pay attention to meeting these specific online consumer expectations. Paying attention to these expectations may lead to e-customer satisfaction after the purchase.

Marketers of online stores should thus pay attention to consumers' service touchpoint expectations in emerging markets such as SA by:

- offering an interactive chat function so that consumers can enquire about issues that they want more information about or are concerned about;
- demonstrating how to use the product so that the consumer can see if the product suits his/her needs; and
- creating a product reputation that consumers will relate to and make them feel that they have a certain social status if they buy it.
- Marketing of online stores should also ensure that they meet consumers' product branding expectations in emerging markets such as SA by:
- selling unique products that consumers regard as sought-after or well-known brands that consumers trust; and
- sending consumers frequent promotional offers to entice them to buy their brands.
- Marketers of online stores should make consumers' shopping journey in emerging markets such as SA effortless by ensuring that they:
- have a well-designed website that allows consumers to save their favourite products to not need to look for it if they want to purchase it at a later stage;
- offer access to a 24-hour support team to respond immediately to enquiries; and
- allow for store or product reviews so that family and friends can recommend the store or products and consumers do not need to look for additional information or confirmation about whether the store or products are reputable.

7. FUTURE RESEARCH AND FINAL CONCLUSION

The findings of this study could be used to develop a hypothesised model for testing in other emerging markets. More items could be developed for the three valid and reliable independent variables - service touchpoint-, product branding- and effortless shopping expectations. This newly developed questionnaire could then again be tested to determine whether the

independent variables influence e-customer satisfaction. To conclude, online consumer expectations are about making the purchasing journey effortless. Creating online communication touchpoints in emerging markets such as SA could make consumers feel at ease when buying from the store or buying the product. Consumers expect online stores to sell unique and well-known brands and they prefer to buy them when they are advertised as a promotional offer. Lastly, consumers in emerging markets like SA want an effortless shopping experience.

REFERENCE LIST

- Alsamydai, M.J., Yousif, R.O. & Al Khasawneh, M.H. 2012. The factors influencing consumers' satisfaction and continuity to deal with e-banking services in Jordan. *Global Journal of Management and Business Research*, 12(14):125-145.
- Amoah, F. & Marriott, A. 2021. Dimensions of online shopping experience and satisfaction: An application of Pine and Gilmore's 4Es. *African Journal of Business and Economic Research*, 16(1):117-137.
- Amrullah, A., Aziz., M. & Rachman, M. 2019. The implementation of pop-up notification on online queue system in health clinic, using website and android platform. *Journal of Telematics and Informatics*, 7(1):140-152.
- Antarama, N.Z. 2019. Analysing customer satisfaction by using SERVQUAL model of five dimensions in the content of e-banking customer satisfaction. *BRAC Business School BRAC University*.
- Ashfaq, M., Yun, J., Waheed, A., Khan, M.S. & Farrukh, M. 2019. Customers' expectation, satisfaction, and repurchase intention of used products online: Empirical evidence from China. *SAGE Open*, 9(2):1-14.
- Ayinaddis, S.G., Taye, B.A. & Yirsaw, B.G. 2023. Examining the effect of electronic banking service quality on customer satisfaction and loyalty: An implication for technological innovation. *Journal of Innovation and Entrepreneurship*, 12(1):113-135.
- Baluch, A. 2022. *The pros and cons of online shopping*. Available from <https://www.thebalancemoney.com/the-pros-and-cons-of-online-shopping-939775>. (Date accessed: 1 August 2022).
- Barutçu, S. 2010. E-customer satisfaction in the e-tailing industry: An empirical survey for Turkish e-customers. *Ege Akademik Bakis*, 10(1):15-35.
- Beneke, J., Greene, A., Lok, I. & Mallett, K. 2012. The influence of perceived risk on purchase intent: The case of premium grocery private label brands in South Africa. *Journal of Product & Brand Management*, 21(1):4-14.
- Bhatti, A., Saad, S. & Gbadebo, S.M. 2018. Convenience risk, product risk, and perceived risk influence on online shopping: Moderating effect of attitude. *International Journal of Business Management*, 3(2):1-11.
- Blackstock, G. 2020. *Organizational Culture and Knowledge Transfer in Enterprise Social Media*. (Unpublished Doctoral dissertation), Nova Southeastern University.

- Blut, M. 2016. E-service quality: Development of a hierarchical model. *Journal of Retailing*, 92(4):500-517.
- Cheung, C.M. & Lee, M.K. 2014. Consumer satisfaction with Internet shopping: A research framework and propositions for future research. *International Conference on Electronic Commerce (ICEC), Xi'an, China*, 15-17 August.
- Deufel, P., Kemper, J. & Brettel, M. 2019. Pay now or pay later: A cross-cultural perspective on online payments. *Journal of Electronic Commerce Research*, 20(3):141-154.
- Dewi, C.K., Mohaidin, Z. & Murshid, M.A. 2020. Determinants of online purchase intention: A PLS-SEM approach: Evidence from Indonesia. *Journal of Asia Business Studies*, 14(3):281-306.
- Deyalage, P.A. & Kulathunga, D. 2020. Exploring key factors for customer satisfaction in online shopping: A systematic literature review. *Vidyodaya Journal of Management*, 6(1):163-190.
- Dholakia, R.R. & M. Zhao. 2010. Effects of online store attributes on customer satisfaction and repurchase intentions. *International Journal of Retail & Distribution Management*, 38(7):482-496
- Gajewska, T., Zimon, D., Kaczor, G. & Madziak, P. 2020. The impact of the level of customer satisfaction on the quality of e-commerce services. *International Journal of Productivity and Performance Management*, 69(4):666-684.
- Ginting, M.A.V. 2023. Effect of e-service quality on e-satisfaction in using mobile banking through user experience at Bank Summit. *In proceedings of 4th International conference of Social and Economic Development – Human Security and Agile Government*, (pp. 85-90).
- Goga, S., Paelo, A. & Nyamwena, J. 2019. *Online retailing in South Africa: An overview*. Available from <https://ssrn.com/abstract=3386008> (Date accessed: 1 February 2022).
- Hodgson, S. 2023. *What is product branding: The ultimate product branding definition*. Available from <https://fabrikbrands.com/what-is-product-branding-ultimate-product-branding-definition/> (Date accessed: 5 July 2023).
- Ilieva, G., Yankova, T., Klisarova, S. & Dzhabarova, Y. 2022. Customer satisfaction in e-commerce during the Covid-19 pandemic. *Systems*, 10(6). <https://doi.org/10.3390/systems10060213>
- Kasuma, J., Kanyan, A., Khairol, M., Sa'ait, N. & Panit, G. 2020. Factors influencing customers' intention for online shopping. *International Journal of Modern Trends in Business Research*, 3(11):31-41.
- Katawetawarak, C. & Wang, C.L. 2011. Online shopper behavior: Influences of online shopping decision. *Asian Journal of Business Research*, 1(2):66-74.
- Kelly, A. 2021. *Retail versus online. The current feelings and expectations of European shoppers*. Available from <https://www.usertesting.com/blog/retail-vs-online-expectations-of-european-shoppers> (Date accessed: 10 March 2022).

- Khan, S.A., Liang, Y. & Shahzad, S. 2015. An empirical study of perceived factors affecting customer satisfaction to re-purchase intention in online stores in China. *Journal of Service Science and Management*, 8:291-305. <http://dx.doi.org/10.4236/jssm.2015.83032>
- Klenow, B.P. 2019. *How valuable is e-commerce?* Available from <https://siepr.stanford.edu/research/publications/how-valuable-e-commerce> (Date accessed: 10 March 2022).
- Koch, C. & Hartmann, M. 2022. Importance of the perceived quality of touchpoints for customer journey analysis: Evidence from the B2B sector. *Electronic Commerce Research*. <https://doi.org/10.1007/s10660-022-09654-5>
- Lim, Y.J., Osman, A., Salahuddin, S.N., Romle, A. & Abdullah, S. 2016. Factors influencing online shopping behaviour: The mediating role of purchase intention. *Procedia Economics and Finance*, 35(1):40-410.
- Lionello, R.L., Slongo, L.A. & De Matos, C.A. 2020. Electronic service quality: A meta-analysis. *Marketing Intelligence and Planning*, 38(5):619-635.
- MacKenzie, I., Meyer, C. & Noble, S. 2013. *How retailers can keep up with consumers*. Available from <https://www.mckinsey.com/industries/retail/our-insights/how-retailers-can-keep-up-with-consumers> (Date accessed: 9 July 2023).
- Makudza, F. 2020. Augmenting customer loyalty through customer experience management in the banking industry. *Journal of Asian Business and Economic Studies*, 27(2):1-13.
- Makudza, F., Tasara, G. & Muridzi, G. 2021. Plummeting consumers' brand switching behaviour through a holistic product strategy in the cola industry. *Business Excellency and Management Journal*, 11(3):103-120.
- Masoud, E.Y. 2013. The effect of perceived risk on online shopping in Jordan. *European Journal of Business and Management*, 5(6):76-88.
- Mathur, V. 2019. *What is brand communication*. Available from <https://www.linkedin.com/pulse/what-brand-communication-vivek-mathur-vk/> (Date accessed: 5 July 2023).
- Menoe, D. & Barnard, B. 2020. Online shopping: Motivation, loyalty and process. *Expert Journal of Marketing*, 8(1):48-72.
- Miao, M., Jalees, T., Zaman, S.I., Khan, S., Hanif, N.U.A. & Javed, M.K. 2022. The influence of e-customer satisfaction, e-trust and perceived value on consumer's repurchase intention in B2C e-commerce segment. *Asia Pacific Journal of Marketing and Logistics*, 34(10):2184-2206.
- Mocano, R. 2022. *25+ customer touchpoints: How to identify them and why are they important*. Available from <https://www.touchpoint.com/blog/customer-touchpoints/>. (Date accessed: 5 July 2023).

- Mofokeng, T.E. 2021. The impact of online shopping attributes on customer satisfaction and loyalty: Moderating effects of e-commerce experience. *Cogent Business & Management*, 8(1):196-206.
- Mostaghimi, M., Akhlagh, E.M. & Danesh, S.H.S. 2016. An investigation of the effects of customer's expectations and perceived quality on customer's loyalty with the mediating role of the perceived value and customer's satisfaction. *Journal of History Culture and Art Research*, 5(4):593-606.
- Mulilima, M. 2021. Adoption of e-business as a reactive strategy to Covid-19. *International Journal of Social and Applied Sciences*, 3(1):89-101.
- Naduvilveetil, A. 2020. *Impact of seasonal promotions on customer satisfaction in e-commerce industry*. (MBA dissertation), Dublin: Dublin Business School.
- Parmanand, N. 2022. *Mobile commerce is helping to boost retail growth across Africa*. Available from <https://www.bizcommunity.com/Article/196/394/226940.html> (Date accessed: 5 July 2023).
- Rahimzadeh, F. & Heydari, M. 2017. A review of ecommerce competitive advantages in international trade. *UCT Journal of Management and Accounting Studies*, 5(4):79-85.
- Ravula, P. 2023. Impact of delivery performance on online review ratings: The role of temporal distance of ratings. *Journal of Marketing Analytics*, 11(1):149-159.
- Rawland, F. & Carnis, M. 2021. The differential effect of electronic marketing on customer satisfaction and purchase intention. *International Journal of Electronic Business and Management*, 2(1):65-74.
- Ray, G. 2023. *Tapping into brand touchpoints*. Available from <https://www.marketingprofs.com/3/george2.asp> (Date accessed: 5 July 2023).
- Rita, P., Oliveira, T. & Farisa, A. 2019. The impact of e-service quality and customer satisfaction on customer behavior in online shopping. *Heliyon*, 5(10):1-14.
- Rudansky-Kloppers, S. & Strydom, J.W. 2020. Target market solutions in South African online businesses: The generational effect. *Journal of African Business*, 22(2):209-234.
- Rudansky-Kloppers, S. 2014. Investigating factors influencing customer online buying satisfaction in Gauteng, South Africa. *International Business & Economics Research Journal*, 13(5):1187-1198.
- Rudansky-Kloppers, S. 2017. Key factors influencing the online buying decision when purchasing products in specific product categories. *African Journal of Science, Technology, Innovation and Development*, 9(1):43-54.
- Sam, C.Y. & Sharma, C. 2015. An exploration into the factors driving consumers in Singapore towards or away from the adoption of online shopping. *Global Business and Management Research: An International Journal*, 7(1):60-73.
- Saunders, M., Lewis, P. & Thornhill, A. 2016. *Research methods for business students*. 7th edn., Harlow, United Kingdom: Pearson Education.

- Shbool, M., Al-Bazi, A. & Al-Hadeethi, A. 2022. *The effect of customer satisfaction on parcel delivery operations using autonomous vehicles: An agent-based simulation study. Heliyon.* <https://doi.org/10.1016/j.heliyon.2022.e09409>
- Silpa, K.S., Rajasree, P.U. & Balasubramanian, P. 2016. A study on peoples' perceptions towards online shopping. *Bonfring International Journal of Industrial Engineering and Management Science*, 6(3):93-95.
- Skaržauskienė, A., Baubonienė, Ž. & Gulevičiūtė, G. 2018. Factors influencing consumers' online shopping decision: Present and future evidence from Lithuania. *ECSM 2018 5th European Conference on Social Media (ECSM)*, Limerick, Ireland: 21-22 June.
- Suleiman, G., Mat, N.K.N., Adesiyun, O.I., Mohammed, A. & Alekam, J. 2012. Customer loyalty in e-banking: A structural equation modelling (SEM) approach. *American Journal of Economics*, 2(4):55-59.
- Suleman, D. & Zuniarti, I. 2019. Consumer decisions toward fashion product shopping in Indonesia: The effects of attitude, perception of ease of use, usefulness, and trust. *Management Dynamics in the Knowledge Economy*, 7(2):133-146.
- Taleizadeh, A., Rezvan-Beydokhti, S. & Cárdenas-Barrón, L. 2018. Joint determination of the optimal selling price, refund policy and quality level for complementary products in online purchasing. *European Journal of Industrial Engineering*, 12(3):332-363.
- Tandon, U. & Kiran, R. 2019. Factors impacting customer satisfaction: An empirical investigation into online shopping in India. *Journal of Information Technology Case and Application Research*, 21(1):13-34.
- Tandon, U., Kiran, R. & Sah, A. 2017. Analyzing customer satisfaction: Users' perspective towards online shopping. *Nankai Business Review International*, 8(3):266-288.
- Tarhini, A., Alalwan, A.A., Al-Qirim, N. & Algharabat, R. 2018. An analysis of the factors influencing the adoption of online shopping. *International Journal of Technology Diffusion*, 9(3):68-87.
- Tran, V.D. & Vu, Q.H. 2019. Inspecting the relationship among e-service quality, e-trust, e-customer satisfaction and behavioral intentions of online shopping customers. *Global Business & Finance Review*, 24(3):29-42.
- Turhan, G. 2014. Building store satisfaction centred on customer retention in clothing retailing. *International Journal of Research in Business and Social Science*, 3(1):89-105.
- Uka, S. & Köse, B.C. 2013. Experience with brand name and customer satisfaction. *Journal of Hospitality and Tourism*, 1(1):10-21.
- Vasić, N., Kilibarda, M. & Kaurin, T. 2019. The influence of online shopping determinants on customer satisfaction in the Serbian market. *Journal of Theoretical and Applied Electronic Commerce Research*, 14(2):70-89.
- Vijay, S., Prashar, S. & Sahay, V. 2019. The influence of online shopping values and web atmospheric cues on e-loyalty: Mediating role of e-satisfaction. *Journal of Theoretical and Applied Electronic Commerce Research*, 14(1):1-15.

- Wang, R. & Sahin, O. 2018. The impact of consumer search cost on assortment planning and pricing. *Management Science*, 64(8):3649-3666.
- Wang, W., Li, F. & Zhang, Y. 2021. Price discount and price dispersion in online market: Do more firms still lead to more competition? *Journal of Theoretical and Applied Electronic Commerce Research*, 16(2). <http://dx.doi.org/10.4067/S0718-18762021000200110>
- Wu, X., Xiong, J., Yan, J. & Wang, Y. 2021. Perceived quality of traceability information and its effect on purchase intention towards organic food. *Journal of Marketing Management*, 37(13):1-20.
- Xu, J., Duca, G., Ahmed, S.E., Márquez, F.P.G. & Hajiyevev, A. 2020. Advances in intelligent systems and computing. *Proceedings of the 14th International Conference on Management Science and Engineering Management*. Cham, Switzerland: Springer Nature.
- Zhao, H., Yao, X., Lui, Z. & Yang, Q. 2021. Impact of pricing and product information on consumer buying behavior with customer satisfaction in a mediating role. *Frontiers in Psychology*, 12:1-11. <https://doi.org/10.3389/fpsyg.2021.720151>
- Zygiaris, S., Hameed, Z., Alsubaie, M.A. & Rehman, S.U. 2022. Service quality and customer satisfaction in the post pandemic world: A study of Saudi auto care industry. *Frontiers in Psychology*, 13:1-9. <https://doi.org/10.3389/fpsyg.2022.842141>

ENHANCING CUSTOMER SATISFACTION, RECOMMENDATION AND REVISITING OF DESTINATIONS OF SOUTH AFRICAN INBOUND TOURISTS

Gabriel Twumasi

Janine Krüger

Felix Amoah

ABSTRACT

Global tourism is vital to economies as a growing source of income. It is therefore important to identify how inbound tourism experience factors influence destination patronage. This study aims to investigate the influence of selected variables on customer satisfaction and recommending and revisiting destinations in South Africa. In addition, the study also assesses how customer satisfaction influences destination recommendations and the likelihood of a return visit. The quantitative research methodology within the positivistic paradigm following an explanatory and descriptive design typology was adopted in this research. The target population was international tourists who visited South Africa between 2018 and early 2020 prior to the closing of the South African borders while the sample involved international tourist older than 18 years. Non-probability convenience sampling was implemented to collect data from 319 international tourists. A self-administered measuring instrument comprising of two sections was distributed using the Pollfish and QuestionPro web-based survey platforms to collect data. Based on the data analysis, it is evident that the marketing efforts of tourism business and stakeholders should be on highlighting the variables under investigation as significant positive relationships were found between all the variables.

Keywords/phrases: customer satisfaction, destination, recommendation and revisiting, tourist experience.

1. INTRODUCTION

The tourism industry is one of the important industries in South Africa because it provides employment and revenue that serves to provide economic growth. Hence, the ability of tourism businesses to provide and maintain relationships with partners across the world has become a prerequisite for customer satisfaction, customer retention and recommending and revisiting of South Africa. According to Ramukumba and Ferreira (2015:1), tourism is seen as one of the key drivers in the South African economy. While travel and tourism's growth is very important to continue job creation and growth of South Africa's GDP, ensuring that the sector's growth is a priority to government. It is conservatively estimated that travel and tourism job losses are projected at 121.1 million for 2020 due to the uncertainty of the sector. The direct and indirect employment opportunities within the tourism industry include employment by hotels, travel agents, airlines and other transport services (excluding commuter services). Therefore, the tourist experience, which is described as the subjective mental state participants feel (Mendes, Valle, Guerreiro & Silva 2010:112), is created through the various social interactions with the employees in the direct and indirect jobs. Hsu, King, Wang and Buhalis (2016:417) are of the opinion that economic value has shifted away from products towards experiences that involve uniqueness and luxuriousness. It is therefore important that tourism managers should create stories that link tourists and enhance their satisfaction within the journey (Hsu et al. 2016:417). Various studies, such as Getz and Page (2016:593), Hamilton, Tee and Prideaux (2015:197) as well as Han and Hyun (2015:20), highlighted that, although values and perceptions of inbound tourists have been studied extensively, further research is still required. One of the areas of

further research is for tourist destinations to identify how tourists perceive their experiences and satisfaction as this can lead to their recommendation of the destination to other potential tourists. Therefore, the study focuses on the influence of selected tourist experience factors on customer satisfaction, recommendation and revisiting of decisions amongst South African inbound tourists.

2. PROBLEM STATEMENT

Travel and tourism activities are affected by unpredicted events around the world. In the tourism industry, unpredicted events around the world have influence on travel and tourism activities. Despite many countries' achievements in foreign travel and tourism over the last decade, unforeseeable catastrophes such as coronavirus pandemic has significantly harmed inbound tourism (Choi & Kim 2021:1). The tourism industry should understand that there are several factors that affect international tourism in South Africa (Twumasi, Krüger, Amoah 2019:190) and that the tourism industry needs to plan and manage these factors responsibly. Elmo, Arcese, Valeri, Poponi and Pacchera (2020:3) indicate that tourism businesses main aim is to remain competitive and at the same time adapt to constantly changing environment of the tourism destinations. From the perspective of destination, Chen, Cheng and Kim (2020:1) found that the level of tourist experience has direct influence on customer satisfaction and recommending and revisiting of destination. With a variety of empirical results of factors influencing inbound tourist experience and customer satisfaction and recommending and revisiting of destination, it can be argued that the business will aim for different objectives but will encounter different conflict. Despite tourist having various reasons for visiting a destination, it is important for the tourists to ascertain all the accurate and necessary information in a less burdensome manner when visiting South Africa. Consequently, tourism businesses inability to identify various factors influencing inbound tourist experience in South Africa may experience a decrease in number of tourist satisfaction which requires the industry to better understand and mitigate them. Previous research shed light that tourist satisfaction is influenced by tourist experience, but research on the relationships between the tourist experience factors, namely quality of accommodation, tidiness of attractions, ancillary services, safety of destination, convenience retention, quality of attractions and transportation, and customer satisfaction as well as recommending and revisiting of destination in South Africa context has not yet been concluded. Therefore, this study aims to answer the following question:

How can the inbound tourist factors (quality of accommodation, tidiness of attractions, ancillary services, safety of destination, convenience retention, quality of attractions and transportation) be used to enhance customer satisfaction and recommending and revisiting of destination?

3. RESEARCH OBJECTIVES

The purpose of this study is to determine the factors that influence inbound international tourists experience in South Africa and how these factors influence both customer satisfaction and recommendation and revisiting of destinations while also investigating the influence of customer satisfaction on recommendation and revisiting of destinations. Therefore, the following objectives are postulated:

- To undertake a theoretical investigation into the influence of inbound tourist experience factors on both customer satisfaction, and recommending and revisiting the destination

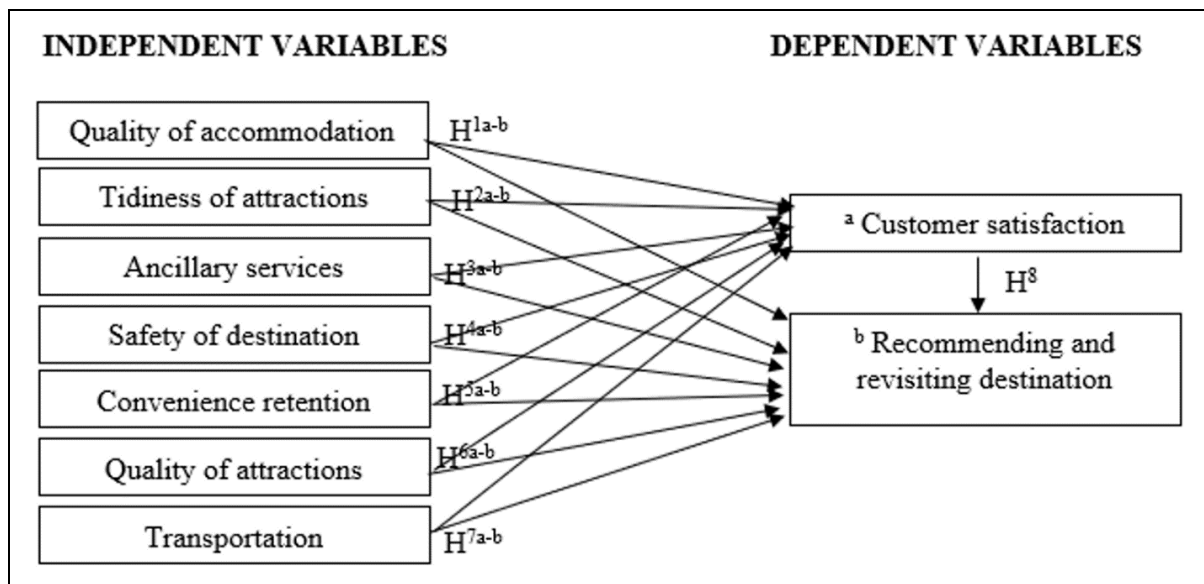
as well as the influence of customer satisfaction on recommending and revisiting the destination.

- To develop a hypothesised model of the influence of inbound tourist experience factors on both customer satisfaction, and recommending and revisiting the destination.
- To empirically test, using an appropriate research methodology and adopting a self-developed measuring instrument, the influence of the selected inbound tourist experience factors on customer satisfaction, and recommending and revisiting the destination, as well as the influence of customer satisfaction on recommending and revisiting the destination.
- To provide recommendations to tourism businesses and stakeholders on what their marketing should focus on when considering the product, services and destinations based on the factors identified in the study.

4. LITERATURE REVIEW AND HYPOTHESES

Based on the existing literature on travel and tourism, several factors influencing inbound tourist experience have been identified (Twumasi et al. 2019:190) which ultimately influence not only customer satisfaction but also recommending and revisiting destination. These inbound tourist experience factors include quality of accommodation, tidiness of attraction, ancillary services, safety of destination, convenience retention, quality of attractions and transportation. The hypothesised relationships and proposed hypothesised model are depicted in Figure 1.

FIGURE 1: HYPOTHESED MODEL OF FACTORS INFLUENCING INBOUND TOURIST EXPERIENCE IN SOUTH AFRICA



Source: Own construction

4.1. CUSTOMER SATISFACTION, AND RECOMMENDING AND REVISITING OF DESTINATION

As illustrated in Figure 1, the dependent variables of this study are *customer satisfaction* and *recommending and revisiting of destination*. Moon and Han (2019:43) suggest that tourists only perceive their satisfaction and become loyal of revisiting of destination when they feel that they have experience positive quality services greater than the money paid. Pai, Liu, Kang

and Dai (2020:6) state that inbound tourist perceives their trip to a destination as successful when they receive some form of travel experience satisfaction. Travel experience satisfaction is defined as the tourists' overall assessment of product, services and destination based on the expectation and what was delivered (Pai et al. 2020:6).

Customer satisfaction refers to the evaluation tourists make after chosen tourism product, goods, services or destination (Albattat, Yajid & Khatibi 2019:2293). Satisfaction has always been considered essential for tourism businesses survival and profitability (Suhartanto, Dean, Chen & Kusdibyo 2020:367). Satisfaction occurs when tourist destinations offer good and affordable communication coverage system, easy to reach destination and lower cost of admission to tourism activities (Nasir, Mohamad, Ghani & Afthanorhan 2020:446). Tourism basics includes leisure, entertainment, cultural events, theme parks, fun pools museums, sports events organised in tourism destinations that its affordability makes tourist satisfied. If customers are satisfied with the tourism products and services, they will be more likely to recommend and share the value experienced in the product and services. Lu et al. (2020:217) pointed out that tourist satisfaction is one of the attributes that influence the tourist recommending and revisiting of destination. According to Del Río, Agüera, Cuadra and Morales (2017:104), when destination is competitive, inbound tourists' satisfaction will be higher, therefore this can help to increase the number of visitors to the destination. For instance, if tourists' is seeking an accommodation in the course of his/her travelling duration and found more tourists patronize the destination, this will help define the safeness of the destination. Previous research has clearly shown the important effect of customer satisfaction on recommending and revisiting of destination and repeat purchases of products (Nasir et al. 2020:446; Ratnasari, Gunawan, Septiarini, Rusmita & Kirana 2020:475; Suhartanto et al. 2020:367). It is thus important for businesses to practice, monitor and alter customer satisfaction to remain competitive in the crowded market. Therefore, *customer satisfaction* is defined as the tourists' feeling of liking or displeasure of tourism product and services as results consumption expectation.

Recommending and revisiting of destination is a post-visit behaviour that often of significant individual value of satisfaction and experience encountered by the customer (Eid, El-Kassrawy & Agag 2019:846). Tourism destination success depends on tourists support and recommendation via various platforms. Tourist satisfaction is associated to engage in a positive word-of-mouth communication to family, friends and other colleagues. Overseas tourists' recommending and revisiting of destination can help tourism businesses increase their revenue. Therefore, *recommending and revisiting of destination* refers to the tourists' intention to recommend and revisit a destination, product or service to others such as colleagues, relatives and friends, and also to repeat the experience at some future point in time. As a second dependant variable, the following hypothesis is presented:

H₈: There is a significant relationship between customer satisfaction and recommending and revisiting of destination.

4.2. FACTORS INFLUENCING INBOUND TOURIST EXPERIENCE

Figure 1 illustrates the factors that potentially influence customers' satisfaction and recommending and revisiting of destination as identified from the literature and previous empirical studies. A discussion of these factors, namely, *quality of accommodation, tidiness of attraction and ancillary services, safety of destination, convenience retention, quality of attractions, transportation, customer satisfaction and recommending and revisiting of*

destination will follow. The theoretical support for each of these hypothesised relationships between these independent variables and dependent variables will be discussed.

4.2.1. *Quality of accommodation*

Accommodation is among the most important attributes tourists need at a destination and that quality of the product or services consume could highlight tourists experience (Shah & Trupp 2020:244). Chin, Law, Lo and Ramayah (2018:117) define *accommodation* as the possible places such as hotels, bed and breakfast (B&B), travel inns, holiday rentals and apartment that provide sleeping facilities to tourist. According to Chin et al. (2018:117), accommodation is one of the key services tourists consider when making a decision to travel to a destination. Nikjoo, Seyfi and Hatamifar (2020:460) agree that accommodation is important part of tourists' stay in a destination. Tourists use accommodation in their destinations and spending on accommodation represents the most significant tourist expenditure (Nikjoo et al. 2020:460). The presence of quality hotels, B&B, resorts, motels, lodges, guesthouses are provided to support overnight stay in destinations. Tourists choose these accommodations upon the assessment of quality for services provided, which will provide satisfaction and experience. Furthermore, the quality of accommodation is important as tourists will not use accommodation where they perceive the quality to be substandard. Therefore, the tourism destination should ensure that quality of products and services consume, produces a satisfied experience with the intent to recommend and revisit. For the purpose of this study, *quality of accommodation* is described as well-maintained accommodation (such as hotels, B&Bs, motels, camping and caravans, lodges and inns) that provides efficient booking and payment services, clean and safe overnight facilities at affordable/reasonable prices to tourists. Based on the discussions presented, the following hypothesis was formulated:

H_{1a}: There is a significant relationship between *quality of accommodation* and *customer satisfaction*.

H_{1b}: There is a significant relationship between *quality of accommodation* and *recommending and revisiting of destination*.

4.2.2. *Tidiness of attractions*

Tourists', when travelling to a destination consider specific human or natural features, which influence their satisfaction of the environment (Bhati & Pearce 2017:15). Destination managers should ensure that customers are confident about the tidiness of attractions they experience as it has an impact on tourist' decision-making behaviour (Dean, Suhartanto & Kusdibyo 2019:1). Several studies have clearly shown the important effect of tidiness of attractions on tourists' choice of destination (Bagheri, Moharrer, Bagheri & Zadeh 2018:419; Lu & Wu 2019:126; Sonchaem, Phudiththanawong, Hutacharoen & Hinjiranana 2017:3). A study by Peng-Cheng Pete and Xin-Yue (2019:891) also established that tidiness of attractions has a significant relationship with tourist experience. The untidiness of a destination is one of the major barriers to select a destination (Deichmann & Murphy 2018:259). From, international tourism perspective, offering tidy and attractive destinations is thus critical to international tourists. An international tourists' perception regarding tidiness of destinations attractions has a positive influence on the customers' satisfaction and recommending and revisiting intention (Han, Al-Ansi, Olya & Kim 2019:153). For the purpose of this study, *tidiness of attractions* refers to the degree to which the overall cleanliness of the environment, unpolluted natural scenes, cleanliness of buildings and destinations, unspoiled and diverse fauna and flora species that influence tourist choice of destination. Therefore, the influence of tidiness of attractions on

inbound tourists' experience of South Africa is investigated in this study by empirically testing the following hypothesis:

H_{2a}: There is a significant relationship between *tidiness of attractions* and *customer satisfaction*.

H_{2b}: There is a significant relationship between *tidiness of attractions* and *recommending and revisiting of destination*.

4.2.3. Ancillary services

In international tourism destination choice, tourists, when making decision to travel to a destination need to gain much information about ancillary services as it provides quality experience. According to Rautanen (2013:9), ancillary services refer to the daily use support services that customers are confident with when travelling to a destination such as banks, hospitals and postal services. Ancillary services offered by destinations are important features that assist tourist in their travel activities. Ancillary services are those daily use of air, road, rail transport, pharmacies, banks, postal service provided in destinations (Muthuraman & Al Haziazi 2019:338). Ancillary services refer to all the tourism services that a tourist encounters to influence his or her satisfaction and enjoyability of their travel to a destination (Ferreira & Perks 2020:7). Camilleri (2021:7) averred that tourism would not exist to the extent that it does today if tourists are not able to travel from one destination to another, in a quick and efficient manner. Thus, ancillary services can be classified as the facilitator of the movement of people, product and services to destinations. This means that ancillary services are crucial part of tourism services (Ferreira & Perks 2020:7). Travellers are likely to experience some illness while travelling to their tourism destination (Ferreira & Perks 2020:6). Therefore, medical facilities are essential in tourism destinations to treat travellers who might experience any form of sickness. Rifki, Rahmafritria and Sugito (2019:123) conducted a study regarding the qualification for tourism destination. Considering ancillary services, the study indicated that since tourist travel several days to a destination, easy access to ancillary services such as ATM, restaurants will enhance their satisfaction. The quality of ancillary services available to be used determines how ready a place is to accommodate international tourists (Rifki et al. 2019:124). Inbound tourists' satisfaction on products and services they purchase in a destination is of important for the competition among destinations. According to Del Río et al. (2017:104), when destination is competitive, inbound tourists' satisfaction will be higher, therefore this can help to increase the number of visitors to the destination. For the purpose of this study, *ancillary services* refer to the cinemas, theatres, shopping malls, banks, business centres, hospitals and interpreters of languages who make the tourist's journey memorable through the experience they encounter.

H_{3a}: There is a significant relationship between *ancillary services* and *customer satisfaction*.

H_{3b}: There is a significant relationship between *ancillary services* and *recommending and revisiting of destination*.

4.2.4. Safety of destinations

Tourists travel to destinations where they feel their safety and security is of quality and with intention of experiencing low risk and uncertainties (Țuclea, Vrânceanu & Năstase 2020:2). Safety of destinations is paramount to overseas travelers as their safety and security during their entire visit at their destinations leads to positive memorable experiences (Kim 2014:38;

Oosthuizen & Ferreira 2019:5; Vodeb & Nemex Rudež 2017:268). Tourists gather information about accommodation, entertainment facilities, shopping malls, banking facilities and services, beaches, botanical gardens and the friendliness of local people. The ability of local people readiness to share information with tourist in the destination influence their satisfaction and experience. It is expected that tourist visits destinations to meet local people, thus centers where visitors can obtain useful information is important. In a competitive market such as tourism, the provision of safety to visitors during their visits and after is crucial in helping them in recommending and revisiting destinations. Therefore, *safety of destination* information distribution among tourism stakeholders on destinations will improve the quality of tourists' experience.

H_{4a}: There is a significant relationship between *safety of destination* and *customer satisfaction*.

H_{4b}: There is a significant relationship between *safety of destination* and *recommending and revisiting of destination*.

4.2.5. Convenience retention

Customer retention has become a significant way to maintain tourist inflow to a destination, convenience retention has become the best way to achieve customer retention. According to Chen, Chang, Chen and Chen (2019:4), convenience retention is the effort and time afforded to customers during their purchasing transactions in connection with payment. However, convenience refers to the sacrifice or stress perceived by the customer visiting a destination (Baena-Arroyo, García-Fernández, Gálvez-Ruiz & Grimaldi-Puyana 2020:4). Dewan and Kim (2020:175) describe convenience as the ease of obtaining tourism products, goods and services. For instance, the ability to purchase ticket, book a flight, access destinations and accommodation information easily. Convenience is viewed as an essential benefit for travel and tourism customers, in turn being the predictor for customer satisfaction (Cheng, Gaur & Rahim 2020:80). Cheng et al. (2020:80) indicate that customers access convenience involves the perception of effort, time, easy access to wide range of products and services and easy access to websites. Palacios and Jun (2020:27) measured convenience shopping in terms of customer satisfaction and found out that shopping convenience has five dimensions such as decision, access, transaction, benefit and post benefit. Kumar, Sachan and Dutta (2020:471) highlight that travel convenience can make it more convenient and efficient for tourism businesses in communicating with customers at lower cost and on time. Thus, travel convenience makes the consumption of tourism products and services easy to access, comfortable to use them and reduction of cost and time. Hence, convenience retention is beneficial for the tourism businesses to play the role of providing better products and services that will enhance tourist experience and boost businesses profitability (Hanaysha 2017:2). Fernandes and Pinto (2019:34) suggest that convenience retention has significant relationship with customer experience. One year on, travel and tourism activities remain volatile and unpredictable in all tourism destinations. Therefore, Customer retention is very imperative to the travel and tourism industry. Therefore, *convenience retention* refers to the factors that motivate customers to purchase products and services and save time, offer superior value and frequent access required by customers. Consequently, the following relationships are hypothesised:

H_{5a}: There is a significant relationship between *convenience retention* and *customer satisfaction*.

H_{5b}: There is a significant relationship between *convenience retention and recommending and revisiting of destination*.

4.2.6. *Quality of attractions*

Quality of attractions refers to the degree to which individuals enjoys the natural and artificial environment which draws visitors to a destination (Haneef, Ansari & Bhavani 2019:269). Tourist attractions have become an important component when tourists are making decisions regarding destinations. Biswas, Omar and Rashid-Radha (2020:1203) describe quality of attractions as anything that appeals to tourist to visit a destination due to satisfaction of the attractions. Haneef et al. (2019:268) emphasised that tourist attractions comprise places of interest, which tourists visit due to its natural, cultural, access, accommodation, activities and amenities. Several studies have reported that quality of attractions influences customer satisfaction (Lemon & Verhoef 2016:72; Leo, Brien, Astor, Najib, Novianti, Rafdinal & Suhartanto 2020:5; Ratnasari et al. 2020:475). The tourism literature has also stressed the importance of quality of attractions forming the most crucial component of tourism destination. It is thus important to investigate to which quality of attractions can influence customer satisfaction and recommending and revisiting of destination. Based on the above it is hypothesised that:

H_{6a}: There is a significant relationship between *quality of attractions* and *customer satisfaction*.

H_{6b}: There is a significant relationship between *quality of attractions* and *recommending and revisiting of destination*.

4.2.7. *Transportation*

Transportation refers to the movement of people, goods and service through the mode of air, sea or land (Wambui 2018:18). Ferreira and Perks (2020:5) indicated that transportation and tourism are indistinguishable due to the facilitation of movement of people, product and services in the tourism industry. Transportation is considered as the lifeblood of the tourism industry which facilitates inter-regional flow of people, goods and services (Virkar & Mallya 2018:72). Tourists have found to give much importance to their mode of transportation. Virkar and Mallya (2018:72) found that transportation system influence tourist satisfaction. Transport is responsible for providing easy access from one destination to another and its quality influences customer satisfaction (Loi, So, Lo & Fong 2017:116). Transportation is important in tourism development and is an important factor that facilitates the movement of people globally (Wambui 2020:19). Several studies reveal that transportation is responsible for tourist travel punctuality and safety (Loi et al. 2017:116). Therefore, *transportation* is regarded as a means of bringing tourists to their destination of choice and experience encountered during the journey influence perceived customer satisfaction and recommending and revisiting of destination. Based on the discussions presented above, formed the basis for the following hypothesis:

H_{7a}: There is a significant relationship between *transportation* and *customer satisfaction*.

H_{7b}: There is a significant relationship between *transportation* and *recommending and revisiting of destination*.

5. RESEARCH METHODOLOGY

The following sub-sections discuss the study's research design, participants, measuring instrument and the statistical analysis conducted.

5.1. RESEARCH DESIGN

The quantitative research methodology within the positivistic paradigm following an explanatory and descriptive design typology was adopted in this research (Bryman & Bell 2015:537; Zikmund, Babin, Carr & Griffin 2013:134). The target population was international tourists who visited South Africa between 2018 and early 2020 prior to the closing of the South African borders while the sample is the target population older than 18 years. Non-probability convenience sampling (Leedy & Ormrod 2013:214; Leiner 2017:371) was implemented to collect data from 320 international tourists. A sample size of 320 respondents was deemed appropriate as guided by Nemati and Barko (2004:197), Sprengle and Percy (2005:396) as well as Swanson and Holton (2005:129).

5.2. MEASURING INSTRUMENT

It should be noted that this study is part of a larger study which included 12 independent variables, one mediating variable and three dependent variables. However, this study will only address seven independent variables and two dependent variables. A self-administered measuring instrument comprising of two sections was used. Section A of the questionnaire gathered information relating to the selected variables (*quality of accommodation, tidiness of attractions, ancillary services, safety of destination, convenience retention, quality of attractions, transportation*) influencing *customer satisfaction* and *recommending and revisiting destination* of inbound international tourists in South Africa. The items were adapted from previously validated scales and reported Cronbach alphas of at least 0.70 (items obtained from Aigbavboa 2013:584; Albattat et al. 2019:2301; Du Plessis, Saayman & Van der Merwe 2015:8; Klaus & Maklan 2013:241; Makuzva 2018:133; Manuga 2017:167; Muir 2016:129; Manuga 2017:167; Qiao, Peng, Pridaeaux & Qiao 2019:6; Viljoen 2014:153; Wen & Huang 2019:815). Section B, comprising of nine items, gathered the demographical data of respondents. Sections A, comprising of 119 items, made use of an ordinal five-point Likert-type scale ranging from 'strongly disagree' (1) to 'strongly agree' (5). A cover letter accompanied the questionnaire explaining the purpose of the study as well as the rights of the respondents (anonymity, confidentiality, voluntary participation, withdrawal from participating in the study). The necessary ethics clearance was obtained prior to data collection. After conducting a pilot study, the necessary adjustments were made to the measuring instrument prior to conducting the main data collection. The Pollfish and QuestionPro web-based survey platforms were used to recruit respondents. The web-based survey platforms identify possible respondents on their global platform based on the criteria set by the researcher. Potential respondents were included in the pool of respondents only if they confirmed their interest to be part of the study and if they fit the target criteria.

5.3. STATISTICAL ANALYSIS

The collected data is extracted from the platforms used for data collection in Microsoft Excel. After data cleaning the data was analysed using the Statistics software package. The study's data analysis comprised of calculating descriptive statistics to describe the respondents' characteristics using frequencies and means, and the variables under investigation using means and standard deviations (Mishra et al. 2019:67). Construct validity was tested by conducting

an exploratory factor analysis (EFA) (Pallant 2013:179). Items with factor loadings of at least 0.35 were considered as valid (Hair, Black, Babin & Anderson 2014:115). In order to ensure reliability of the measuring instrument, Cronbach's alphas were calculated and coefficients of at least 0.7 was regarded as reliable (Creswell et al. 2016:239). Pearson product moment correlations were calculated to determine whether associations exist between the variables (Wiid & Diggins 2013:282). SEM is used to test the interrelationship between multiple (dependent, mediating and independent variables (Hair et al. 2014:542). In this study, SEM is used to determine whether the inbound tourist experience factors (*quality of accommodation, tidiness of attractions, ancillary services, safety of destination, convenience retention, quality of attractions, transportation*) influence *customer satisfaction and recommending and revisiting of destination* (Hallgren, McCabe, King & Atkins 2019:74).

6. EMPIRICAL RESULTS

The empirical results of the study are summarised through the sample description, validity and reliability results, descriptive statistics as well as inferential statistics on the relationships between variables. To conclude the discussion, the decisions regarding the acceptance of the hypotheses are provided.

6.1. DESCRIPTIVE STATISTICS OF RESPONDENTS

A total of 920 respondents started the questionnaire; however, only 319 usable questionnaires were obtained and used in the data analyses. This represents a response rate of 34.78%. Of the 319 respondents, two-thirds of the respondents were females (66.1%) and the remaining third (32.9%) being males with three respondents (0.9%) not indicating their gender. Nearly two-third of the respondents were between the ages of 30 and 39 (33.8%) and 40 and 49 (31.0%). The remaining respondents who visited South Africa were between the ages of 19 and 29 (22.8%), 50 and 59 (10.6%) with only 1.2% of the respondents 60 years of age and older.

More than half of the number of respondents were married (60.8%), followed by those respondents being single (30.0%), living with partner (5.9%), divorced (2.1%) and widowed (0.3%). In terms of highest academic qualification, most respondents indicated that they have obtained a first degree/diploma at tertiary level (45.7%), followed by the respondents in possession of a postgraduate qualification (41.3%), and a Grade 12/Secondary school/'O' Level/High school qualification (10.9%). However, only a small number of respondents indicated that they had obtained a qualification lower than a Grade 12/Secondary school qualification (1.5%). According to the work status, nearly two thirds of the respondents (63.6%) were formally employed by an organisation, followed by those who were self-employed (20.3%), and students (11.9%). Only a few respondents were unemployed (2.5%) or in retirement (1.3%).

Most of the respondents were predominantly from Africa (62.6%) followed by Asia (21.9%), Europe (7.8%) and North America (5.6%). A small minority of the respondents are from North America (1.5%) and Australia (0.3%) are also represented. Two respondents did not indicate the country of origin. The year of visit has important implications for the current study. Most of the respondents visited South Africa in 2018 (54.2%), followed by 2019 (36.6%) and only a few of the respondents (8.7%) indicated visiting South Africa during the year 2020. It should be noted that the South African borders were closed from March 2020 for movement of people to prevent Covid-19 escalation. The travel patterns of the respondents showed that the majority of the respondents (48.5%) have only been to South Africa once, followed by the respondents visiting South Africa two to three times (26.0%). A few respondents have visited South Africa

more than five times (17.2%) with only a few respondents visiting South Africa 4 or 5 times (7.8%). With regards to the reason for visiting South Africa, it is evident that a large proportion of the respondents was visiting South Africa for holiday purposes (63.3%), followed by attending to business (17.8%) as the reason for the visit. Some respondents visited South Africa for education purposes (10.9%) with a small minority indicating “Other” (4.7%) without specifying the reason for their visit. Only a few respondents highlighted religious pilgrimage (0.9%) as the reason for the visit with only a few respondents not indicating any reason for the visit (0.6%).

6.2. VALIDITY AND RELIABILITY

Exploratory factor analysis was computed using Principal axis factoring to determine whether the observed variables loaded together as expected, and to ascertain the validity of the measurement instrument. According to Watson (2017:237), conducting exploratory factor analysis provides several purposes including how many latent variables underlie a collection of items, condensing information with the aim of accounting for variation by smaller number of items, and providing meaning to the identified latent variables. In order to determine whether the items are suitable for factor analysis, Kiaser-Meyer-Olkin (KMO) and Bartlett’s Test of Sphericity were calculated. The results provided sufficient evidence that the items are suitable for factor analysis as both the KMA statistics (0.958) and the Bartlett’s Test of Sphericity (Ch-square of 31501.12 with 7021 degrees of freedom at $p < 0.001$) were significantly high (Goni et al. 2020:7).

The validity (EFA) and reliability (Cronbach’s alphas) results of the factors under investigation (quality of accommodation, tidiness of attractions, ancillary services, safety of destination, convenience retention, quality of attractions, transportation, customer satisfaction, and recommending and revisiting of destination) are presented in Table 1.

TABLE 1: EFA VALIDITY AND CRONBACH’S ALPHA RELIABILITY RESULTS

Factor	Item	Factor loadings from EFA	CA (Items)	CA (Factor)
Quality of accommodation (QaAcc)	QoAcc1	0.359	0.778	0.818
	QoAcc2	0.579	0.748	
	QoAcc3	0.489	0.762	
	QoAcc4	0.404	0.794	
Tidiness of attractions (ToA)	ToA1	0.398	0.730	0.762
	ToA2	0.444	0.670	
	ToA3	0.421	0.641	
Ancillary services (AS)	AS1	0.529	0.631	0.754
	AS2	0.372	0.606	
	AS3	0.396	0.770	
Safety of destination (SoD)	SoD1	0.388	0.856	0.868
	SoD2	0.510	0.840	
	SoD3	0.507	0.834	
	SoD4	0.607	0.842	
	SoD5	0.389	0.851	
	SoD6	0.374	0.852	
Convenience retention (CR)	CR1	0.474	0.797	0.840
	CR2	0.445	0.812	
	CR3	0.391	0.782	
	CR4	0.424	0.769	

Factor	Item	Factor loadings from EFA	CA (Items)	CA (Factor)
Quality of attractions (QoAtt)	QoAtt1	0.377	0.834	0.846
	QoAtt2	0.416	0.816	
	QoAtt3	0.410	0.819	
	QoAtt4	0.513	0.801	
	QoAtt5	0.356	0.819	
	QoAtt6	0.432	0.833	
Transportation (T)	T1	0.465	0.767	0.827
	T5	0.419	0.803	
	T7	0.577	0.792	
	T8	0.747	0.761	
Customer satisfaction (CS)	CS1	0.473	0.729	0.777
	CS2	0.415	0.702	
	CS3	0.361	0.724	
	CS4	0.422	0.735	
Recommending and revisiting of destination (RaRV)	RaRV1	0.452	0.772	0.829
	RaRV2	0.586	0.784	
	RaRV3	0.577	0.783	
	RaRV4	0.491	0.795	

Source: Own construction, based on analysis

From Table 1 it is evident that nine factors emerged from the EFA, with seven being the independent and two the dependent variables. All the items that cross-loaded was discarded from further analysis as well as factors with less than three items. It should be noted that since this study is part of a larger study and not all variables of the original study is included, the items codes were changed for each of reference.

For *quality of accommodation*, four items loaded with only one item originally developed to measure this item. The three additional items that loaded were originally developed to measure other variables not part of this study. However, the items that loaded on this factor all reflect the tourist perceptions of the quality of tourism accommodation ranging from maintenance to the quality of booking and payment encountered at the accommodation establishment. A total of three items were used to measure *tidiness of attractions*. Of the three items, only one was originally developed to measure this factor while the remaining two were from *quality of attractions* and a variable not part of this study. All the items that loaded together focused on the tourists' perceptions of the cleanliness and tidiness of the attractions at the destination and the destination itself.

Five items were originally developed to measure *ancillary services*. However, the four items used to measure the factor comprised of one item developed to measure *ancillary services*, one item measuring *quality of attractions* and two items of variables not part of this study. The items that were used to measure this factor all addressed the tourists' perceptions of the variety of services offered at the destination. From the original items developed to measure *safety of destination*, items from various variables loaded together. Based on the items that loaded together, all the items addressed the safety of the destination, the accommodation, the facilities at the destination and South Africa in general.

A total of five items were original developed to measure *convenience retention*. Only one of the five items loaded on this factor with the remaining four items from two variables not part of this study. All the items that loaded together reflects the tourism businesses initiatives that will assist inbound tourists with their travelling. Of the original items developed to measure *quality of attractions*, items developed for other variables loaded together. However, all the

items that loaded together reflected the perceptions of quality of attractions at destinations and in South Africa. Eight items were developed to measure *transportation* of which only four were retained for further analysis.

Based on Table 1, sufficient evidence is provided of the validity (factor loadings greater than 0.35) and reliability (Cronbach’s alpha greater than 0.7) of the factors.

6.3. DESCRIPTIVE VARIABLE STATISTICS AND INFERENTIAL STATISTICS

Table 2 summarises the descriptive statistics and the Pearson product moment correlation coefficients of the variables.

TABLE 2: DESCRIPTIVE STATISTICS AND CORRELATION COEFFICIENTS OF VARIABLES

	Mean	Std. Dev.	QoAcc	ToA	AS	SoD	CR	QoAtt	T	CS	RaRV
QoAcc	4.01	0.663	1.000								
ToA	3.87	0.780	0.599	1.000							
AS	3.97	0.711	0.696	0.654	1.000						
SoD	3.70	0.779	0.608	0.542	0.583	1.000					
CR	3.89	0.739	0.661	0.702	0.687	0.634	1.000				
QoAtt	4.07	0.656	0.722	0.590	0.701	0.599	0.591	1.000			
T	3.84	0.730	0.632	0.590	0.641	0.573	0.619	0.525	1.000		
CS	3.88	0.727	0.627	0.702	0.640	0.575	0.688	0.584	0.576	1.000	
RaRC	3.99	0.746	0.653	0.637	0.678	0.620	0.613	0.695	0.513	0.598	1.000

* All correlation is significant at the 0.01 level (2-tailed)

Source: Own construction, based on analysis

Evident from Table 2, it is clear that the respondents were mostly in agreement with the items relating to the factors as all the mean scores are close to or slightly above 4. The factors with the highest mean scores are focusing on the quality of both accommodations (mean = 4.01) and attractions (mean = 4.07) and both the factors reported the lowest standard deviations. The correlations range from moderate (coefficients between 0.4 and 0.6) to strong (coefficients between 0.6 and 0.8) (Schober, Boer & Schwarte 2018:1765). Positive correlations exist among all the factors although some associations are strong while some are moderate. The strongest positive correlation was reported between *quality of accommodation* and *quality of attractions* ($r = 0.722$; $p < 0.01$). These results indicate the importance of the collaboration between all the factors to ensure that tourist experience a memorable journey as an improvement in any one of the variables will have a positive influence on the other variables.

6.4. SEM RESULTS

Based on the SEM results, the regression weights are summarised in Table 3.

TABLE 3: REGRESSION RESULTS USING SEM

	Hypotheses No.	Estimates	S.E.	C.R.	p	Comment on p-value
CS <--- QoAcc	H _{1a}	0.802	0.090	8.899	***	Significant
RaRV <---QoAcc	H _{1b}	0.937	0.090	10.449	***	Significant
CS <--- ToA	H _{2a}	0.915	0.100	9.112	***	Significant
RaRV <---ToA	H _{2b}	1.116	0.120	9.329	***	Significant
CS <--- AS	H _{3a}	0.793	0.088	9.031	***	Significant
RaRV <---AS	H _{3b}	0.956	0.089	10.727	***	Significant

	Hypotheses No.	Estimates	S.E.	C.R.	p	Comment on p-value
CS <--- SoD	H _{4a}	0.523	0.061	8.538	***	Significant
RaRV <---SoD	H _{4b}	0.736	0.074	9.959	***	Significant
CS <--- CR	H _{5a}	0.892	0.095	9.356	***	Significant
RaRV <---CR	H _{5b}	0.818	0.078	10.493	***	Significant
CS <--- QoAtt	H _{6a}	0.748	0.089	8.366	***	Significant
RaRV <---QoAtt	H _{6b}	0.917	0.081	11.331	***	Significant
CS <--- T	H _{7a}	0.781	0.097	8.044	***	Significant
RaRV <---T	H _{7b}	0.763	0.091	8.371	***	Significant
RaRV <--- CS	H ₈	0.947	0.104	9.087	***	Significant

Source: Own construction, based on analysis

Evident from Table 3, statistically significant relationships ($p < 0.05$) exist between each of the seven independent variables quality of accommodation, tidiness of attractions, ancillary services, safety of destination, convenience retention, quality of attractions, transportation and both the two dependent variables, customer satisfaction and recommending and revisiting of destination. A significant positive relationship also exists between customer satisfaction and recommending and revisiting destination.

The results of the current study are aligned with the findings of previous research. With regard to *quality of accommodation*, Mustelier-Puig, Anjum and Ming (2018:5) found that when tourists experience good services that is regarded to exceed the payment made for their accommodation services, they feel satisfied and might induce opportunities for sharing the positive experience with others. In addition, Carrillo-Hidalgo, Pulido-Fernandez and Mudarra Fernandez (2017:81), Scholtz, Kruger and Saayman (2015:39) found a positive significant relationship between quality of accommodation and revisiting the accommodation or tourist destination. Considering *tidiness of attractions*, tourists having had positive experiences of a destination's attraction, its perceived cleanliness, the greater the chance of destination being selected to visit (Han et al. 2019:153). In addition, various studies found positive relationship between tidiness of attractions and tourist experiences (Deichmann & Murphy 2018:512; Widaningsih, Ronda, Diana & Rahayunianto 2019:5; Zhou & Li 2019:891).

Previous research regarding *ancillary services* also found positive relationships with customer satisfaction (Smith, Suthitakon, Gulthawatvichai & Karnjanakit 2019:229). The study's results regarding *convenience retention* support the findings of Foroudi Gupta, Sivarajah and Broderick (2018:272), Hall and Ram (2019:223), Moon and Han (2019:43), Oriade and Schofield (2019:1), Sulistyadi, Wening and Herawan (2019:514) as well as Xu, Zhang, Zhang, Xu and Dong (2019:1) who found positive relationships between quality of attractions and customer experience which leads to customer satisfaction. *Safety of destinations* is positively and significantly related to customer satisfaction as tourists feel safe when considering the safety and security provided at the destination, accommodation or activities (Fullerton, Kendrick & Broyles 2019:328; Gursoy, Del Chiappa & Zhang 2018:137; Kim, Choe & Lee 2018:377; Kim & Kwon 2018:1; Lee, Kang, Terry & Schuett 2018:2). The previous research findings are supported by the current study's results showing a positive and statistically significant relationship between *transportation* and tourist experience (Asongu, Nnanna, Biekpe & Acha-Anyi 2019:350; Joshi, Poudyal & Larson 2017:834; Van Truong & Shimizu 2017:3106.). Therefore, transportation plays an important role in customer satisfaction and recommending and revisiting the destinations.

Table 4 summarises the decisions regarding the acceptance of the hypotheses.

TABLE 4: SUMMARY OF ACCEPTANCE OF THE HYPOTHESES

Hypothesis		Decision
H _{1a}	There is a significant relationship between <i>quality of accommodation</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{1b}	There is a significant relationship between <i>quality accommodation</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H _{2a}	There is a significant relationship between <i>tidiness of attractions</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{2b}	There is a significant relationship between <i>tidiness of attractions</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H _{3a}	There is a significant relationship between <i>ancillary services</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{3b}	There is a significant relationship between <i>ancillary services</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H _{4a}	There is a significant relationship between <i>safety of destination</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{4b}	There is a significant relationship between <i>safety of destination</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H _{5a}	There is a significant relationship between <i>convenience retention</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{5b}	There is a significant relationship between <i>convenience retention</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H _{6a}	There is a significant relationship between <i>quality of attractions</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{6b}	There is a significant relationship between <i>quality of attractions</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H _{7a}	There is a significant relationship between <i>transportation</i> and <i>customer satisfaction</i> .	Accepted (p<0.05)
H _{7b}	There is a significant relationship between <i>transportation</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)
H ₈	There is a significant relationship between <i>customer satisfaction</i> and <i>recommending and revisiting of destination</i> .	Accepted (p<0.05)

Source: Own construction

Based on summary of the hypothesis results presented in Table 4, all eight of the hypotheses are supported (p<0.05).

7. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

As significant positive relationships were found between the seven independent and each of the dependent variables, it is evident that the main inbound tourist experience factors influencing both *customer satisfaction* and *recommending and revisiting of destination* are *quality of accommodation*, *tidiness of attractions*, *ancillary services*, *safety of destination*, *convenience retention*, *quality of attractions*, *transportation*. Therefore, in order for tourism business and stakeholders to attract greater numbers of inbound international tourists to South Africa, it is important that more attention should be given to these factors. An increase in inbound tourists' activities in tourism destinations could facilitate the growth and development of the community. Furthermore, the results highlighted that inbound tourists are slightly more concerned with the quality of accommodation and attraction, although all the over factors are also considered to be important. The marketing of tourism business and relevant stakeholders should focus on high quality accommodation, high quality attractions, providing exceptional ancillary services, showcasing ease of purchasing tourism products and services that are of superior value, emphasising the tidiness of attractions, highlighting the safety of destinations and the various transportation available to tourists.

Based on the results, the following managerial implications are put forward:

- The tourism businesses and stakeholders should ensure that the quality of accommodation is well-maintained. In the marketing of the accommodation establishment, attraction or destination, the focus should be on the high quality of accommodation provided. It is also important to determine what can be improved in terms of the quality of accommodation when considering the comments left in guest books by inbound tourists at accommodation establishments, attractions or destinations.
- As customer satisfaction is vital for all types of businesses, it is important that inbound tourists are adequately taken care of by tourism businesses and staff. Due to the increase in the number of accommodation establishments and possible attractions at destinations, the competition among the service providers also increased. It is therefore of high importance to provide a wide range of accommodation choices, attractions, and activities at destinations to entice inbound tourists to spend time at the destinations.
- With the increase in payment fraud and security issues regarding online payments, it is important to put the inbound tourists at ease regarding the ease of payment and the safety of payment. Trusted payment methods should be encouraged and highlighted in the marketing material of tourism businesses and stakeholder.
- Destinations with natural attractions, such as the physical and natural environment, fauna and flora and beaches that are clean are important to tourists. The marketing efforts should therefore focus on the beautiful natural attractions that can be visited when staying at destinations. Inbound tourists may then choose to visit destinations that can offer memorable nature-based tourism activities such as bird watching, walking trails of different durations and different difficulty levels, water sports, cross country biking and skiing, sand boarding and canoeing.
- Tourism business and stakeholders such as tourism planners and managers of travel agencies, tourism departments and policy makers, should ensure that tourism attractions are accessible to children, elderly and physically challenged people. Tidiness of attractions can provide children, elderly and the physically challenged people with easy and smooth movement, since there will be less obstacles to impede their movement. All these positive elements should feature in the marketing of the accommodation, attractions and destinations.
- When tourism business and stakeholders provide tourism-related information through online banners, social media, a blog or posting articles, email newsletter and promotion videos, the content should be up-to-date as it may influence inbound tourists' decision-making positively toward destinations. The websites of the tourism businesses and stakeholders should also be easy to navigate in order to find the relevant information. The contact information of the tourism businesses should be easily accessible, and communication received should be responded to within a reasonable time frame, for example within a period of 24-48 hours.
- Inbound tourists are international visitors, and therefore the destinations in South Africa may be unfamiliar. It is therefore important to ensure that inbound tourists feel safe when staying at their accommodation, visiting attractions, participating in activities and moving around at their destinations. Efficient safety measurements such as body cameras worn by security and front desk workers, tips about the environment via social media,

limited attention drawing activities, community patrol teams and private security provision by destination managers at beaches, botanical gardens and wildlife parks will make inbound tourists feel safe and therefore increase recommendations and revisiting of the destination. Being outdoor, as tourists, at beaches, botanical gardens and wildlife parks involves meeting unknown individuals, therefore destination managers can provide safety measurements such as employees monitoring encounters within the environment to ensure the safety of all patrons. However, these safety measures should be done discretely in order not to alarm the inbound tourists but rather to put them at ease.

- Transportation plays an important role in providing the mobility for inbound tourists to their destination and within the destination. As inbound tourists' experience with public transport systems influences customer satisfaction, the recommendation of the destination and the revisiting of the destination, it is important to have a reliable and efficient transportation system that is easy to use. Therefore, all public transportation services should be easily accessible where inbound tourists can access these services with the services being punctual and reliable. This should also feature in the marketing of the tourism business, attraction or destination.
- As many of the inbound tourists are from developed countries, it is important to highlight in the marketing brochures that tourists will enjoy communication coverage through, for example, free Wi-fi, unlocked cell phones, skype, local sim cards, Facebook and WhatsApp. This unlimited means of communication can lead to many inbound tourists travelling to a destination, and this satisfaction of free communication may lead to recommending and revisiting of destination.

There is the need for tourism businesses to evaluate satisfaction and recommendation since individuals' recommendations and revisiting of a destination are based on their level of satisfaction. As customer satisfaction positively affects tourists recommending and revisiting of a product, service or destination, teamwork within the tourism industry should be pursued as the experience encountered by a tourist with one business may lead to a greater tourism service demand by the tourist. Inbound tourists who already acquired positive information regarding a destination are encouraged to recommend others to visit the destination and to revisit the destination at some future point in time. It is especially important that inbound tourists share their experiences, especially in terms of the factors investigated, as this will allow other inbound tourists to make a more informed decision of whether to visit these destinations.

8. FUTURE RESEARCH AND FINAL CONCLUSION

This data for this research was collected during the Covid-19 pandemic. As the borders of all countries are open and tourists can travel freely, it may be valuable to conduct a similar study covering a longer period for visiting South Africa. Web-based data collection method proved to be a limitation. Only those who can access the link were able to answer the questionnaire online. This sample is therefore not representative of all inbound tourists to South Africa. Therefore, future research can explore other means of data collection or other research methodologies to delve more deeper the problem.

Tourism destinations need to be more diversified to ensure sustainable tourism. The aim of the study was to identify and investigate the influence of inbound tourist experience factors on customer satisfaction and recommending and revisiting destinations in South Africa. The literature review indicated that there are positive associations. The results of the study highlight the need for tourism businesses and stakeholders to focus on creating an enjoyable and exciting

environment which can include elements such as quality and affordable accommodation, clean and tidy environment, safety and security within destinations, easy and accessible transportation system. The results show that *quality of accommodation, tidiness of attractions, ancillary services, safety of destinations, convenience retention, quality of attractions and transportation* influence both *customer satisfaction* and *recommending and revisiting of destination* were decisive factors affecting customer (tourists') experience. The results of this study make a contribution to the current body of research on the field of tourism in South Africa. As such, many opportunities for future investigation into the inbound tourist experience factors in South Africa exist, in order to ultimately improve the customer satisfaction and recommending and revisiting destination in South Africa and also to retain and attract new tourists.

REFERENCE LIST

- Aigbavboa, C.O. 2013. *An integrated beneficiary centred satisfaction model for publicly funded housing schemes in South Africa*. (Unpublished doctoral thesis). Johannesburg, South Africa: University of Johannesburg.
- Albattat, A., Yajid, M. & Khatibi, A. 2019. The determination of shopping satisfaction of tourists visiting One Utama shopping mall. *Management Science Letters*, 9(13):2291-2304.
- Asongu, S.A., Nnanna, J., Biekpe, N. & Acha-Anyi, P.N. 2019. Contemporary drivers of global tourism: evidence from terrorism and peace factors. *Journal of Travel & Tourism Marketing*, 36(3):345-357.
- Baena-Arroyo, M.J., García-Fernández, J., Gálvez-Ruiz, P. & Grimaldi-Puyana, M., 2020. Analyzing consumer loyalty through service experience and service convenience: Differences between instructor fitness classes and virtual fitness classes. *Sustainability*, 12(3):1-16.
- Bagheri, A., Moharrer, M., Bagheri, M. & Zadeh, M. 2018. Ranking the cities with potential of tourism investment in Fars province using numerical taxonomy. *Decision Science Letters*, 7(4):417-426.
- Bhati A. & Pearce P. 2017. Tourist attractions in Bangkok and Singapore; linking vandalism and setting characteristics. *Tourism management*, 1(63):15-30.
- Biswas, C., Omar, H. & Rashid-Radha, J.Z.R.R. 2020. The impact of tourist attractions and accessibility on tourists' satisfaction: The moderating role of tourists' age. *GeoJournal of Tourism and Geosites*, 32(4):1202-1208.
- Bryman, A. & Bell, E. 2015. *Business research methods*, University Press, New York, NY.
- Camilleri, M.A. 2021. *Tourism, Hospitality & Event Management*, Switzerland: Cham.
- Carrillo-Hidalgo, I., Pulido-Fernández, J.I. & Fernández, A.B.M. 2017. Factors influencing tourism expenditure on accommodation in World Heritage Cities. *World conference for Graduate Research in Tourism, Hospitality and Leisure*, 75-83.

- Chen, K.H., Chang, F.H., Chen, Y.L. & Chen, P.M. 2019. The relationships between corporate credibility, service convenience, and consumers' use intentions: Toward ticketing apps for low-cost carriers. *Sustainability*, 11(3):1-18.
- Chen, X., Cheng, Z.F. & Kim, G.B. 2020. Make it memorable: Tourism experience, fun, recommendation and revisit intentions of Chinese outbound tourists. *Sustainability*, 12(5):1-14.
- Cheng, B.L., Gaur, S.S. & Rahim, R.A. 2020. Factors leading to customer retention in the high volume-low volume service context: Evidence from the mobile service industry. *Asian Journal of Business Research*, 10(1):68-103.
- Chin, C.H., Law, F.Y., Lo, M.C. & Ramayah, T. 2018. the impact of accessibility quality and accommodation quality on tourists' satisfaction and revisit intention to rural tourism destination in Sarawak: The moderating role of local communities' attitude. *Global Business and Management Research*, 10(2):115-127.
- Choi, K.H. & Kim, I. 2021. Co-Movement between Tourist Arrivals of Inbound Tourism Markets in South Korea: Applying the Dynamic Copula Method Using Secondary Time Series Data. *Sustainability*, 13(3):1-13.
- Dean, D., Suhartanto, D. & Kusdibyo, L. 2019. Predicting destination image in creative tourism: a comparative between tourists and residents. *International Journal of Applied Business Research*, 1(1):1-15.
- Deichmann, J.I. & Murphy, B. 2018. A survey investigation of international tourist motivations and impediments in the Republic of Croatia. *E-review of Tourism Research*, 15(6):512-539.
- Del Río, J.A.J., Agüera, F.O., Cuadra, S.M. & Morales, P.C. 2017. Satisfaction in border tourism: An analysis with structural equations. *European Research on Management and Business Economics*, 23(2):103-112.
- Dewan, N. & Kim, G.G. 2020. Foreign tourist attitudes and visit intentions for mountaineering tourism in Pakistan. *Journal of Spatial and Organizational Dynamics*, 8(2):173-186.
- Du Plessis, E., Saayman, M. & Van Der Merwe, A. 2015. What makes South African tourism competitive? *African Journal of Hospitality, Tourism and Leisure*, 4(2):1-14
- Eid, R., El-Kassrawy, Y.A. & Agag, G. 2019. Integrating destination attributes, political (In) Stability, destination image, tourist satisfaction, and intention to recommend: a study of UAE. *Journal of Hospitality & Tourism Research*, 1-28.
- Elmo, G.C., Arcese, G., Valeri, M., Poponi, S. & Pacchera, F. 2020. Sustainability in tourism as an innovation driver: An analysis of family business reality. *Sustainability*, 12(15):1-14.
- Fernandes, T. & Pinto, T. 2019. Relationship quality determinants and outcomes in retail banking services: The role of customer experience. *Journal of Retailing and Consumer Services*, 50:30-41.

- Ferreira, D. & Perks, S. 2020. A dimensional framework of tourism indicators influencing destination competitiveness. *African Journal of Hospitality, Tourism and Leisure*, 9(3):1-22.
- Foroudi, P., Gupta, S., Sivarajah, U. & Broderick, A. 2018. Investigating the effects of smart technology on customer dynamics and customer experience. *Computers in Human Behaviour*, 80:271-282.
- Fullerton, J.A., Kendrick, A. & Broyles, S.J. 2019. Diplomatic relations and tourism advertising effectiveness: US travel interest to Cuba. *Journal of Marketing Communications*, 25(3):328-342.
- Getz, D. & Page, S.J. 2016. Progress and prospects for event tourism research. *Tourism Management*, 52:593-631.
- Goni, M.D., Naing, N.N., Hasan, H., Wan-Arfah, N., Deris, Z.Z., Arifin, W.N., Hussin, T.M.A.R., Abdulrahman, A.S., Baaba, A.A. & Arshad, M.R. 2020. Development and validation of knowledge, attitude and practice questionnaire for prevention of respiratory tract infections among Malaysian Hajj pilgrims. *BMC Public Health*, 20(1):1-10.
- Gursoy, D., Del Chiappa, G. & Zhang, Y. 2018. Impact of destination familiarity on external information source selection process. *Journal of Destination Marketing & Management*, 8:137-146.
- Hair, J., Black, W., Babin, B. & Anderson, R. 2014. *Multivariate data analysis: Pearson new international edition*, 7th edn., Pearson Prentice Hall, Upper Saddle River, New Jersey.
- Hall, C.M. & Ram, Y. 2019. Measuring the relationship between tourism and walkability? Walk Score and English tourist attractions. *Journal of Sustainable Tourism*, 27(2):223-240.
- Hallgren, K.A., McCabe, C.J., King, K.M. & Atkins, D.C. 2019. Beyond path diagrams: Enhancing applied structural equation modeling research through data visualization. *Addictive behaviors*, 94:74-82.
- Hamilton, J.R., Tee, S. & Prideaux, M.C. 2015. Inbound event tourism attendees: A group qualities-values approach at destination. *The TQM Journal*, 27(2):197-212.
- Han, H. & Hyun, S.S. 2015. Customer retention in the medical tourism industry: Impact of quality, satisfaction, trust, and price reasonableness. *Tourism Management*, 46:20-29.
- Han, H., Al-Ansi, A., Olya, H.G. & Kim, W. 2019. Exploring halal-friendly destination attributes in South Korea: Perceptions and behaviours of Muslim travellers toward a non-Muslim destination. *Tourism Management*, 71:151-164.
- Hanaysha, J.R. 2017. An examination of marketing mix elements and customer retention in Malaysian retail market. *American Journal of Marketing Research*, 3(1):1-7.
- Haneef, S.K., Ansari, Z. & Bhavani, G. 2019. Attractions of Dubai and Expo 2020: An exploratory study. *Worldwide Hospitality and Tourism Themes*, 11(3):266-278.

- Hsu, A.Y.C., King, B., Wang, D. & Buhalis, D. 2016. In-destination tour products and the disrupted tourism industry: progress and prospects. *Information Technology & Tourism*, 16(4):413-433.
- Joshi, O., Poudyal, N.C. & Larson, L.R. 2017. The influence of sociopolitical, natural, and cultural factors on international tourism growth: a cross-country panel analysis. *Environment, Development and Sustainability*, 19(3):825-838.
- Kim, J.H. 2014. The antecedents of memorable tourism experiences: The development of a scale to measure the destination attributes associated with memorable experiences. *Tourism Management*, 44:34-45.
- Kim, S., Choe, J.Y. & Lee, S. 2018. How are food value video clips effective in promoting food tourism? Generation Y versus non-Generation Y. *Journal of Travel & Tourism Marketing*, 35(3):377-393.
- Kim, S.B. & Kwon, K.J. 2018. Examining the relationships of image and attitude on visit intention to Korea among Tanzanian college students: The moderating effect of familiarity. *Sustainability*, 10(2):1-15.
- Klaus, P. & Maklan, S. 2013. Towards a better measure of customer experience. *International Journal of Market Research*, 55(2):227-246.
- Kumar, R., Sachan, A. & Dutta, T., 2020. Examining the impact of e-retailing convenience dimensions on behavioral intention: The mediating role of satisfaction. *Journal of Internet Commerce*, 19(4):466-494.
- Lee, K.H., Kang, S., Terry, W.C. & Schuett, M.A. 2018. A spatial relationship between the distribution patterns of hotels and amenities in the United States. *Cogent Social Sciences*, 4(1):1-17.
- Leedy, P.D. & Ormrod, J.E. 2013. *Practical research: Planning and design*, 10th edn., Pearson, Boston, Mass.
- Leiner, D.J. 2017. Our research's breadth lives on convenience samples A case study of the online respondent pool. *SCM Studies in Communication and Media*, 5(4):367-396.
- Lemon, K.N. & Verhoef, P.C. 2016. Understanding customer experience throughout the customer journeys. *Journal of Marketing*, 80(6):69-96.
- Leo, G., Brien, A., Astor, Y., Najib, M., Novianti, S., Rafdinal, W. & Suhartanto, D. 2020. Attraction loyalty, destination loyalty, and motivation: agritourist perspective. *Current Issues in Tourism*, 1-13.
- Loi, L.T.I., So, A.S.I., Lo, I.S. & Fong, L.H.N. 2017. Does the quality of tourist shuttles influence revisit intention through destination image and satisfaction? The case of Macao. *Journal of Hospitality and Tourism Management*, 32:115-123.
- Lu, C.S., Weng, H.K., Chen, S.Y., Chiu, C.W., Ma, H.Y., Mak, K.W. & Yeung, T.C. 2020. How port aesthetics affect destination image, tourist satisfaction and tourist loyalty? *Maritime Business Review*, 5(2):211-228.

- Lu, K.H. & Wu, C.M. 2019. Moderating effects of shopping values on the antecedents of unplanned purchase behavior: An empirical study of an international travel fair. *Contemporary Management Research*, 15(2):123-144.
- Makuzva, W. 2018. *Tourists' perspectives of a tourism product in a selected Zimbabwean town*. (Unpublished Doctoral Thesis), South Africa: Cape Town CAPUT.
- Manuga, M. 2017. *Identify the predictors of tourist intentions to return to South Africa as a tourism destination*. (Unpublished Doctoral Thesis). Vanderbijlpark, South Africa: Vaal University of Technology.
- Mendes, J.C., Valle, P.O., Guerreiro, M.M. & Silva, J.A. 2010. The tourist experience: Exploring the relationship between tourist satisfaction and destination loyalty. *Tourism*, 58(2):111-126.
- Mishra, P., Pandey, C.M., Singh, U., Gupta, A., Sahu, C. & Keshri, A. 2019. Descriptive statistics and normality tests for statistical data. *Annals Cardiac Anaesthesia*, 22:67-72.
- Moon, H. & Han, H. 2019. Tourist experience quality and loyalty to an island destination: The moderating impact of destination image. *Journal of Travel & Tourism Marketing*, 36(1):43-59.
- Muior, F.D.A.A. 2016. *The expectations and experiences of South African leisure tourists visiting Mozambique*. (Unpublished Doctoral Thesis), South Africa: Bloemfontein.
- Mustelier-Puig, L.C., Anjum, A. & Ming, X. 2018. Interaction quality and satisfaction: An empirical study of international tourists when buying Shanghai Tourist Attraction Services. *Cogent Business & Management*, 5(1):1-20.
- Muthuraman, S. & Al Haziazi, M. 2019. March. Smart tourism destination - new exploration towards sustainable development in Sultanate of Oman. *International Conference on Information Management*, 332-335.
- Nasir, M., Mohamad, M., Ghani, N. & Afthanorhan, A. 2020. Testing mediation roles of place attachment and tourist satisfaction on destination attractiveness and destination loyalty relationship using phantom approach. *Management Science Letters*, 10(2):443-454.
- Nemati, H.R. & Barko, C.D. 2004. *Organizational data mining: Leveraging enterprise data resources for optimal performance*. London, England: Idea Group Publishing.
- Nikjoo, A., Seyfi, S. & Hatamifar, P. 2020. Social tourism in Iran: the case of school-stay tourist accommodation. *Tourism Recreation Research*, 45(4):459-468.
- Oosthuizen, N. & Ferreira, D. 2019. Destination enhancers influencing tourism demand. *African Journal of Hospitality, Tourism and Leisure*, 8(4):1-21.
- Oriade, A. & Schofield, P. 2019. An examination of the role of service quality and perceived value in visitor attraction experience. *Journal of Destination Marketing & Management*, 11:1-9.

- Pai, C.K., Liu, Y., Kang, S. & Dai, A. 2020. The role of perceived smart tourism technology experience for tourist satisfaction, happiness and revisit intention. *Sustainability*, 12(16):1-14.
- Palacios, S. & Jun, M. 2020. An exploration of online shopping convenience dimensions and their associations with customer satisfaction. *International Journal of Electronic Marketing and Retailing*, 11(1):24-49.
- Pallant, J. 2013. *The SPSS survival manual*. London, England: McGraw-Hill.
- Peng-Cheng Pete, Z.H.O.U., & L.I. Xin-Yue. 2019. Exploring the tourist satisfaction in suburban agritourism destinations through an importance-performance analysis approach. *DEStech Transactions on Economics, Business and Management*, 888-893.
- Qiao, G., Peng, S., Prideaux, B. & Qiao, M. 2019. Identifying causes for the decline in international arrivals to China – perspective of sustainable inbound tourism development. *Sustainability*, 11(6):1-18.
- Ramukumba, T. & Ferreira, N. 2015. Awareness and usage of government incentives in the tourism industry: A case study of guest houses in the Eden District Municipality, Western Cape Province, South Africa. *African Journal of Hospitality, Tourism and Leisure*, 4(1):1-15.
- Ratnasari, R.T., Gunawan, S., Septiarini, D.F., Rusmita, S.A. & Kirana, K.C. 2020. Customer satisfaction between perceptions of environment destination brand and behavioural intention. *International Journal of Innovation, Creativity and Change*, 10(12):472-487.
- Rautanen, P. 2013. *Airline ancillary services in travel management process*. (Unpublished Master Dissertation). Haaga- Helia: University of Applied Sciences.
- Rifki, M., Rahmafitria, F. & Sugito, N.T. 2019. Tourism component evaluation: GIS based analysis towards the qualification of destination planning. In *3rd International Seminar on Tourism (ISOT 2018)*, 121-124). Atlantis Press.
- Schober, P., Boer, C. & Schwarte, L.A. 2018. Correlation coefficients: Appropriate use and interpretation. *Anesthesia & Analgesia*, 126(5):1763-1768.
- Scholtz, M., Kruger, M. & Saayman, M. 2015. Determinants of visitor length of stay at three coastal national parks in South Africa. *Journal of Ecotourism*, 14(1):21-47.
- Shah, C. & Trupp, A. 2020. Trends in consumer behaviour and accommodation choice: perspectives from India, *Anatolia*, 31(2):244-259.
- Smith, N., Suthitakon, N., Gulthawatvichai, T. & Karnjanakit, S. 2019. The circumstances pertaining to the behaviours, demands and gratification in tourist engagement in coffee tourism. *PSAKU International Journal of Interdisciplinary Research*, 8(1):221-233.
- Sonchaem, W., Phudiththanawong, W., Hutacharoen, R. & Hinjiranan, P. 2017. Influential factors on tourism potential of Buddhist temples: Case study of Buddhist temples in cultural conservation zone of Bangkok Metropolitan Administration (Rattanakosin & Thonburi). *Kasetsart of Social Sciences*, 1-6.

- Sprenkle, D.H. & Piercy, F.P. 2005. *Research methods in family therapy*, 2nd edn., Guilford, New York, NY.
- StatsSA. 2012. Tourism 2011. Report No. 03-51-02 (2011). Available from www.statssa.gov.za (Date accessed: 30 April 2021).
- Suhartanto, D., Dean, D., Chen, B.T. & Kusdibyo, L. 2020. Tourist experience with agritourism activities: What leads to loyalty? *Tourism Recreation Research*, 45(3):364-375.
- Sulistiyadi, B., Wening, N. & Herawan, T. 2019. The impact of site attraction and service quality on loyalty through satisfaction: a case study in Gunung Sewu Unesco Global Geopark, Indonesia. *GeoJournal of tourism and Geosites GeoJournal of Tourism and Geosites*, 25(2):509-523.
- Swanson, R.A. & Holton, E.F. 2005. *Research in organizations: Foundations and methods of inquiry*, Berrett-Koehler, San Francisco, CA.
- Țuclea, C.E., Vrânceanu, D.M. & Năstase, C.E. 2020. The role of social media in health safety evaluation of a tourism destination throughout the travel planning process. *Sustainability*, 12(16):1-17.
- Twumasi, G.K., Krüger, J. & Amoah, F. 2019. Antecedents and outcomes of inbound tourist experience: A conceptual paper. In *31st Annual conference of the Southern African Institute for Management Scientists*, 188-205.
- Van Truong, N. & Shimizu, T. 2017. The effect of transportation on tourism promotion: Literature review on application of the Computable General Equilibrium (CGE) Model. *Transportation Research Procedia*, 25:3096-3115.
- Viljoen, K.L.A. 2014. *The reintermediation of South African travel agencies: A marketing perspective*. (Unpublished Doctoral Thesis). Johannesburg, South Africa: University of Johannesburg.
- Virkar, A.R. & Mallya, P.D. 2018. A review of dimensions of tourism transport affecting tourist satisfaction. *Indian Journal of Commerce & Management Studies*, 9(1):72-80.
- Vodeb, K. & Nemeč Rudež, H. 2017. Which attributes are important to tourists in a mature seaside destination? A case of Opatija in Croatia. *Turizam: međunarodni znanstveno-stručni časopis*, 65(3):267-269.
- Wambui, W.A. 2020. An examination of influence of infrastructure on destination marketing performance by public organizations in Kenya. *Journal of Business and Management*, 22(4):16-27.
- Watson, J.C. 2017. Establishing evidence for internal structure using exploratory factor analysis. *Measurement and Evaluation in Counseling and Development*, 50(4):232-238.
- Wen, J. & Huang, S. 2019. The effects of push and pull travel motivations, personal values, and destination familiarity on tourist loyalty: A study of Chinese cigar tourists to Cuba. *Asia Pacific Journal of Tourism Research*, 24(8):805-821.

- Widaningsih, T.T., Ronda, M., Diana, R. & Rahayunianto, A. 2019. Carrying capacity of Betawi Setu Babakan Cultural Tourism Area a case study in South Jakarta. *Indonesia Journal of Economics, Management and Trade*, 1-9.
- Wiid, J. & Digginess, C. 2013. *Marketing research*, 2nd edn., Juta, Cape Town, South Africa.
- WTTC. 2020. *Latest research from WTTC. World Travel & Tourism Council (WTTC)*. Available from <https://www.wttc.org/about/media-centre/press-releases/press-releases/2020/latest-research-from-wttc-shows-an-increase-in-jobs-at-risk-in-travel-and-tourism/> (Date accessed: 25 April 2020).
- Xu, Z., Zhang, H., Zhang, C., Xu, M. & Dong, N. 2019. Exploring the role of emotion in the relationship between museum image and tourists' behavioural intention: The case of three museums in Xi'an. *Sustainability*, 11(3):1-20.
- Zhou, P-C. & Li, X-Y. 2019. Exploring the tourist satisfaction in suburban agritourism destinations through an importance-performance analysis approach. *International Conference on Advanced Education and Management*, 888-893.
- Zikmund, W.G., Babin, B.J., Carr, J.C. & Griffin, M. 2013. *Business research methods*, 9th edn., South-Western Cengage Learning, Canada.

ARE LOYALTY PROGRAMMES EFFECTIVE? EXPLORING THE IMPACT OF LOYALTY PROGRAMME BENEFITS ON BRAND LOYALTY AND PURCHASE INTENTION

Gino Dos Santos

Faisal Baulackey

Ntsatsi Zulu

Nkosivile W. Madinga

ABSTRACT

The retail industry is consistently evolving, and one strategy that has been gaining traction is the implementation of loyalty programmes. These programmes are designed to encourage customers to make repeat purchases and build a relationship with the brand. However, the effectiveness of these programmes is debateable. Therefore, this study examines the impact of loyalty programme benefits on brand loyalty and purchase intentions. Using a sample of 192 individuals, we collected data using an electronic self-administered questionnaire. PLS-SEM was used to analyse data. The results showed that monetary, entertainment, and symbolic benefits had a significant positive influence on satisfaction with loyalty programmes, brand loyalty, and purchase intention. Furthermore, satisfaction with loyalty programmes was found to have a significant influence on brand loyalty, while brand loyalty had a positive impact on purchase intentions. The results of the study revealed that social benefits had the highest influence on satisfaction with loyalty programmes. Monetary benefits, on the other hand, had the highest influence on brand loyalty and purchase intention. A better understanding of the perceived benefits of loyalty programmes can assist retailers in developing optimal loyalty programmes that build stronger relationships with their customers.

Keywords/phrases: brand loyalty, customer satisfaction, loyalty programmes, purchase intention.

1. BACKGROUND OF THE STUDY

Customer loyalty is a critical component of the contemporary marketplace and plays a crucial role in providing a competitive advantage (Kurniawan, Febrian & Wibisono 2022). Kwiatek, Morgan and Thanasi-Boçe (2020) argue that loyal customers are responsible for approximately 85% of growth in mature brands. To build and maintain customer loyalty, businesses often implement marketing strategies, with the most common being a loyalty programme (Wollan, Davis, De Angelis & Quiring 2017). According to Koo, Yu and Han (2020), retailers find it challenging to differentiate their offerings, making loyalty programmes a popular tool for attracting and retaining customers. Loyalty programmes are a type of organised marketing strategy that encourages customers to make more frequent and larger purchases while also fostering a strong relationship with the business (Koo et al. 2020). This is accomplished by providing points, discounts, and other rewards in exchange for the cardholder's loyalty to the business, resulting in a mutually beneficial relationship in which the company or brand earns market share and profits (Meyer-Waarden, Bruwer & Galan 2023). The global market size for loyalty programmes was valued at \$5.29 billion in 2022, and is expected to reach \$28.65 billion by 2030, a growth rate of 6.47% over the next five years (Fortune-Business-Insights 2023). On average, a typical South African consumer is a member of 9.2 different loyalty cards (Fredericks 2022). Businesses in South African are seeing a strategic value of loyalty programmes as a way to improve customer engagement and foster loyalty in a highly

competitive environment. Nevertheless, there is a notable gap in understanding the complex intricacies of loyalty programme behaviour that are unique to customers in South Africa.

The importance of building strong relationships with customers cannot be overstated in today's competitive business environment (Treiblmaier & Petrozhitskaya 2023). Loyalty is seen as a key factor in maintaining long-term relationships with customers (Hwang, Baloglu & Tanford 2019). With the increasing difficulty of differentiating products and services, many retailers have turned to loyalty programmes as a means of attracting and retaining customers (Koo et al. 2020). However, despite the prevalence of retail loyalty programmes, their strategic effectiveness continues to be questioned (Meyer-Waarden et al. 2023; Treiblmaier & Petrozhitskaya 2023) and the literature on their impact is limited and often contradictory (Dowling 2002; Meyer-Waarden et al. 2023). For instance, Dowling (2002) argue that "loyalty programmes do not necessary translate into customer loyalty and that proliferation of loyalty programmes may reflect marketing hype (i.e., an exaggerated or extravagant claim made in promotional materials) or a me-too scheme (i.e., a tactic of a market follower who attempts to avoid losing customers to a competitor by offering a loyalty programme that is a copy of the competitor programme)". In addition, Meyer-Waarden, Benavent and Castéran (2013) argue that consumers' motivations and behaviour patterns may not be significantly altered by the incentives typically offered in conjunction with loyalty programmes. Several scholars concur with this assessment that there is still much to understand about the effectiveness of loyalty programmes and whether or not they fulfil their objective of fostering customer loyalty (Dowling 2002; Meyer-Waarden et al. 2013). To address this research gap, this study examines the relationship between the perceived benefits of loyalty programmes (monetary, entertainment, and symbolic benefits) on brand loyalty and purchase intention. To fill this research gap, this study addresses the following research questions:

RQ1: What are the benefits of loyalty programmes that customers value the most?

RQ2: How do loyalty programme benefits impact loyalty and purchase intention?

To address these research questions, the study investigates which benefits of loyalty programmes are most important to customers. This will help to identify the specific benefits that loyalty programmes should focus on in order to increase customer loyalty and purchase intentions. Furthermore, this study will help to understand how different benefits of loyalty programmes impact customer behaviour and how loyalty programmes can be designed to maximise their impact. A better understanding of the perceived benefits will assist retailers to develop optimal loyalty programmes to encourage brand loyalty (Khairawati 2020; Koo et al. 2020; Kwiatek et al. 2020; Nastasoiu & Vandenbosch 2019) and influence purchase intentions (Chen, Li, Chiu & Chen 2021).

The following section includes a literature review that provides an overview of loyalty programmes, their perceived benefits, and their impact on brand loyalty and purchase intentions. This is followed by a visual representation of the study's research model. The research methodology used in this study is then described, along with a discussion of the findings. This paper concludes with a discussion of the implications for retailers, limitations of the study, and suggestions for future research.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. LOYALTY PROGRAMMES

A loyalty programme is a system or programme businesses devise to provide additional rewards to loyal customers (Agarwal, Mehrotra & Misra 2022). It is a method or tactic used to retain customers by offering them additional perks such as rebates and vouchers. Numerous loyalty programmes, such as spend-based, tiered, value-based, and partnered, are available to customers (Agarwal et al. 2022). A loyal customer is, therefore, a valuable asset to a business, and companies go to great lengths to obtain and retain them (Gupta, Gupta & Shainesh 2018). As such, loyalty programmes have been utilised to build consumer relationships (Sánchez-Casado, Confente, Tomaseti-Solano & Brunetti 2018). Furthermore, loyalty programmes may be considered a service offered by the provider (Sánchez-Casado et al. 2018), and the goal of any service provider is to meet the wants and needs of its customers. However, the perceived benefits must be considered to understand the effectiveness of loyalty programmes (Corbishley 2017).

2.2. PERCEIVED BENEFITS OF LOYALTY PROGRAMMES

Perceived benefits of loyalty programmes refer to the perceived value customers attach to their participation in the programme (Mimouni-Chaabane & Volle 2010). According to Utility Theory, consumers will be more likely to purchase a product if they receive more advantages than they spend (Thomas, Wirtz & Weyerer 2019). A review of previous research suggests that customers' benefits from joining loyalty programmes consist of monetary, entertainment, and symbolic benefits (Mimouni-Chaabane & Volle, 2010). A study conducted by Kim, Lee, Choi, Wu and Johnson (2013) further found that monetary saving, entertainment, social benefit, recognition, and exploration significantly impact customer loyalty. Additionally, a study by Sharma and Bhardwaj (2015) confirmed the relationship between the perceived benefits of loyalty programmes and purchase intentions. Monetary savings, entertainment, and social benefits are positively connected with programme loyalty (Mimouni-Chaabane & Volle 2010).

2.2.1. *Monetary benefits*

Discounts, rebates, and coupons are monetary benefits (Mimouni-Chaabane & Volle, 2010). Participants' cash-back incentives and savings from consistently purchasing the same brand or shopping with the same retailer result in monetary benefits (Eason, Bing & Smothers 2015). The effectiveness of these incentives in maintaining customers over the long term is still up for debate, but they are considered the most effective in attracting new customers (Hossain, Kibria & Farhana 2017). Monetary benefits are a primary motivator for joining loyalty programmes (Allaway, Gooner, Berkowitz & Davis 2006). Therefore, the researchers examined the impact of monetary benefits on satisfaction with the loyalty programme, brand loyalty, and purchase intentions. Loyalty programme benefits, such as monetary benefits, are the main contributor to increasing brand loyalty and satisfaction with the loyalty programme (Sharma & Bhardwaj 2015). Thus, the following hypotheses were formulated:

H_{1a}: Monetary benefits have a significant positive impact on satisfaction with the loyalty programme.

H_{1b}: Monetary benefits have a significant positive impact on brand loyalty.

H_{1c}: Monetary benefits have a significant positive impact on purchase intention.

2.2.2. *Entertainment benefits*

Entertainment benefits are seen as emotional and personally satisfying. Entertainment benefits are being satisfied as clients can delight in memorable encounters and have happy and delightful experiences (Agarwal et al. 2022). A loyalty programme can be considered entertainment in and of itself due to the delight associated with accumulating and redeeming points (Fourie, Goldman & McCall 2022). Marketers will need to make the entertainment benefits that the loyalty programme delivers more apparent than simple monetary benefits to customers who demonstrate low involvement or are less aware of or concerned with what the programme offers. This approach will improve the purchasing experience and encourage more loyalty from them (Augustyn 2022). In retail loyalty programmes, entertainment may be provided through special promotions such as competitions and other amusing activities. Therefore, it is likely that a percentage of the enjoyment members derive from earning and redeeming loyalty points stems from the prospect of entertaining rewards (Agarwal et al. 2022). Thus, the following hypotheses can be made:

H_{2a}: Entertainment benefits have a significant positive impact on satisfaction with the loyalty programme.

H_{2b}: Entertainment benefits have a significant positive impact on brand loyalty.

H_{2c}: Entertainment benefits have a significant positive impact on purchase intention.

2.2.3. *Symbolic benefits*

Symbolic benefits are associated with a consumer's need for social worth and approval (Agarwal et al. 2022). The perceived symbolic benefits include social and recognition benefits (Mimouni-Chaabane & Volle 2010). Social benefits include mutual recognition and preferential treatment (Hossain et al. 2017), whereby consumers feel more important and prestigious. Symbolic benefits would increase involvement in brand experiences, including consumers undertaking loyalty programme experiences (Gupta et al. 2018). The particular experiences, such as preferential treatment, additional attention, special communications, and priority waiting lists, all ensure a sense of recognition and importance among consumers and enhance their perception of the value received (Brashear-Alejandro, Kang & Groza 2016). These experiences that allow consumers to meet other individuals or be recognised by others through loyalty programmes depict the recognition benefits. According to Helal, Ozuem and Lancaster (2018), these benefits are significant as individuals are more compelled to be associated with a brand that enhances their social empowerment status, such as loyalty programmes, rewards, and experiences. As symbolic benefits impact a consumer's decision to be associated with a brand, this further impacts the consumer's willingness to purchase a product from that brand (Khan, Danish & Ghafoor 2018). Loyalty programme members also develop bonds with other members, which creates a sense of community through mutual feelings of belonging to an exclusive group (Agarwal et al. 2022). Moreover, symbolic benefits also include more emotional soft benefits (Brashear-Alejandro et al. 2016), which also need to be determined so that the study can effectively answer the research questions. Thus, the following hypotheses were made:

H_{3a}: Symbolic benefits have a significant positive impact on satisfaction with the loyalty programme.

H_{3b}: Symbolic benefits have a significant positive impact on brand loyalty.

H_{3c}: Symbolic benefits have a significant positive impact on purchase intention.

2.3. PERCEIVED BENEFITS AND SATISFACTION WITH THE LOYALTY PROGRAMMES

An in-depth understanding of the benefits associated with loyalty programmes and their design effectiveness is crucial when determining the satisfaction of customers (Agarwal et al. 2022). Omar, Ramly, Alam and Nazri (2015) suggested that if there are no perceived benefits present, customers will not undertake loyalty programmes, as the satisfaction level will be low. As such, the loyalty programme will not be considered when a consumer chooses which retail brand to purchase from (Omar et al. 2015). Agarwal et al. (2022) defined satisfaction with loyalty programmes as the customer's emotions and state of mind due to their experience with loyalty programmes. Satisfaction with a loyalty programme involves a value proposition, which refers to a set of benefits that a consumer receives from undertaking a loyalty programme and relates to the perceived benefits thereof (Kyguoliene, Zikiene & Grigaliunaite 2017). Furthermore, a study by Tsabita and Djameludin (2023) indicated that a well-designed loyalty programme could enhance a product's perceived benefits and increase satisfaction via repeat purchases. Customer satisfaction is a significant consideration as it identifies the influence that perceived benefits may have on the potential increase in loyalty towards the programme and brand. Furthermore, loyalty programmes efforts can gain customer satisfaction if utilitarian, hedonic and symbolic benefits are provided (Kyguoliene et al. 2017). Therefore, to influence emotional response and facilitate the use of loyalty programmes, it was necessary to determine the level of satisfaction regarding the perceived benefits of loyalty programmes and how they impact brand loyalty. When retailers aim to impact the level of brand loyalty amongst consumers, satisfaction has been considered a significant determinant (Koo et al. 2020). Moreover, when consumers are satisfied with their loyalty programmes, they are more likely to remain loyal, pay a higher price for products, and even purchase more (Koo et al. 2020). This implies that a relationship between satisfaction with loyalty programmes and brand loyalty exists. Thus, the following hypothesis was made:

H₄: Satisfaction with the loyalty programme has an impact on brand loyalty

2.4. BRAND LOYALTY

Brand loyalty is a multidimensional construct defined as the deeply held commitment toward repurchasing the brand in the future regardless of situational factors (Chaudhuri & Holbrook 2001). Wongsansukcharoen (2022) noted that brand loyalty has become a robust solution for creating a long-term relationship between a consumer and a brand, creating a competitive advantage for any business. Furthermore, brand loyalty can be explained by its attitudinal and behavioural loyalty dimensions (Dandis & Al Haj Eid 2022), where attitudinal loyalty was designed to stimulate positive thoughts and perceptions about loyalty programmes and encourage consumers to consider these attitudes when deciding to undertake loyalty programmes. On the contrary, the behavioural loyalty dimension involves a consumer's decision to continue to purchase and use a brand due to using loyalty programme (Baker et al. 2022). There is, however, a divide among researchers as to which form of loyalty is more effective, whilst a study regarding retail hospitality indicated that attitudinal loyalty promotes intentional loyalty, as the positive attitudes elicit responses and intentions among consumers, thus leading to purchase intent (Akhmedova, Mas-Machuca & Marimon 2022). Hence, the following hypothesis can be made:

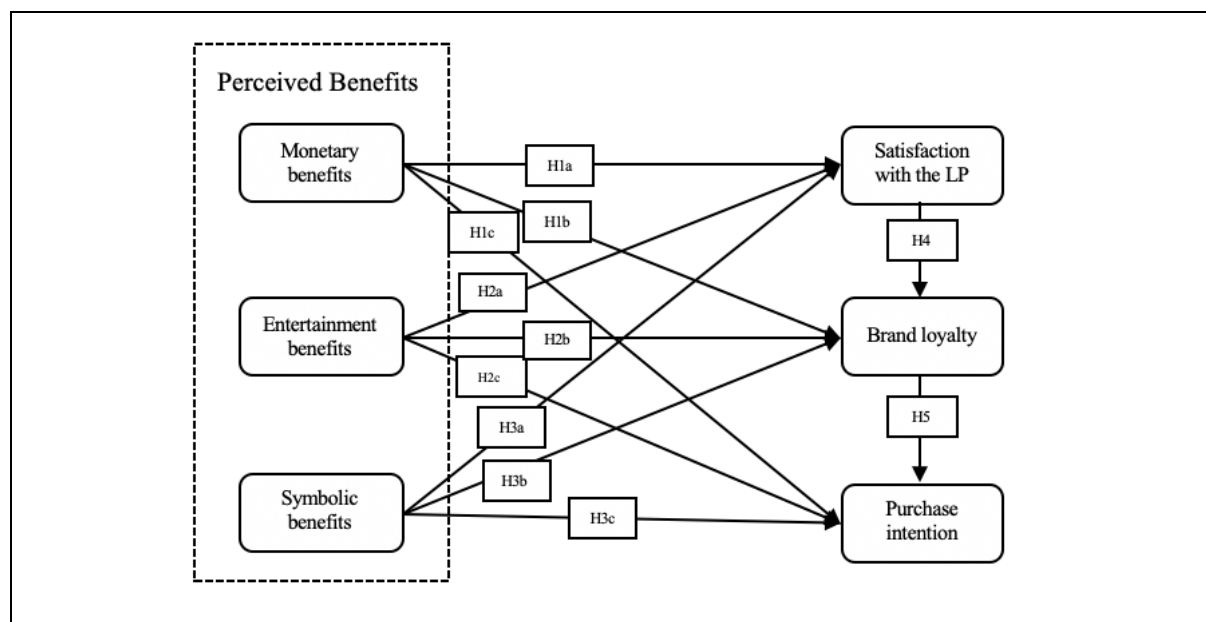
H₅: Brand loyalty has a significant impact on purchase intention.

2.5. PURCHASE INTENTION

Purchase intent is frequently linked to consumer behaviour, perceptions, and attitudes, and consumers use purchase intention to access and assess certain products (Vasudevan et al. 2023). According to Ali, Ullah, Ahmad, Cheok and Alenezi (2023), purchase intention is an excellent technique for predicting the buying process of consumers. Retailers should, therefore, consider the price and perceived quality of products to impact a consumer's purchase intention. Furthermore, during the purchasing process, buyers are influenced by internal and external motives (Sudirjo, Lotte, Sutaguna, Risdiyanto & Yusuf 2023). Thus, purchase intention is a metric that evaluates a consumer's willingness to buy a product (Nel, Dlamini, Madinga, Langley, Main & Stirto 2022; Vasudevan et al. 2023). Furthermore, gauging a consumer's likelihood of purchasing a product, and as purchase intention rises, so does a consumer's inclination to acquire a product. Treiblmaier and Garaus (2023) indicated that a consumer prefers to purchase a product when they are already familiar with the brand, suggesting a relationship between purchase intention and brand loyalty exists. Subsequently, the price, perceived quality disparity, store/staff familiarity, perceived risk, and perceived value for money are some factors that influence purchase intent (Inman & Nikolova 2017).

3. RESEARCH MODEL

FIGURE 1: RESEARCH MODEL



Source: Own construction

4. RESEARCH METHODOLOGY

4.1. DATA COLLECTION AND MEASUREMENTS

An electronic self-administered questionnaire was developed using Qualtrics to collect data for this study. A total of 252 responses was collected. However, only 192 responses were considered usable after the data cleaning and preparation process. Following a pilot study involving a small sample of students, the survey underwent revisions to address potential ambiguities or clarity concerns. The survey comprised of screening questions and demographic factors and questions aimed at measuring key constructs. Measurement items were derived

from previous studies and adapted to fit the context of the current study. To measure perceived benefits (monetary, entertainment and symbolic) of loyalty programmes, items were adapted from Kim et al. (2013). The scale used to measure brand loyalty was adapted from Odin, Odin, and Valette-Florence (2001), while the scale to measure satisfaction with loyalty programmes was adapted from studies conducted by Mimouni-Chaabane and Volle (2010). Lastly, a scale to measure purchase intention was adapted from Mullet and Karson (1985). All items were measured using a five-point Likert scale, with anchors from “strongly disagree” (1) to “strongly agree” (5).

5. RESULTS

5.1. PROFILE OF RESPONDENTS

The respondents in this survey were predominantly male (50%) and female (49%). A small percentage identifying as other (0.52%) and choosing not to disclose their gender (0.52%). The age distribution of the respondents was as follows: 21 years old (31.77%), 22 years old (18.75%), 23 years old (10.42%), 24 years old (8.85%), 25 years old (8.33%), 26 years old (8.33%), 27 years old (10.42%), and 3.13% of respondents preferred not to disclose their age.

TABLE 1: SAMPLE DEMOGRAPHICS

Variable	Category	Frequency	Percentage (%)
Gender	Male	96	50.00
	Female	94	48.96
	Other	1	0.52
	Prefer not to answer	1	0.52
Age	21	61	31.77
	22	36	18.75
	23	20	10.42
	24	17	8.85
	25	16	8.33
	26	16	8.33
	27	20	10.42
	Prefer not to answer	6	3.13

Source: Own construction, based on analysis

5.2. DATA ANALYSIS

The SmartPLS version 3.3 software was employed to analyse the data. SmartPLS utilises the bootstrapping technique to estimate parameters, eliminating the need for data normality assessment. Partial least square structural equation modelling (PLS-SEM) was employed to evaluate the proposed research model (Figure 1). The PLS-SEM is a useful technique for assessing complex models and exploring novel relationships (Shiau, Sarstedt & Hair 2019). The PLS-SEM is deemed suitable for this study due to its predictive nature (Khan et al. 2019b), and ability to deal with complex models (Hair, Risher, Sarstedt & Ringle 2019). PLS-SEM is a two-stage process, comprising step 1, which involves examining the measurement model, and step 2, which involves examining the structural model (Khan et al. 2019a).

5.2.1. Assessment of measurement model

The measurement model was evaluated through the examination of outer loadings, composite reliability (CR), Cronbach Alpha values, average variance extracted (AVE) values, and the Heterotrait-monotrait ratio (HTMT). The factor loadings ranged from 0.667 to 0.902. The

Cronbach's alpha values, which ranged from 0.786 to 0.909, were above the recommended threshold of 0.7, indicating high internal consistency reliability. The composite reliability was utilised to enhance the accuracy and representation of results, as it is a more reliable approach for PLS-SEM compared to Cronbach's alpha. The study's composite reliability values ranged from 0.843 to 0.932, providing strong support for the internal consistency reliability. The AVE was calculated to determine the study's convergent validity, with AVE values obtained for the following constructs including: brand loyalty (0.576), purchase intention (0.734), satisfaction with loyalty programme (0.650), monetary benefit (0.517), entertainment benefits (0.748), and symbolic benefit (0.665).

TABLE 2: MEASUREMENT MODEL RESULTS

	Outer loading	Standard deviation	Cronbach's Alpha	Composite reliability	Average Variance Extracted
Brand loyalty					
BL1	0.747	1.174	0.815	0.871	0.576
BL2	0.699	0.859			
BL3	0.796	1.067			
BL4	0.823	1.206			
BL5	0.723	1.191			
Entertainment benefits					
EB1	0.766	0.976	0.886	0.922	0.748
EB2	0.883	1.031			
EB3	0.901	1.082			
EB4	0.902	1.125			
Monetary benefits					
MB1	0.728	1.024	0.768	0.843	0.517
MB2	0.710	0.929			
MB3	0.667	0.892			
MB4	0.728	1.047			
MB5	0.761	1.007			
Purchase intention					
PI1	0.867	1.082	0.909	0.932	0.734
PI2	0.866	0.976			
PI3	0.812	1.037			
PI4	0.868	1.097			
PI5	0.869	1.010			
Symbolic benefits					
SB1	0.794	1.081	0.873	0.908	0.665
SB2	0.746	1.131			
SB3	0.824	1.051			
SB4	0.874	1.129			
SB5	0.835	1.161			
Satisfaction with LPs					
SLP1	0.792	0.939	0.820	0.881	0.650
SLP2	0.842	1.031			
SLP3	0.835	1.045			
SLP4	0.753	1.026			

Source: Own construction, based on analysis

(a) HTMT values: correlations between variables

Henseler, Ringle and Sarstedt (2015) suggest that the HTMT ratio of correlations is the most dependable method for evaluating discriminant validity. If the HTMT value is below 0.90, it can be concluded that discriminant validity has been established between two reflective

constructs. The results presented in Table 3 shows that all HTMT values were below the recommended threshold. Therefore, indicating that discriminant validity was established in this study.

TABLE 3: HTMT VALUES

	Brand loyalty	Entertainment benefits	Monetary benefits	Purchase intention	Satisfaction with LPs	Symbolic benefits
Entertainment benefits	0.677	-	-	-	-	-
Monetary benefit	0.767	0.725	-	-	-	-
Purchase intention	0.701	0.610	0.774	-	-	-
Satisfaction with LPs	0.510	0.506	0.610	0.583	-	-
Symbolic benefits	0.400	0.417	0.377	0.444	0.678	-

Source: Own construction, based on analysis

5.2.2. Assessment of measurement structure

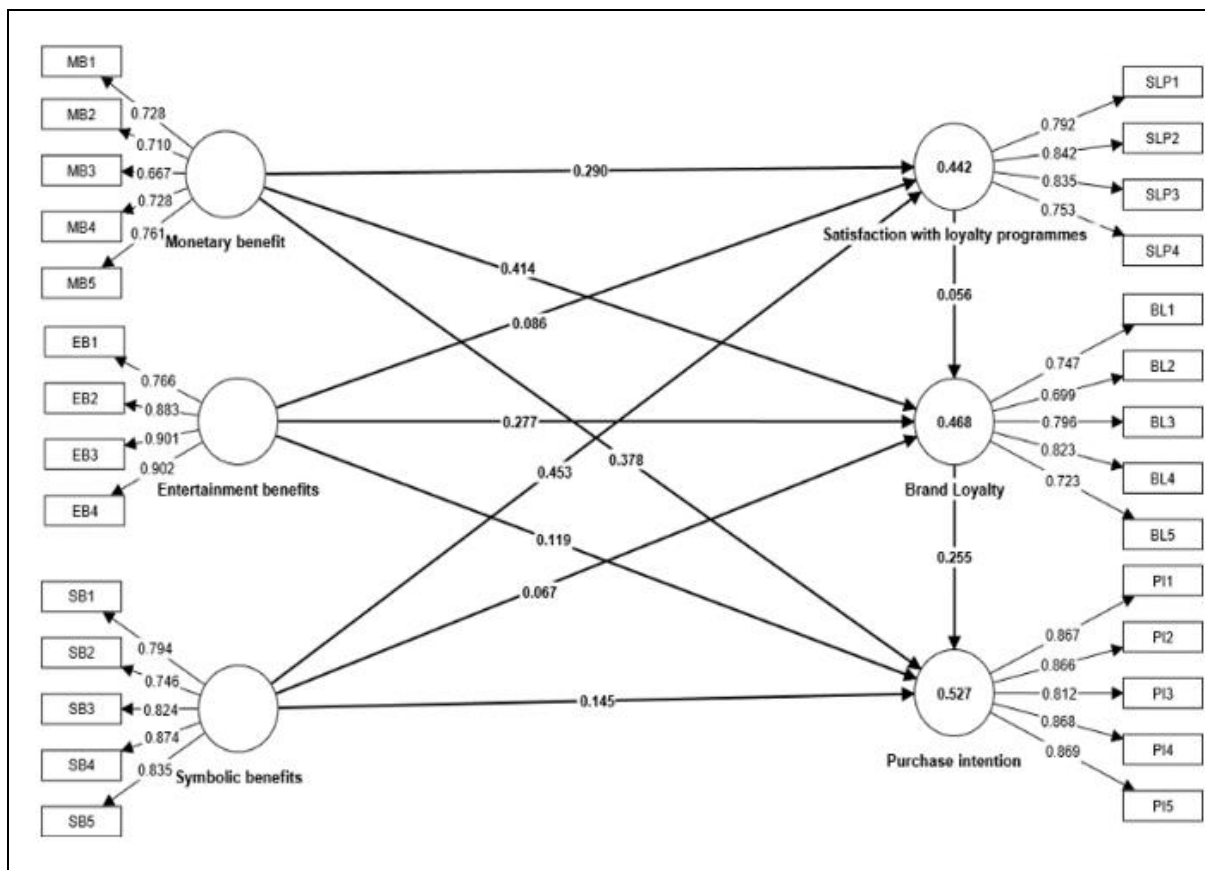
If the measurement model assessment is satisfactory, then the next step is assessing the structural model. To ensure that the results of the regression analysis are not biased, collinearity must be examined before assessing the structural relationships. To examine the presence of multicollinearity, the Variance Inflation Factor (VIF) was utilised. The VIF value is used to determine the extent to which one or more indicators of formatively measured constructs are correlated with each other. A VIF value of 5 or higher indicates that there are critical collinearity issues among the indicators, and the reliability of the model may be affected (Hair et al. 2019). In the present study, all VIF values were below 5, indicating that no multicollinearity issues were found among the indicators of formatively measured constructs. After examining the collinearity, the next step is to assess the R-square value of the endogenous construct(s) (Hair et al. 2019). In evaluating the explanatory power of a predictor variable, the R-square value is a widely used metric. R-square values range from 0 to 1, with higher values indicating a stronger relationship between the predictor variable and the dependent variable (Hair, Ringle & Sarstedt 2011). As shown in Figure 2, the model explained 46.8% of the variance in brand loyalty, 52.7% of the variance in purchase intention, and 44.2% of the variance in satisfaction with loyalty programmes. All of these R-square values were statistically significant, indicating that the model was able to provide meaningful insights into the relationships between the constructs.

The results of this study support the hypotheses presented in Figure 1. The path coefficients displayed in Table 5 show that the monetary benefits of loyalty programmes have a significant positive influence on customer satisfaction ($\beta = 0.290$, $p = 0.001$), brand loyalty ($\beta = 0.414$, $p = 0.001$), and purchase intention ($\beta = 0.378$, $p = 0.001$), supporting H_{1a}, H_{2a}, and H_{3a}. Additionally, the study found that the entertainment benefits of loyalty programmes have a significant positive influence on customer satisfaction ($\beta = 0.086$, $p = 0.001$), brand loyalty ($\beta = 0.277$, $p = 0.001$), and purchase intention ($\beta = 0.119$, $p = 0.001$), supporting H_{1b}, H_{2b}, and H_{3b}. The study also found that the symbolic benefits of loyalty programmes have a significant positive influence on customer satisfaction ($\beta = 0.453$, $p = 0.001$), brand loyalty ($\beta = 0.067$, $p = 0.001$), and purchase intention ($\beta = 0.145$, $p = 0.001$), supporting H_{1c}, H_{2c}, and H_{3c}. Moreover, the study's findings suggest that customer satisfaction with loyalty programmes positively influences brand loyalty ($\beta = 0.056$, $p = 0.001$), supporting H₄. Lastly, the study found that brand loyalty has a significant positive influence on purchase intention ($\beta = 0.255$, $p = 0.001$), supporting H₅. These results indicate that the structural model developed in this study is a significant predictor of loyalty programme satisfaction, brand loyalty, and purchase intention in the context of loyalty programmes.

The results of the study revealed that social benefits had the highest influence on satisfaction with loyalty programmes. Participants who reported receiving social benefits such as exclusive events, personalised offers, and recognition were more likely to be satisfied with their loyalty programmes. Monetary benefits, on the other hand, had the highest influence on brand loyalty and purchase intention. Participants who reported receiving monetary benefits such as cashback, discounts, and rewards were more likely to be loyal to the brand and make repeat purchases.

The positive influence of monetary, entertainment, and symbolic benefits on customer satisfaction, brand loyalty, and purchase intention supports the proposition that loyalty programmes can provide value to customers beyond their functional attributes. These benefits play a critical role in creating a positive brand image and customer perception, which can ultimately lead to increased customer loyalty and repurchase behaviour. The study's findings also highlight the importance of considering the overall customer experience when designing and implementing loyalty programmes. The results suggest that loyalty programmes that offer a mix of monetary, entertainment, and symbolic benefits can provide customers with.

FIGURE 2: MEASUREMENT STRUCTURE RESULTS



Source: Based on analysis

TABLE 5: RESULTS OF PLS-SEM

Hypotheses	Relationships	Path coefficients	P-value	Decision
H _{1a}	MB → SLP	0.290	0.001	Supported
H _{1b}	EB → SLP	0.086	0.001	Supported
H _{1c}	SB → SLP	0.453	0.001	Supported
H _{2a}	MB → BL	0.414	0.001	Supported
H _{2b}	EB → BL	0.277	0.001	Supported
H _{2c}	SB → BL	0.067	0.001	Supported
H _{3a}	MB → PI	0.378	0.001	Supported
H _{3b}	EB → PI	0.119	0.001	Supported
H _{3c}	SB → PI	0.145	0.001	Supported
H ₄	SLP → BL	0.056	0.001	Supported
H ₅	BL → PI	0.255	0.001	Supported

Source: Own construction, based on analysis

6. DISCUSSION OF THE FINDINGS

The current study found that monetary benefits had a significant impact on satisfaction with loyalty programmes, as well as brand loyalty and purchase intention. These findings align with previous research, such as the study by Mimouni-Chaabane and Volle (2010), which highlighted the positive relationship between monetary benefits and loyalty programme satisfaction. The current study also found that monetary benefits had a significant impact on brand loyalty and purchase intention, which is consistent with previous studies (Kim et al. 2013; Yi & Jeon 2003). Moreover, the study revealed that entertainment benefits also had a significant impact on satisfaction with loyalty programmes, brand loyalty, and purchase intention. These findings are consistent with previous research, such as the studies by Meyer-Waarden et al. (2023) as well as Yi and Jeon (2003), which highlighted the emotional and consumer-involving aspects of entertainment benefits. These findings suggest that retailers should consider including the most optimal and amusing entertainment benefits when designing their loyalty programmes, as these benefits have a positive impact on consumer satisfaction, brand loyalty, and purchase intention. The study found that symbolic benefits also had a positive impact on satisfaction with loyalty programme, brand loyalty, and purchase intention. These findings align with previous research, which highlighted the importance of preferential treatment, recognition, and status in creating a positive brand image and influencing consumer behaviour (Meyer-Waarden et al. 2023; Mimouni-Chaabane & Volle 2010; Yi & Jeon 2003). These findings suggest that retailers should consider incorporating symbolic benefits into their loyalty programmes, as they have a positive impact on consumer satisfaction, brand loyalty, and purchase intention. Finally, the results of the study demonstrated that social benefits have the most significant impact on satisfaction with loyalty programmes, while monetary benefits were found to have the greatest impact on brand loyalty and purchase intention. Businesses should focus on providing social benefits to their loyalty programme members to enhance customer satisfaction. Offering exclusive events, personalised offers, and recognition can help build customer loyalty and increase customer retention. In addition, businesses should consider offering a balance of social and monetary benefits to attract and retain customers.

7. MANAGERIAL IMPLICATIONS

The findings of this study suggest that companies offering loyalty programmes should focus on providing monetary, entertainment, and symbolic benefits to their customers. These benefits have been shown to have a significant impact on customer satisfaction, brand loyalty, and purchase intention. One of the key implications of these findings is that companies should consider investing in loyalty programmes that provide tangible rewards to their customers. Monetary benefits such as discounts, cashback, and rewards points have been shown to be particularly effective in increasing customer satisfaction and loyalty. Additionally, companies should consider offering entertainment benefits such as exclusive events, access to exclusive content, and personalised experiences that can enhance the customer experience. Another important implication of these findings is that companies should also consider providing symbolic benefits that can help to build a stronger emotional connection with their customers. These benefits can include personalised rewards, recognition programmes, and exclusive access to limited edition products or services. By providing these types of benefits, companies can help to build brand loyalty and increase the likelihood that customers will continue to do business with them in the future. Additionally, companies should monitor customer feedback and satisfaction levels to ensure that their loyalty programmes are meeting their customers' expectations. By focusing on providing high-value benefits and personalised rewards, companies can increase customer loyalty and drive sales.

Overall, the findings of this study suggest that companies offering loyalty programmes should focus on providing a wide range of benefits that are tailored to the unique needs and preferences of their customers. By doing so, they can increase customer satisfaction, loyalty, and ultimately drive sales and revenue.

8. LIMITATIONS AND FUTURE RESEARCH

The study has some limitations that need to be addressed in future research. Firstly, the sample size of 192 participants is relatively small, which may limit the generalisability of the findings to larger populations. Secondly, the study only focused on a specific group of customers in South Africa, and it would be beneficial to conduct similar studies in other regions to determine if the findings are consistent across different contexts. Thirdly, the study relied on self-reported data, which may be subject to bias and may not accurately reflect participants' actual behaviour. Finally, the study did not control for confounding variables that may influence the relationship between loyalty programme benefits and customer satisfaction, brand loyalty, and purchase intention, such as age, income, and education level. Future research should address these limitations by using larger and more diverse samples, collecting objective data, and controlling for confounding variables.

REFERENCE LIST

- Agarwal, R., Mehrotra, A. & Misra, D. 2022. Customer happiness as a function of perceived loyalty program benefits-A quantile regression approach. *Journal of Retailing and Consumer Services*, 64:1-20.
- Akhmedova, A., Mas-Machuca, M. & Marimon, F. 2022. 'I get my income from sharing.' Modelling satisfaction of peer service providers on capital and labour sharing economy platforms. *Journal of Hospitality and Tourism Management*, 51:452-461.

- Ali, M., Ullah, S., Ahmad, M.S., Cheok, M.Y. & Alenezi, H. 2023. Assessing the impact of green consumption behavior and green purchase intention among millennials toward sustainable environment. *Environmental Science and Pollution Research*, 30(9):23335-23347.
- Allaway, A.W., Gooner, R.M., Berkowitz, D. & Davis, L. 2006. Deriving and exploring behavior segments within a retail loyalty card program. *European Journal of Marketing*, 40(11/12):1317-1339.
- Augustyn, S. 2022. *Feasibility and perceived benefits of a loyalty programme for a coffee shop in the Northern suburbs of Cape Town*. (Unpublished BCom Honours research report). IIE, Vega.
- Baker, B.J., Kunkel, T., Doyle, J.P., Su, Y., Bredikhina, N. & Biscaia, R. 2022. Remapping the sport brandscape: A structured review and future direction for sport brand research. *Journal of Sport Management*, 36(3):251-264.
- Brashear-Alejandro, T., Kang, J. & Groza, M.D. 2016. Leveraging loyalty programs to build customer–company identification. *Journal of Business Research*, 69(3):1190-1198.
- Chaudhuri, A. & Holbrook, M.B. 2001. The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of Marketing*, 65(2):81-93.
- Chen, H., Li, X., Chiu, T.S. & Chen, F. 2021. The impact of perceived justice on behavioral intentions of Cantonese Yum Cha consumers: The mediation role of psychological contract violation. *Journal of Hospitality and Tourism Management*, 49:178-188.
- Corbishley, K. M. 2017. *Retail loyalty programmes: relationship quality and customer loyalty between the card-holder and the retailer in South Africa*. (Unpublished PhD dissertation). Durban University of Technology, Durban.
- Dandis, A.O. & Al Haj Eid, M.B. 2022. Customer lifetime value: investigating the factors affecting attitudinal and behavioural brand loyalty. *The TQM Journal*, 34(3):476-493.
- Dowling, G. 2002. Customer relationship management: In B2C markets, often less is more. *California Management Review*, 44(3):87-104.
- Eason, C.C., Bing, M.N. & Smothers, J. 2015. Reward me, charity, or both? The impact of fees and benefits in loyalty programs. *Journal of Retailing and Consumer Services*, 25:71-80.
- Fortune-Business-Insights. 2023. *Loyalty management market share & growth analysis [2030]*. Available from <https://www.fortunebusinessinsights.com/industry-reports/loyalty-management-market-101166>
- Fourie, S., Goldman, M. & McCall, M. 2022. Designing for loyalty programme effectiveness in the financial services industry. *Journal of Financial Services Marketing*, 28:502-525.
- Fredericks, A. 2022. *The loyalty and rewards reality in 2022 and beyond*. Available from <https://www.bizcommunity.com/Article/196/513/233868.html>
- Gupta, S., Gupta, T. & Shainesh, G. 2018. Navigating from programme loyalty to company loyalty. *IIMB Management Review*, 30(3):196-206.

- Hair, J.F., Ringle, C.M. & Sarstedt, M. 2011. PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2):139-152.
- Hair, J.F., Risher, J.J., Sarstedt, M. & Ringle, C.M. 2019. When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1):2-24.
- Helal, G., Ozuem, W. & Lancaster, G. 2018. Social media brand perceptions of millennials. *International Journal of Retail & Distribution Management*, 46(10):977-998.
- Henseler, J., Ringle, C.M. & Sarstedt, M. 2015. A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1):115-135.
- Hossain, M. Z., Kibria, H. & Farhana, S. 2017. Do customer loyalty programs really work in airlines business?—A study on Air Berlin. *Journal of Service Science and Management*, 10(4):360-375.
- Hwang, E., Baloglu, S. & Tanford, S. 2019. Building loyalty through reward programs: The influence of perceptions of fairness and brand attachment. *International Journal of Hospitality Management*, 76:19-28.
- Inman, J.J. & Nikolova, H. 2017. Shopper-facing retail technology: A retailer adoption decision framework incorporating shopper attitudes and privacy concerns. *Journal of Retailing*, 93(1):7-28.
- Khairawati, S. 2020. Effect of customer loyalty program on customer satisfaction and its impact on customer loyalty. *International Journal of Research in Business and Social Science* 9(1):15-23.
- Khan, F.U., Danish, A.R. & Ghafoor, S. 2018. Cost-efficient distributed amplification in a bidirectional optical fiber link. *Proceedings of the 1st International Conference on Information Science and Systems*, 177-183.
- Khan, G.F., Sarstedt, M., Shiau, W.L., Hair, J.F., Ringle, C.M. & Fritze, M.P. 2019. Methodological research on partial least squares structural equation modeling (PLS-SEM): an analysis based on social network approaches. *Internet Research*, 29(3):407-429.
- Kim, H.Y., Lee, J.Y., Choi, D., Wu, J. & Johnson, K.K. 2013. Perceived benefits of retail loyalty programs: Their effects on program loyalty and customer loyalty. *Journal of Relationship Marketing*, 12(2):95-113.
- Koo, B., Yu, J. & Han, H. 2020. The role of loyalty programs in boosting hotel guest loyalty: Impact of switching barriers. *International Journal of Hospitality Management*, 84:1-28.
- Kurniawan, F., Febrian, E. & Wibisono, A. 2022. Influence of rivalry merger, bank financial health rating, and customer loyalty to the competitive advantage. *Indonesian Interdisciplinary Journal of Sharia Economics*, 5(1):276-299.
- Kwiatek, P., Morgan, Z. & Thanasi-Boçe, M. 2020. The role of relationship quality and loyalty programs in building customer loyalty. *Journal of Business & Industrial Marketing*, 1:1-28.

- Kyguoliene, A., Zikiene, K. & Grigaliunaite, V. 2017. The influence of perceived benefits on the satisfaction with the loyalty program. *Engineering Economics*, 28(1):101-109.
- Meyer-Waarden, L., Bruwer, J. & Galan, J.-P. 2023. Loyalty programs, loyalty engagement and customer engagement with the company brand: Consumer-centric behavioral psychology insights from three industries. *Journal of Retailing and Consumer Services*, 71:103122.
- Meyer-Waarden, L., Benavent, C. & Castéran, H. 2013. The effects of purchase orientations on perceived loyalty programmes' benefits and loyalty. *International Journal of Retail & Distribution Management*, 41(3):201-225.
- Mimouni-Chaabane, A. & Volle, P. 2010. Perceived benefits of loyalty programs: Scale development and implications for relational strategies. *Journal of Business Research*, 63(1):32-37.
- Mullet, G.M. & Karson, M.J. 1985. Analysis of purchase intent scales weighted by probability of actual purchase. *Journal of Marketing Research*, 22(1):93-96.
- NastasoIU, A. & Vandenbosch, M. 2019. Competing with loyalty: How to design successful customer loyalty reward programs. *Business Horizons*, 62(2):207-214.
- Nel, D., Dlamini, S., Madinga, N., Langley, O., Main, T. & Stirto, R. 2022. Age as moderator in technology acceptance of airbnb purchase intentions. *Proceedings of the 15th International Business Conference*, 2115-2140.
- Odin, Y., Odin, N. & Valette-Florence, P. 2001. Conceptual and operational aspects of brand loyalty: An empirical investigation. *Journal of Business Research*, 53(2):75-84.
- Omar, N.A., Ramly, S.M., Alam, S.S. & Nazri, M.A. 2015. Assessing the effect of loyalty program benefits in satisfaction-loyalty relationship: evidence from Malaysia. *Jurnal Pengurusan*, 43:145-159.
- Sánchez-Casado, N., Confente, I., Tomaseti-Solano, E. & Brunetti, F. 2018. The role of online brand communities on building brand equity and loyalty through relational benefits. *Journal of Marketing Theory and Practice*, 26(3):289-308.
- Sharma, A., & Bhardwaj, P. 2015. *Perceived benefits of loyalty programmes and their impact on purchase intentions of customers*. Paper presented at the PRIMA.
- Shiau, W.L., Sarstedt, M. & Hair, J.F. 2019. Internet research using partial least squares structural equation modeling (PLS-SEM). *Internet Research*, 29(3):398-406.
- Sudirjo, F., Lotte, L.N. A., Sutaguna, I.N.T., Risdiyanto, A. & Yusuf, M. 2023. The influence of generation z consumer behavior on purchase motivation in e-commerce shoppe. *Profit: Jurnal Manajemen, Bisnis dan Akuntansi*, 2(2):110-126.
- Thomas, M.J., Wirtz, B.W. & Weyerer, J.C. 2019. Determinants of online review credibility and its impact on consumers'purchase intention. *Journal of Electronic Commerce Research*, 20(1):1-20.

- Treiblmaier, H. & Garaus, M. 2023. Using blockchain to signal quality in the food supply chain: The impact on consumer purchase intentions and the moderating effect of brand familiarity. *International Journal of Information Management*, 68:102514.
- Treiblmaier, H. & Petrozhitskaya, E. 2023. Is it time for marketing to reappraise B2C relationship management? The emergence of a new loyalty paradigm through blockchain technology. *Journal of Business Research*, 159:113725.
- Tsabita, H. & Djamaludin, M.D. 2023. The influence of perceived loyalty program and satisfaction level towards loyalty level of online transportation consumers. *Journal of Child, Family, and Consumer Studies*, 2(2):147-157.
- Vasudevan, A., Fong, A.C.K., Sam, T.H., Thinakaran, R., John, S., Nagaraj, S. & Ruiteng, X. 2023. Online purchase intention towards fresh produce during MCO in China: Perspective of China students in Malaysia. *Resmilitaris*, 13(2):1585-1600.
- Wollan, R., Davis, P., De Angelis, F. & Quiring, K. 2017. Seeing beyond the loyalty illusion: It's time you invest more wisely. *Dublin: Accenture Strategy*.
- Wongsansukcharoen, J. 2022. Effect of community relationship management, relationship marketing orientation, customer engagement, and brand trust on brand loyalty: The case of a commercial bank in Thailand. *Journal of Retailing and Consumer Services*, 64:1-10.
- Yi, Y. & Jeon, H. 2003. Effects of loyalty programs on value perception, program loyalty, and brand loyalty. *Journal of the Academy of Marketing Science*, 31(3):229-240.

BRAND LOYALTY IN THE SKINCARE INDUSTRY: A COMPARISON BETWEEN AGE GROUPS

*Gabriella Berman
Adele Potgieter
Madéle Tait*

ABSTRACT

Brand loyalty in marketing refers to how attached a customer is to a brand and has received increased attention due to its link to facilitating competitive advantage and financial benefits. However, brand loyalty is subjective and is influenced by demographic factors, such as age, which effects all industries, including the skincare industry. The aim of this study was to investigate whether there is a difference in brand loyalty between generational groups with specific reference to the skincare industry. To achieve this, a positivistic research paradigm and a descriptive research design were used. Convenience sampling was utilised to collect a total of 321 responses from consumers who had purchased skincare at the time of the study. Data was collected via a web-based self-administered questionnaire, distributed via a link on Facebook, Instagram and LinkedIn, as well as by distributing the questionnaire via email to an existing mailing list. Once the data was collected, both descriptive and inferential statistics were utilised to analyse and interpret the data. From the results it was concluded that older generations were more likely to remain loyal to skincare brands than younger generations. Moreover, it was determined that older consumers are willing to, or can afford to, spend a larger amount per month on skincare than younger consumers.

Key words/phrases: brand loyalty, generation groups, skincare industry.

1. INTRODUCTION AND PROBLEM STATEMENT

Brand loyalty is defined as how attached a customer is to a certain brand (Aaker 1991:39; Algharabat, Rana, Alalwan, Baabdullah & Gupta 2021:9; Beig & Nika 2022:160; Narteh 2018:385; Tasci 2018:149). Due to the link that brand loyalty has with facilitating competitive advantage and financial benefits, it has become a highly debated topic within a marketing context (Tartaglione, Cavacece, Russo & Granata 2019:1). However, brand loyalty is subjective and as explained by Gudat (2018), Klopotan, Buntak and Drozdjek (2014:488) as well as McDougall (2015), brand loyalty varies based on demographic characteristics, such as age. Moreover, the likeliness of a consumer being brand loyal differs between industries (Marketing Charts 2018; Sabanoglu 2022). This study focused on the skincare industry, which forms part of the global beauty industry. The global skincare industry has an estimated current (2023) market value of \$155.8 billion and is characterised by a highly saturated market (Teneva 2019). Due to the high level of saturation in the market, as well as the growing trend of online shopping, the industry has presented a low level of customer loyalty (Robertson 2020).

Due to the growing importance of brand loyalty, and the evident lack thereof within the skincare industry, this study will investigate generational brand loyalty with specific reference to the skincare industry. This leads to the research question pertaining to this study: Is there a difference in brand loyalty between generational groups in the skincare industry?

2. RESEARCH OBJECTIVES

To answer the afore-mentioned research question, the following primary objective was set: To investigate brand loyalty, specifically in the skincare industry, relative to age groups of the consumers. The following secondary objectives have been set:

- To conduct a literature review of brand loyalty, and specifically brand loyalty by generation group;
- To conduct a literature review of the skincare industry, concentrating on the age of consumers and their shopping habits;
- Undertake an empirical investigation by means of an online questionnaire to gather information relating to brand loyalty amongst different age shoppers in the skincare industry;
- Analyse data through various statistical methods, and;
- Provide recommendations, based on the empirical findings to stakeholders within the skincare industry.

3. LITERATURE REVIEW

The following section will provide a brief discussion on the variables of the study.

3.1. BRAND LOYALTY

Brand loyalty can either be attitudinal or behavioural in nature (Aaker 1991:39; Algharabat et al. 2021:9; Beig & Nika 2022:160; Narteh 2018:385; Tasci 2018:149). From an attitudinal perspective, loyalty refers to the consumer's intention to remain loyal to a brand (Beig & Nika 2022:160), whereas behavioural loyalty is the physical purchase choice of the consumer (Beig & Nika 2022:160). Tartaglione et al. (2019:1) add that a successful brand loyalty building strategy should result in repurchase intention (RI), the generation of positive word-of-mouth (WOM), as well as consumers being willing to pay more (WPM), which is agreed upon by Alexandra and Cerchia (2018:423), Foroudi, Jin, Gupta and Foroudi (2018:10), Giovanis and Anthanasopoulou (2016:2), Haung, Liao, Wang and Lin (2018:2132) as well as Saif, Ahmed, Shareef and Khalid (2018:67). Peek (2022) agrees and adds that loyal customers are known to buy from brands more regularly.

Brand loyalty is of great significance due to its association with pricing and its ability to mitigate competitive threats (Aaker 1991:39; Beig & Nika 2022:160). Furthermore, as discussed by Narteh (2018:385), with reference to brand equity, increased consumer loyalty will lead to a surge in sales, thereby increasing the profit or financial status of a business. Therefore, brands can utilise brand loyalty to gain a competitive advantage in the market as well as to increase their profit margins, thereby guarding against competition. However, as observed in the study of Robertson (2020), of late, there is a definite decrease in consumer devotion to brands, which is attributed to an increase in online shopping or e-commerce. Morris (2020), along with Robertson (2020), adds that as online shopping increases, consumer commitment to brands decreases. Scarpi, Pizzi and Visentin (2014:258) further note that brand loyalty is influenced by a consumer's motivation when shopping online, or offline, where those shopping for fun are seeking experiential activities and those shopping based on necessity are seeking efficiency.

Brand loyalty is known to differ based on demographic characteristics. Klopotan et al. (2014:488) and McDougall (2015) agree and further posit that brand loyalty varies based on

age, with older consumers exhibiting a higher likelihood of brand loyalty (Marketing Charts 2018). This is also suggested by Gudat (2018) who clarifies that consumer loyalty peaks between the ages of 55 – 65 years.

3.2. GENERATIONAL BRAND LOYALTY

While it would be impossible to accurately predict the likeliness of each individual consumer to be loyal to a brand, generalisation based on age groups can be made. Different age consumers can be grouped into one of four generational groups, namely Baby Boomers, Generation X, Millennials or Generation Y and Generation Z.

3.2.1. *Baby Boomers*

Individuals born between the year 1946 and 1964, being between 59 and 77 years old in 2023, are known as Baby Boomers (Center for Generational Kinetics 2023; Iberdrola 2023; Kiersz 2015; Lister 2022; Miller 2023). It is a generation which had to adapt to the rapidly changing market environment in terms of technology (Lister 2022) and who are known to value both work and family stability (Iberdrola 2023; Miller 2023).

With reference to brand loyalty, Baby Boomers are quality and service driven but are however sensitive to spending (Whitmer 2021). It is also notable, that while the effects of the COVID-19 pandemic pushed this generation to make use of digital shopping platforms, they are not considered to be tech savvy and mostly still prefer in-store shopping (Buerge 2023; Lister 2022; Miller 2023; Whitmer 2021). Buerge (2023), Lister (2022) and Whitmer (2021) explain further that, in line with the lack of tech savviness from Baby Boomers, this generation group prefers older forms of loyalty programs, such as loyalty swipe cards. Lastly, Baby Boomers have been found to be skeptical of brands with regards to sharing personal information (Whitmer 2021).

3.2.2. *Generation X*

The Generation X, or GenX, group of individuals were born between the year 1965 and 1976, making them between 47 to 58 years old in 2023 (Center for Generational Kinetics 2023; Iberdrola 2023; Kiersz 2015; Kovacevic 2022; Lister 2022; Miller 2023; Whitmer 2021). Individuals who constitute GenX are characterized by having more disposable income than any of the younger generation groups and for being highly persuaded by loyalty programs (Whitmer 2021). Similar to Baby Boomers, this generation group is quality and value driven with regards to brand loyalty (Whitmer 2021). However, GenX consumers differ from Baby Boomers in that they are fully adapted to technology (Whitmer 2021).

It is notable that this group can be sensitive to price, as they form part of the working population and are at an age where they are more than likely supporting a family in the midst of an economic recession (Lister 2022). Moreover, GenX consumers have an affiliation with brands who give back to the environment or society (Lister 2022). Finally, research has shown that in general, GenX individuals are the most brand loyal consumers (Whitmer 2021).

3.2.3. *Millennials/ Generation Y*

Millennials constitute the largest demographic group (Lister 2022; Miller 2023) and include those individuals born between the year 1977 and 1995, making them between 46 and 28 years old in 2023 (Center for Generational Kinetics 2023; Beresford Research 2022; Kiersz 2023; Lister 2022; Miller 2023; Iberdrola 2023; Whitmer 2021). Millennials are often associated with

being more highly educated and tech savvy than previous age groups but also with being lazy, narcissistic and spoilt (Iberdrola 2023; Kiersz 2023). Due to their tech savviness, Millennials are also known for being more open to innovation and for having a preference for online shopping (Lister 2022). While one may assume that this age group would do most online shopping via their mobile phones, research shows that 72% of Millennials rather make use of computers or laptops to conduct product searches and purchase (Whitmer 2021).

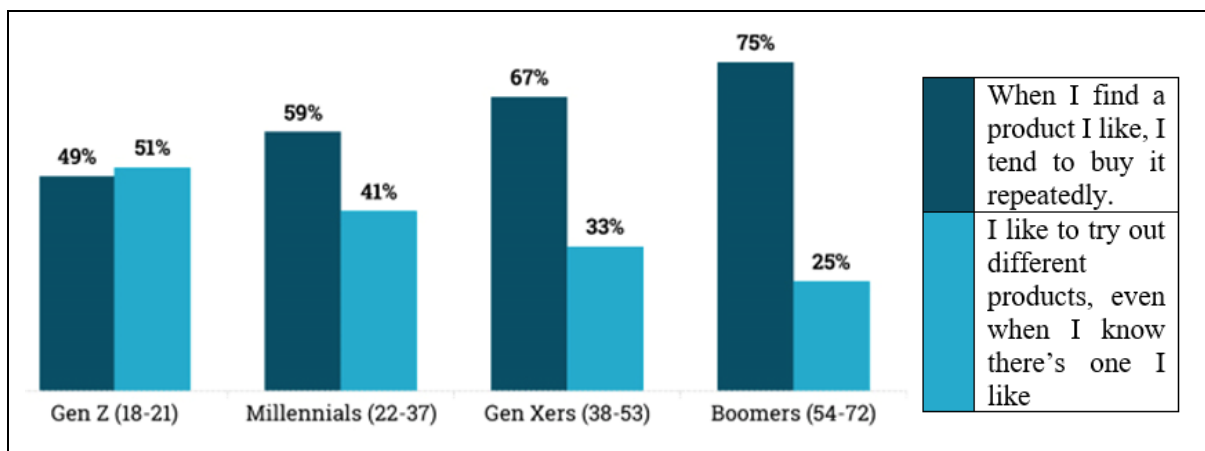
Lister (2022) along with Whitmer (2021) state that this age groups' spending habits are characterised by convenience, price and significant perks. With regards to loyalty programs, the largest motivator has been found to be continuous discounts for Millennials (Lister 2022; Whitmer 2021). It is further notable that Millennials are the age group who rely most heavily on customer reviews when assessing a brand and value-for-money (Lister 2022; Whitmer 2021).

3.2.4. Generation Z

Individuals born between the year 1996 and 2010 (27 – 13 years old in 2023) constitute Generation Z, or GenZ (Iberdrola 2023; Whitmer 2021). This age group is the only generation to have completely grown up surrounded by mobile technology and are therefore the most tech savvy (Buerge 2023; Whitmer 2021). This age group bases their purchases and loyalty to a brand largely on trust and are characterised for being the most sceptical of brands (Whitmer 2021). Moreover, Whitmer (2021) explains that GenZ consumers appreciate individuality in marketing, or personal selling, rather than mass marketing.

With reference to brand loyalty however, GenZ consumers are the most difficult to persuade (Segel & Hatami 2023). This is evident by the fact that in a study conducted by the Oliver Wyman Forum (2023), 62% of GenZ indicated that they would consider various brands when looking for a new product or service, despite having a favourite brand, while more than 50% reported that they would swop brands based on price and quality. Only 30% of GenZ respondents noted that they would rather try and stay with their current favourite brand when shopping for new products and services (Segel & Hatami 2023). Figure 1 provides a visual representation of product loyalty by generation.

FIGURE 1: PRODUCT LOYALTY BY GENERATION



Source: Marketing Charts (2018)

It is apparent after the above discussions that each generation will have a different view on brand loyalty. It is therefore essential that brands consider these differences when designing

their marketing strategies so as they can be accurately geared towards their target audience. Moreover, brand loyalty will differ between industries (Marketing Charts 2018; Sabanoglu 2022). For the purpose of this study, brand loyalty within the skincare industry specifically will be investigated.

3.3. THE SKINCARE INDUSTRY

The skincare industry forms part of the global beauty industry and has one of the largest growth rates from 2019 – 2025 (+24.3%) (Roberts 2021). The global skincare industry alone has an estimated current market value of \$155.8 billion, which has been forecasted to reach \$189.3 billion by 2025 (Statista 2022). When observing South Africa in isolation, an average growth rate of 7.4% from 2021 – 2026 can be seen (Mordor Intelligence 2021). Ridder (2020) adds that by the end of 2023, the skincare industry in South Africa is predicted to have a market value of \$839.2 million. The beauty industry, characterised by a highly saturated market (Teneva 2019), is widely recognised for its low level of customer loyalty. This situation is further amplified by the growing trend of online shopping (Robertson 2020).

Prior to the global COVID-19 pandemic, 85% of sales of beauty products globally were in-store; however, in 2020 it was recorded that 30% of these stores closed, most of which will not be reopening. Therefore, more consumers are moving to online shopping (Gerstell et al. 2020:2). Gerstell et al. (2020:3) further emphasise that while there has been an estimated 20% - 30% growth in recorded online sales of skincare products, online sales do not offset in-store purchases. This may be linked to the fact that consumers are skeptical when shopping online for skincare products (Beck & Jensen 2019), and Wylie (2018) adds that consumers are especially partial to in-store shopping or browsing when looking for a new product with reference to the beauty industry.

Notably, while the current economic recession has influenced the amount of disposable income individuals have to spend, skincare is still considered an affordable luxury (Rootman, Oosthuizen & Mabuyana 2019:452; Stiehler & Jordaan 2019:75). Bowling (2020) adds that consumer spending on skincare increases as they get older, which may be attributed to more noticeable effects of aging. However, there has been a generational shift occurring, whereby there is an increase in demand from a younger consumer base, indicative of the fact that people are starting to use skincare products at a younger age (Kestenbaum 2018; Ridder 2021a). It is of interest that within the skincare industry, consumers between the ages of 18 years and 30 years form the largest target audience and the majority are women (Global Cosmetic Industry 2021). Due to the changing demographics within the skincare industry, it is necessary to evaluate generational brand loyalty.

4. METHODOLOGY

To conduct this study, a positivistic paradigm and a descriptive research design was utilised, indicating a quantitative approach. Furthermore, due to the fact that no sampling frame was available, non-probability sampling, specifically convenience sampling, was used to select the respondents of this study, who were consumers between the ages of 18 – 60 years who had purchased skincare prior to the time of the study. Convenience sampling was utilised as opposed to quota or purposive sampling as there was no actual list of respondents to consult. In total, 321 usable questionnaires were collected, representing a response rate of 86.3%. The questionnaire was self-administered and web-based and was distributed via social media platforms, including Facebook and LinkedIn, as well as a mailing list, which was available to the researcher as she works for a skincare company who have a mailing list of their clients.

This also ensured that the POPI Act was respected. A link to the questionnaire was accompanied by a cover letter detailing what the information collected would be used for as well as reassuring respondents of their anonymity. On clicking the link the respondent was redirected to the consent and screening items of the questionnaire. Once consent was provided and it was ensured that the respondent met the requirements to take part in this study, they were directed to the start of the questionnaire.

The questionnaire of this study constituted two sections, but prior to the main sections of the questionnaire, respondents were also asked to answer screening questions which related to consent as well as whether they had purchased skincare to ensure they met the requirements of the target audience for this study. Section A of the questionnaire made use of dichotomous or closed-ended questions to gather demographic details of the respondents, such as their age, gender, average monthly budget and frequency of online purchases of skincare. The demographic data pertaining to the respondents of this study were collected in Section A of the questionnaire, which comprised previously tested items from Brook (2019), Botha (2014:138), Eurostudent.eu (2008:3:13), Grelecka (2016:96:97), Hung (2016:163), Liegeois and Rivera (2011:88), OECD (2018:3), Potgieter, Berman and Verity (2019:1), Swardt (2008:106), Tapson (2009:146), Thornberry (2015:114) as well as Wang and Wu (2017:69).

Section B of the questionnaire asked respondents indicate to what extent they agreed, or disagreed, with statements relating to brand loyalty with reference to the skincare industry. Previously tested items from Awuor (2010:iii), Dehghan and Shahin (2011:12), Ergin, Ozdemir and Parilti (2005:11) as well as Wang and Wu (2017:71), were utilised. Primary data pertaining to brand loyalty was collected from respondents via 5-point Likert scale question, where respondents could select responses of; 1 (strongly agree); 2 (agree); 4 (disagree), and; 5 (strongly disagree). Responses of 1 and 2 were grouped to be indicative of “agreed” and responses of 4 and 5 were grouped to be indicative of “disagreed”. A neutral response (3) would indicate that the respondent was indifferent regarding how a certain factor influenced their brand loyalty.

Once collected, the primary data collected was organised, edited and coded into an Excel spreadsheet in preparation for statistical analysis. For the purpose of this study, descriptive statistics were utilised to explain the data, constituting frequency distributions, means and associated standard deviations to summarise the sample data. To determine whether statistically significant differences in opinions occurred, ANOVA’s were used and where significant differences were identified, Tukey Post Hoc Test calculated to identify specifically where the significant difference occurred ($p < 0.05$ or $p < 0.10$). Moreover, a cross tabulation was made to assess relationships. Through the use of inferential statistics, inferences could be made about the population of the study (Wilson & Joye 2017:78). All primary data of this study were statistically analysed using the latest edition of IBM SPSS Statistics version 28.

The questionnaire was formulated through the use of previously tested items, which ensured content validity. Cronbach alpha coefficients were calculated for brand loyalty, which equated to 0.78, and presented an inter-item correlation of 0.33, indicating that there was consistency in the values. Furthermore, the Cronbach alpha value calculated for brand loyalty is above the suggested 0.7 cut-off value proposed by Nunnally (1978), therefore, the measuring instrument was reliable and valid. Due to the relatively large sample size of this study, bias was avoided.

5. RESULTS

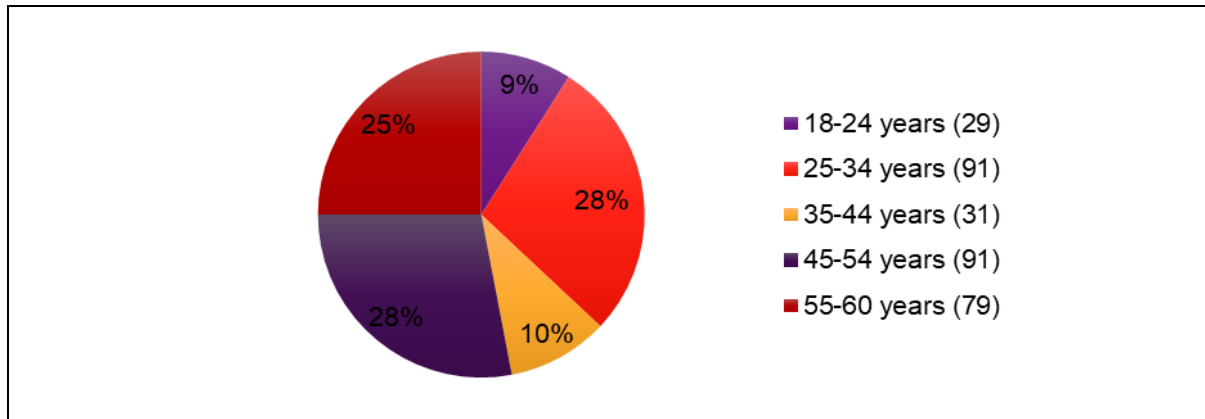
The following paragraphs discuss the results of the study.

5.1. DEMOGRAPHIC DETAILS OF THE RESPONDENTS

5.1.1. Age groups of the respondents

In the questionnaire, respondents could select from five age groups, presented in Figure 2.

FIGURE 2: AGE GROUPS OF THE RESPONDENTS



Source: Own construction, based on analysis

From Figure 2 it can be seen that the two largest groups of respondents were between the ages of 25 – 34 years and 45 – 54 years, both accounting for 28% respectively of the sample. Moreover, only 10% of the respondents were between the ages of 35 – 44 years. For the purpose of this paper, the respondents will be grouped to form the four generational groups discussed above, presented in Table 1.

TABLE 1: RESPONDENTS CATEGORISED INTO GENERATIONAL GROUPS

	18 – 24 Years	25 – 34 Years	35 – 44 Years	45 – 54 Years	55 – 60 Years
Baby Boomers (59 – 77 Years)					X
GenX (47 – 58 Years)				X	
Millennials (28 – 46 Years)		X	X		
GenZ (13 – 27 Years)	X				

Source: Own construction, based on analysis

From Table 1 it can be seen that each age group of the respondents of this study constitutes a generational group. However, Millennials comprise of two age groups, making it the largest segment.

5.1.2. Average monthly budget of the respondents

Overall, it was determined that 52% of the respondents were willing to spend between R501 – R1000 on skincare per month, while 34% of respondents indicated that they were willing to spend between R1001 – R1500 on skincare per month. For the purpose of this study, a cross tabulation was conducted to establish the different spending habits of respondents based on their generational group.

From the cross tabulation conducted, it was found that respondents constituting the younger age categories (18 – 44 years) accounted for 47% of the 321 respondents of this study, while respondents constituting the older age categories (45 – 60 years) accounted for 53% of the

respondents. Of the 47% of younger respondents, the majority had a monthly budget for skincare of between R50 – R1000 (39%). Contradictorily, the majority of older respondents had a monthly budget for skincare of between R501 – R1500 (44%). It can therefore be concluded that, in general, older respondents of this study were willing to, or were able to, spend larger amounts on skincare products monthly than younger respondents.

5.2. DESCRIPTIVE STATISTICS

The descriptive results pertaining to brand loyalty are summarised in Table 2.

TABLE 2: SUMMARY OF THE RESPONSES REGARDING BRAND LOYALTY

#	Question	Value N	Mean	Median	Mode	Std. Dev.	Skew-ness	Agreed (%)	Disagreed (%)	Indifferent (%)
B1	Should my preferred brand increase their prices, I would still purchase their brand	321	2.51	2	2	1.05	0.32	62	28	10
B2	If my preferred brand's products are unavailable, I will not try an alternative	321	2.47	2	2	1.01	0.58	67	25	8
B3	I say positive things about my preferred brand to other people	321	1.72	2	2	0.57	0.58	96	1	3
B4	I will recommend my preferred brand to someone who seeks my advice	321	1.69	2	2	0.54	0.05	97	0	3
B5	I have a positive emotional relation (feel attached) to my preferred brand	321	2.13	2	2	0.70	0.47	76	3	21
B6	I am loyal to my preferred brand due to the quality of their products	321	1.69	2	2	0.57	0.31	96	1	3
B7	I am loyal to my preferred brand due to the experiences I have had with them	321	1.87	2	2	0.54	0.26	93	1	6
B8	My loyalty to my preferred brand is strengthened by the value-added services they provide, above the product itself	321	2.09	2	2	0.64	0.99	82	3	15

#	Question	Value N	Mean	Median	Mode	Std. Dev.	Skew-ness	Agreed (%)	Disagreed (%)	Indifferent (%)
B9	My preferred brand provides a different experience than any of the alternative brands available	321	2.16	2	2	0.61	0.67	78	3	19

Source: Own construction, based on analysis

From Table 2, it can be seen that the mean scores of all items varied between 1.69 and 2.51. Moreover, the standard deviation scores varied from 0.54 to 1.05, meaning that the respondents felt similarly about the statements relating to brand loyalty. Further observable in Table 2, the mode and median value for all items in this data set is 2 (agreed), indicating that, in general, respondents were in agreement regarding the statements relating to brand loyalty.

With reference to a brand increasing their prices (item B1), 62% of the respondents agreed that they would continue to purchase their products, which may speak to the literature finding of Gerstell et al. (2020:5) that skincare is considered an affordable luxury. However, 10% of respondents were indifferent regarding this factor and 28% disagreed, indicating that they would not continue to purchase their products. This result would indicate that these respondents are price sensitive, which could be linked to the age of the respondents (see previous section), whereby older consumers are willing, or can afford, to spend more per month on their skincare products.

Similarly, in item B2 that relates to whether or not the brand's product was available, 67% of respondents noted that they would not try an alternative, whereas 8% were indifferent and 25% of respondents disagreed, which indicates that they would try an alternative should their preferred brand's product not be available. The differing views regarding this factor of brand loyalty may be linked to the fact that based on the respondents gender (Ndubisi 2006:50; Osselaer & Bijmolt 2009:83), age (Klopota et al. 2014:488; McDougall 2015) and level of education (Klopota et al. 2014:488; McDougall 2015; Sun, Foscht & Eisingerich 2021:2; Vince 2021), their likelihood of being loyal to a skincare brand may differ.

Additionally, as seen in Table 2, respondents indicated a high level of agreement with the statements relating to spreading word-of-mouth (item B3) as well as making references to other people (item B4). These two results concur with Alexandra and Cerchia (2018:423), Foroudi et al. (2018:10), Giovanis and Anthanasopoulou (2016:2), Haung et al. (2018:2132), Saif et al. (2018:67) as well as Tartaglione et al. (2019:1), who state that increased brand loyalty results in the generation of positive word-of-mouth.

Furthermore, in item B7, 93% of respondents indicated that they are loyal to their preferred brand due to the experiences that they have with them and in item B8 a large proportion (82%) of respondents indicated that their loyalty to their preferred brand is strengthened by the value-added services. From these three results it was deduced that consumers are wanting different experiences when shopping for skincare both in-store and online. However, in the final item of the sub-section (item B9), 19% of respondents indicated that their preferred brand did not offer a different experience. This result may suggest that some brands are not fully utilising experiences to differentiate themselves in the market. Finally, tangible and functional aspects

of the product, such as quality, are influences of overall brand loyalty, as determined by the distribution of responses in item B6. The sections that follow report on the inferential statistics calculated for this study.

5.3. INFERENCE STATISTICS

This paper focuses on the differing opinions of respondents relating to brand loyalty to skincare brands based on their age group. Based on the results of the tests of homogeneity of variances, ANOVA was performed for brand loyalty (sig = 0.43), from which it was found that there was a statistically significant ($p < 0.05$) difference between group means for brand loyalty ($F(4,316) = 3.29, p = 0.00$) between age groups. Table 3 provides the results of the Tukey test of brand loyalty and the age group of respondents, where p values are provided in the bottom diagonal.

TABLE 3: THE RESULTS OF THE TUKEY-TEST OF BRAND LOYALTY AND THE AGE OF RESPONDENTS

Tukey HSD test; Variable: Brand loyalty					
	{1}	{2}	{3}	{4}	{5}
18-24 years {1}					
25-34 years {2}	0.09				
35-44 years {3}	0.96	0.43			
45-54 years {4}	0.00	0.16	0.01		
55-60 years {5}	0.00	0.00	0.00	0.08	

Marked effects (in red) are significant where $p < 0.05$

Marked effects (in blue) are significant where $p < 0.10$

Source: Own construction, based on analysis

Table 3 indicates a statistically significant difference ($p < 0.5$) between five groups, namely group 1 (18 – 24 years, mean = 2.33, Table 4) and group 4 (45 – 54 years, mean = 1.98, Table 4), where $p = 0.00$; group 1 (18 – 24 years, mean = 2.33, Table 4) and group 5 (55 – 60 years, mean = 1.92, Table 4), where $p = 0.00$; group 2 (25 – 34 years, mean = 2.11 Table 4) and group 5 (55 – 60 years, mean = 1.92, Table 4), where $p = 0.00$; group 3 (35 – 44 years, mean = 2.25, Table 4) and group 4 (45 – 54 years, mean = 1.98, Table 4), where $p = 0.01$; and group 3 (35 – 44 years, mean = 2.25, Table 4) and group 5 (55 – 60 years, mean = 1.92, Table 4), where $p = 0.00$. Table 4 provides the ANOVA’s comparing the mean factor scores of brand loyalty and age groups.

TABLE 4: ANOVA’S COMPARING THE MEAN FACTOR SCORES OF BRAND LOYALTY AND AGE GROUPS

		18-24 years	25-34 years	35-44 years	45-54 years	55-60 years
Brand loyalty	Means	2.33	2.11	2.25	1.98	1.92
	N	29	91	31	91	79
	Std. Dev	0.33	0.41	0.43	0.39	0.41

Source: Own construction, based on analysis

In Table 3, the statistically significant differences between answers from respondents with reference to brand loyalty are mainly with those aged 55 – 60 years, which constitutes Baby Boomers. It is further notable from the mean values observed for each age group in Table 4 that, while all respondents were in agreement regarding brand loyalty, the older respondents were more positive towards the variable, which could be attributed to the fact that older

consumers are, in general, more loyal to brands (Klopotan et al. 2014:488; Marketing Charts 2018; McDougall 2015:).

6. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

From the above discussed comparisons, it can be concluded that there is a distinct difference in brand loyalty between the different generations of consumers with regards to the skincare industry. More specifically, older consumers (Baby Boomers and GenX) were seen to be more likely to be loyal to skincare brands than younger consumers (GenZ and Millennials). Therefore, it is advisable that skincare brands acknowledge these differences and market to the target audiences accordingly.

This study found that Baby Boomers are loyal consumers to skincare brands and are willing, or can afford to, spend a larger amount per month on skincare products than other generation groups. Moreover, research indicated that this generation group prefers to shop in-store, value quality and service and are reluctant to provide their information to brands. Therefore, when building brand loyalty with Baby Boomers, it is advisable that skincare brands focus on in-store touch points to build personal relationships with Baby Boomer consumers. In-store touch points specifically aimed at Baby Boomers could include personalised consultations, loyalty events or exclusive in-store experiences. Furthermore, the brand must ensure that their price is in line with their quality to ensure high value, as this will aid in gaining the loyalty of this group of consumers. Finally, as Baby Boomers prefer in-store shopping, loyalty programs should be in the form of physical, “swipeable” cards, rather than digital versions thereof. Physical cards are more appropriate for this generation group as they are not generally considered to be tech savvy. They are therefore more likely to make use of a physical card that they can easily swipe at checkout, than a digital card or code that they have to access on their cell phones.

GenX respondents were found to be the second most likely group of consumers to be loyal to skincare brands. Additionally, it was determined that this group also constituted the segment of respondents who were willing to spend an increased amount on skincare products per month. From the literature, it was established that like Baby Boomers, GenX appreciate value for money, however, contradictorily they have fully adapted to technology and are mindful of the environment and society. Therefore, when skincare brands target this generation group, they should focus their efforts on aligning their values with the consumer, which can be done by supporting environmental or societal causes. Examples could be for the company to join groups such as 1% for the planet, where 1% of yearly turnover is donated back to environmental and societal causes. Another means, which is especially relevant in the skincare industry, is to register as a cruelty free and vegan. Moreover, loyalty programs can be technology driven. Finally, skincare brands who pursue this generation group should position themselves as an “affordable luxury” as this group is willing to spend an increased amount if they perceive they are getting good value.

In this study, it was determined that Millennials were less likely to be loyal to a skincare brand and also formed part of the group of respondents who were willing to spend a smaller amount per month on skincare products. Moreover, Millennials are described as being lazy, tech savvy and driven by convenience and continuous discounts. When targeting this group, skincare brands should ensure they offer user friendly websites or shopping platforms. Additionally, digital loyalty programs could be offered for signing up to a brand as well as discounts for return purchasers. To make the online shopping experience more interactive for this generation group of shoppers, tactics such as digital loyalty programs, gamification elements, personalised rewards or social media engagement strategies could be utilised. As most shopping would be

done online, it would be essential to ensure efficient shipping was available. By offering online programs, skincare brands can keep costs down to counterbalance the lower spending levels of this generation group.

Similarly, to Millennials, GenZ respondents indicated that they had smaller monthly budgets for skincare products and presented a lower likelihood of being loyal to skincare brands. However, this generation group are sceptical of trusting brands and are not persuaded by mass marketing strategies. Additionally, this generation group is dependent on mobile technology. When skincare brands are attempting to build brand loyalty with this group, it is recommendable that personal selling strategies be employed. This could include personalised special offers and discounts. Personal selling strategies could further include influencer collaboration, one-on-one consultations or target social media advertising campaigns, all of which will aid in creating authenticity for the brand and therefore, helping to build trust with this sceptical generation group of shoppers. Lastly, mobile apps associated with brands could be linked to loyalty programs when targeting this group. These apps could be designed in such a way that the user could completely personalise their own experience. By creating some level of control and empowerment for the shopper, the brand could build trust.

7. FUTURE AREAS FOR RESEARCH

It is recommended that future research be conducted in the following areas:

- It may be of interest to conduct an investigation on the relationship between budget and brand loyalty in the skincare industry.
- A similar study could be conducted on the relationship between age and brand loyalty in a different industry, such as the textile industry.
- More in-depth research could be done for each generation group and the variables that influence their likelihood of being loyal to skincare brands.
- A study could investigate whether the same result would be achieved post-COVID-19.
- A study could investigate whether similar results would be achieved with regards to natural skincare specifically.
- An additional study could be conducted on key words that would resonate with different consumers relating to skincare products. This could be based on demographic details such as age or gender.

REFERENCE LIST

Aaker, D.A. 1991. *Managing brand equity: Capitalizing on the value of a brand name*. New York: The Free Press.

Alexandra, Z. & Cerchia, A.E. 2018. The influence of brand awareness and other dimensions of brand equity in consumer behaviour: The “affordable luxury” strategy. *University Annals, Economic Sciences Series*, 18(1):422-427.

Algharabat, A., Rana, N.P., Alalwan, A.A., Baabdullah, A.M. & Gupta, A. 2021. Investigating the antecedents of consumer-based brand equity in social media. *Journal of Retailing and Consumer Services*, 53:1-30.

Awuor, P. 2010. *A survey of consumer brand loyalty in the mobile telephony industry in Kenya*. (Unpublished Masters Dissertation). University of Nairobi.

- Beck, C. & Jensen, C. 2019. *Trust issues: Why customers avoid buying cosmetics online & how brands can win trust back*. Available from <https://medium.com/latitude-elevates/trust-issues-why-customers-avoid-buying-cosmetics-online-how-brands-can-win-trust-back-f3d1f27662f4> (Date accessed: 26 July 2022).
- Beig, F.A. & Nika, F.A. 2022. Impact of brand experience on brand equity of online shopping portals: A study of select E-commerce sites in the state of Jammu and Kashmir. *Global Business Review*, 23(1):156-175.
- Beresford Research. 2022. *Age range by generation*. Available from <https://www.beresfordresearch.com/age-range-by-generation/> (Date accessed: 25 May 2022).
- Botha, D.H. 2014. *The determinants of South African consumers' online shopping satisfaction*. (Unpublished Masters Dissertation). South Africa: University of Pretoria.
- Bowling, L. 2020. *Cost of beauty at 25 vs. 45: Why we spend more as we age*. Available from <https://www.realself.com/news/the-cost-of-beauty-why-we-spend-more-as-we-age> (Date accessed: 24 May 2022).
- Brook, C. 2019. *Beauty ecommerce trends: Why female consumers buy online in 2019*. Available from <https://hi.photoslurp.com/blog/ecommerce-trends-beauty-cosmetics-report/> (Date accessed: 8 September 2021).
- Buerge, M. 2023. *Shopping habits in different generations: Boomer vs. Gen Z*. Available from <https://www.mni.com/blog/research/generational-shopping-boomer-vs-gen-z/> (Date accessed: 10 April 2023).
- Center for Generational Kinetics. 2023. *Generational breakdown: Info about all of the generations*. Available from <https://genhq.com/the-generations-hub/generational-faqs/> (Date accessed: 15 May 2023).
- Dehghan, A. & Shahin, A. 2011. A case study in Maddiran: The distributor of LG electronics in Iran. *Business Management and Strategy*, 2(1):1-23.
- Ergin, E., Ozdemir, H. & Parilti, N. 2005. Brand loyalty in the cosmetic industry: A field study on Turkish women's brand loyalty among cosmetics products. *Journal of Business & Economic Research*, 3(5):5-16.
- Eurostudent.eu. 2008. *Eurostudent IV: Definition of target group questionnaire*. Available from https://www.eurostudent.eu/download_files/documents/Questionnaire_EIV.pdf (Date accessed: 25 May 2020).
- Foroudi, P., Jin, Z., Gupta, S. & Foroudi, M.M. 2018. Perceptual components of brand equity: Configuring the symmetrical and asymmetrical paths to brand loyalty and brand purchase intention. *Journal of Business Research*, 89:462-474.
- Gerstell, E., Marchessou, S., Schmidt, J. & Spagnuolo, E. 2020. *How COVID-19 is changing the world of beauty: The beauty industry has been resilient in the past. Could this crisis have a different outcome? (Report no. 1)*. New York, IN: McKinsey & Company.

- Giovanis, A.N. & Anthanasopoulou, P. 2016. Consumer-brand relationships and brand loyalty in technology-mediated services. *Journal of Retailing and Consumer Services*, Article in Press: 1-8.
- Global Cosmetic Industry. 2021. *Skincare 2021*. Available from <https://www.gcimagazine.com/ingredients/regulatory/article/21849214/skin-care-2021> (Date accessed: 9 November 2021).
- Grelecka, J.D. 2016. *What factors affect expatriate adjustments? Study of differences between self-initiated and assigned expatriates in Poland*. (Unpublished Masters Dissertation). Instituto Universitario de Lisboa, Portugal.
- Gudat, S. 2018. *How age and life stage affect retail consumer loyalty*. Available from <https://www.customer.com/blog/retail-marketing/shopping-personalities-customer-loyalty-statistics/> (Date accessed: 13 January 2022).
- Huang, T.K., Liao, C.Y., Wang, Y.T. & Lin, K.Y. 2018. How does social media interactivity affect brand loyalty? *Proceedings of the 51st Hawaii International Conference on System Sciences*.
- Hung, Y.T. 2016. *Website quality factors influencing online shopping: A South African perspective*. (Unpublished Masters Dissertation). South Africa: University of South Africa.
- Iberdrola. 2023. *Characteristics of generations X, Y and Z*. Available from <https://www.iberdrola.com/talent/generation-x-y-z> (Date accessed: 10 April 2023).
- Kestenbaum, R. 2018. *The biggest trends in the beauty industry*. Available from <https://www.forbes.com/sites/richardkestenbaum/2018/09/09/beauty-industry-biggest-trends-skin-care-loreal-shiseido-lauder/?sh=5d225ae69823> (Date accessed: 21 July 2021).
- Kiersz, A. 2015. *How different age groups identify with their generational labels*. Available from <https://www.weforum.org/agenda/2015/09/how-different-age-groups-identify-with-their-generational-labels/> (Date accessed: 10 April 2023).
- Klopotan, I., Buntak, K. & Drozdjek, I. 2014. Impact of education, gender and age on consumer loyalty. *International Journal for Quality Research*, 8(4):481-494.
- Kovacevic, M. 2022. *How generations shop: Online shopping according to baby boomers, Gen X, Millennials and Gen Z*. Available from <https://wolf-wolf.net/blog/how-generations-shop-online-shopping-according-to-baby-boomers-gen-x-millennials-and-gen-z/> (Date accessed: 25 May 2022).
- Liegeois, M. & Rivera, C. 2011. *Sensory marketing on the natural cosmetics market: The impact of generation X and generation Y*. Unpublished Bachelors Treatise. Hogskolan School of Business and Engineering, Sweden.
- Lister, M. 2022. *Generational marketing: How to target millennials, Gen X and Baby Boomers*. Available from <https://www.wordstream.com/blog/ws/generational-marketing-tactics> (Date accessed: 10 April 2023).

- Marketing Charts. 2018. *Older, affluent adults more likely to describe themselves as brand loyal*. Available from <https://www.marketingcharts.com/brand-related/brand-loyalty-105930> (Date accessed: 6 May 2023).
- McDougall, A. 2015. *Older consumers are generally more brand loyal while millennials seek innovation*. Available from <https://www.cosmeticsdesign-europe.com/Article/2015/08/27/Older-consumers-are-generally-more-brand-loyal-while-millennials-seek-innovation> (Date accessed: 7 April 2021).
- Miller, E. 2023. *Online shopping habits of today's different generations*. Available from <https://www.optimonk.com/online-shopping-habits-of-todays-different-generations/> (Date accessed: 10 April 2023).
- Mordor Intelligence. 2021. *South Africa skincare market: Growth, trends, COVID-19 impact and forecasts*. Available from <https://www.mordorintelligence.com/industry-reports/south-africa-professional-skincare-product-market#> (Date accessed: 21 July 2021).
- Morris, C. 2020. *Brand loyalty is changing due to the pandemic*. Available from <https://fortune.com/2020/10/21/brand-loyalty-retail-trends-covid/> (Date accessed: 7 April 2021).
- Narteh, B. 2018. Brand equity and financial performance: The moderating role of brand likability. *Marketing Intelligence and Planning*, 36(3):381-395.
- Ndubisi, N.O. 2006. Effects of gender on consumer loyalty: A relationship marketing approach. *Marketing Intelligence and Planning*, 24(1):48-61.
- Nunnally, J.C. 1978. *Psychometric theory*. 2nd edn., New York: McGraw-Hill.
- OECD. 2018. *Teaching and learning international survey (TALIS) 2018: Teacher questionnaire*. Available from <http://www.oecd.org/education/school/TALIS-2018-MS-Teacher-Questionnaire-ENG.pdf> (Date accessed: 25 May 2020).
- Oliver Wyman Forum. 2023. *A GenZ series*. Available from <https://www.oliverwymanforum.com/global-consumer-sentiment/a-gen-z.html?cid=other-eml-mtg-mip-mck&hlkid=4a3c4b09613b446581aee86e4478eafa&hctky=1926&hdpid=4aad92b9-dcc7-44ee-a62a-eb1e9de41bac> [Accessed 6 May 2023].
- Peek, S. 2022. *7 Tips on how to build customer loyalty*. Available from <https://www.businessnewsdaily.com/16017-build-customer-loyalty.html> (Date accessed: 6 June 2022).
- Potgieter, A., Berman, G.K. & Verity, J.M. 2019. Socio-cultural, geographical and financial factors that influence a tourist's overall experience of Township Tours in the Western Cape. *African Journal of Hospitality, Tourism and Leisure*, 8(2):1-14.
- Ridder, M. 2020. *South African skin care industry market value 2017 – 2023*. Available from <https://www.statista.com/statistics/863832/skin-care-market-value-south-africa/> (Date accessed: 21 July 2021).

- Ridder, M. 2021a. *Cosmetic industry: Statistics and facts*. Available from <https://www.statista.com/topics/3137/cosmetics-industry/> (Date accessed: 6 November 2021).
- Roberts, R. 2021. *2021 Beauty industry trends & cosmetic marketing: Statistics and strategies for your ecommerce growth*. Available from <https://commonthreadco.com/blogs/coachs-corner/beauty-industry-cosmetics-marketing-ecommerce#statistics> (Date accessed: 21 July 2021).
- Robertson, T. 2020. *How retailers can salvage customer loyalty*. Available from <https://knowledge.wharton.upenn.edu/article/retailers-can-salvage-customer-loyalty/> (Date accessed: 7 April 2021).
- Rootman, C., Oosthuizen, N. & Mabuyana, B. 2019. Selected product variables and consumer buying behaviour in the South African skin care industry, *In 31st South African Institute of Management Sciences (SAIMS) conference*. Port Elizabeth. 444-462.
- Sabanoglu, T. 2021. *Global retail e-commerce sales 2014-2024*. Available from <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/> (Date accessed: 7 April 2021).
- Sabanoglu, T. 2022. *Shoppers' brand loyalty in the U.S by industry*. Available from <https://www.statista.com/statistics/1337132/shoppers-brand-loyalty-by-industry-united-states/#:~:text=According%20to%20the%20findings%20of,of%2012.61%20and%2011.11%2C%20respectively.> (Date accessed: 6 May 2023).
- Saif, T., Ahmed, M., Shareef, S. & Khalid, R. 2018. Characteristics of brand loyalty: A study on apparel industry. *Mediterranean Journal of Basic and Applied Sciences*, 2(2):64-91.
- Scarpi, D., Pizzi, G. & Visentin, M. 2014. Shopping for fun or shopping to buy: Is it different online and offline? *Journal of Retailing and Consumer Services*, 21(3):258-267.
- Segel, L.H. & Hatami, H. 2023. *Curated reads for GenZ – and their Z-curious colleagues*. Available: <https://www.mckinsey.com/~media/mckinsey/email/genz/2023/04/2023-04-04b.html#:~:text=Thirty%20percent%20of%20Gen%20Zers,they%20have%20a%20favorite%20brand> (Date accessed: 6 May 2023).
- Statista. 2022. *Global skin care market size 2012-2025*. Available from <https://www.statista.com/statistics/254612/global-skin-care-market-size/> (Date accessed: March 2022).
- Stiehler, B.E. & Jordaan, Y. 2019. Profiling South African female consumers' involvement in skincare and colour cosmetics. *The Retail and Marketing Review*, 15(2): 65-76.
- Sun, X., Foscht, T. & Eisingerich, A.B. 2021. Does educating customers create positive word of mouth? *Journal of Retailing Consumer Services*, 102638(62):1-9.
- Swardt, M.D. 2008. *Factors influencing the choice to shop online: A psychological study in a South African context*. (Unpublished Masters Dissertation). South Africa: University of Pretoria.

- Tapson, M.J. 2009. *Demographical diversity on online shopping orientation and propensity to buy online*. (Unpublished Masters Dissertation). Grahamstown, South Africa: Rhodes University.
- Tartaglione, A.M., Cavacece, Y., Russo, G. & Granata, G. 2019. A systematic mapping study on customer loyalty and brand management. *Administrative Sciences*, 9(8):1-20.
- Tasci, A. 2018. Testing the cross-brand and cross-market validity of consumer-based brand equity (CBBE) model for destination brands. *Tourism Management*, 65:143-159.
- Teneva, D. 2019. *How to get loyal customers when selling beauty products online*. Available from <https://www.metriilo.com/blog/loyal-customers-when-selling-beauty-products-online> (Date accessed: 6 May 2023).
- Thornberry, N.R. 2015. *Counselling and expatriate adjustment*. (Unpublished Doctoral Thesis). Ohio: Kent State University College.
- Vince, I. 2021. *Customer education: Use it to gain trust and loyalty*. Available from <https://textexpander.com/blog/customer-education-use-it-to-gain-trust-and-loyalty> (Date accessed: 13 January 2022).
- Wang, Y. & Wu, J. 2017. *Retail in-store design and sensory cues*. (Unpublished Masters Dissertation). Sweden: Jonkoping University.
- Whitmer, K. 2021. *The state of loyalty across generations*. Available from <https://www.linkedin.com/pulse/state-loyalty-across-generations-kurt-whitmer> (Date accessed: 5 May 2023).
- Wilson, J.H. & Joye, S.W. 2017. *Research methods and statistics: An integrated approach*. USA: SAGE.
- Wylie, C. 2018. *Consumers prefer to discover brands than be subject to advertising*. Available from <https://www.marketingweek.com/consumers-do-not-trust-traditional-advertising-channels/> (Date accessed: 26 July 2022).

WHAT'S LOVE GOT TO DO WITH IT? THE ROLE OF EMOTIONS IN THE CONSUMPTION OF ENERGY DRINKS AMONG YOUNG CONSUMERS IN SOUTH AFRICA

Neo Ligaraba

Marike Venter de Villiers

ABSTRACT

Over the past decade, a growing body of research has emphasised the benefits that brands will reap from providing customers with unique experiences. This concept, known as experiential marketing, taps into the use of sensory stimuli to provoke favourable emotions in customers. This is of relevance to highly competitive markets where brands are constantly competing to increase market share. An example is the energy drinks category, which currently has more than 190 brands available globally, the category is mainly driven through driving brand experiences. By means of an empirical study, 700 young consumers in South Africa who had consumed an energy drink in the past six months, were asked to complete a survey. The main emotional constructs that were tested in the survey include brand pleasure, brand arousal, brand love, brand faith and brand credibility and their impact on re-purchase intention of energy drinks. The data analysis was conducted using structural equation modelling (SEM), and nine of the eleven hypotheses were supported and significant. This study contributes to literature in the field experiential marketing, the energy drinks category and the buying behaviour of young consumers in South Africa.

Key words/phrases: emotions, energy drinks, experiential branding, re-purchase intention.

1. INTRODUCTION

1.1. BACKGROUND

The consumer is changing (McKinsey & Company 2022). They are becoming more capricious and less loyal (Lobaugh, Stephens & Simpson 2019). They are marked by a more experiential mindset and crave a unique and unrepeatably experience during their shopping journey (Grewal & Roggeveen 2020). This has put brands under pressure to modify their marketing strategies and show customers the added value of their products and services in the form of experiences and emotions (Andreini, Pedeliento, Zarantonello & Solerio 2018; Högberg, Ramberg, Gustafsson & Wastlund 2019; Srivastava & Kaul 2016; Verhoef 2020). In the last decade, an emergent research stream suggests that brands will reap the benefits from providing consumers with unique experiences (Chang 2018; Chevtchouk, Veloutsou & Paton 2021; Choi & Hyun 2017; Ding & Tseng 2015). Experiences are key to enhancing our understanding of consumer behaviour (Chevtchouk et al. 2021). The way in which consumers react to the same advertising campaign, sensory touchpoint, shopping environment and price points may differ (Martinez, Vazquez-Casielles 2021). This behaviour can be explained using the “Stimulus-Organism-Response” (S-O-R) model, where S = Perception of the stimulus or the shopping environment; O = Organism or the internal process of an individual in response to the stimuli; R = Response of behaviour of the consumer.

Brand experience typically consists of four dimensions: affective, behavioural, sensory and intellectual experiences, which aspire emotional bonds with customers. The degree to which a brand provides real-time, personalised and emotional content through myriad touch points

determine the customer's experience with the brand (Lemon & Verhoef 2016; Parise, Guinan & Kafka 2016). A major factor that explains the notion of 'brand experience', is the implementation and application of emotional branding (Kim & Sullivan 2019). Marketers can therefore use sensations, feelings and evaluations, which are internally processed responses to brand-related stimuli like brand design, visual identity, packaging, communications and other environmental cues (Brakus, Schmitt & Zarantonello 2009). Emotions have been proven to play an important role in consumers' evaluation of their consumption experiences (Kim & Chao 2019). As stated by Maya Angelo, "People will forget what you said, people will forget what you did, but people will never forget how you made them feel" (Kanigan 2013). Many global brands such as Coca-Cola, Apple and Starbucks, among others, pride themselves in being on the forefront of experiential brands that support the critical means of appealing to consumers emotionally (Rodrigues 2018). Providing a delightful experience to customers, has become a precious asset to these companies (Zha, Melewar, Foroudi & Jin 2020).

The energy drinks market is worth \$57.4 billion and is projected to grow at an annual rate of 7% until 2027 (Mordor Intelligence 2022). Similarly, this market is projected to grow at an annual growth rate of 3.9% in Africa until 2027 (Mordor Intelligence 2022). The demand for energy drinks in Africa is largely driven by urbanisation, changing lifestyles, increased income and the exposure to global media. In South Africa, the energy drinks market is the fastest growing segment within the soft drink industry (Stacey, van Walbeek, Maboshe, Tugendhaft & Hofman 2017). This poses both opportunities and threats for brands operating in this market. The increased demand for energy drinks will put brands under pressure to find unique and effective ways to persuade consumers to choose their brand over and above other brands. In addition to traditional features-and-benefits marketing, brands are using experiential marketing, which focusses on the five senses and aims to provide consumers with a unique brand experience (Kumar 2014). Advertisers of energy drinks should therefore focus their expenditure on creating customer experiences (Shukla, Misra & Singh 2022), by implementing sensory touchpoints to facilitate the intended customer experience (Becker & Jaakkola 2020).

The main objective of this paper was to investigate the role of consumer emotions in energy drink consumption among young consumers in South Africa. This paper also set out to determine whether a consumer's experience with a brand is likely to influence their intention to repurchase a certain brand of energy drinks.

1.2. PROBLEM STATEMENT

Businesses are shifting their focus from boosting sales, to attracting and retaining their valued customers (Anshu, Gaur & Singh 2022). They have realised that experience carries a lot of weight in influencing consumers' buying behaviour (Hwang & Lee 2018; Vanharanta, Kantola & Seikola 2015). As such, marketers are constantly promoting innovative ways to create an exceptional brand experience that will strengthen the customer's relationship with the brand (Gilmore & Pine 2007; Kim & Han 2020). Due to the growing interest in experiential marketing, many researchers have investigated the construct of brand experience across different industries and environments (de Oliveira Santini, Ladeira, Sampaio & Pinto 2018). This multi-dimensional approach to brand experience has been widely adopted in academia to gain insight into how sensory stimuli influence consumers' buying behaviour (Chan & Tung 2019; Zarantonello & Schmitt 2010). Gaining an improved and advanced understanding of this phenomenon persists (de Oliveira Santini et al. 2018). The energy drinks market is of particular interest because of its' competitiveness. There are currently more than 190 energy drinks available globally (Energy Drinks Europe 2023) and brands are struggling to maintain market share. Considering the challenge that this industry is facing, this study aims to investigate the

effectiveness of creating a unique customer experience to evoke pleasurable emotions with the goal of encouraging re-purchase intention.

1.3. RESEARCH OBJECTIVES

The main purpose of the study is to investigate the role of consumer emotions on energy drink consumption among young consumers in South Africa. It further aims to achieve the following objectives:

- To conduct a comprehensive literature review of the theory underlying experiential marketing, the energy drinks market and the role of consumer emotions in making purchase decisions.
- To test a proposed conceptual model that aims to test the influence of brand experience on consumer emotions (brand pleasure, brand arousal, brand love, brand faith, and brand credibility), and ultimately repurchase intention.
- To conduct an empirical study among 700 young consumers and analysing the results using SPSS27, doing structural-equation-modelling (SEM) and model fit.
- To provide marketers with insight into how they can use emotional appeals to encourage young consumers to re-purchase energy drinks.

The remainder of the paper is structured as follows: Section two involves a review of the literature preceded by the conceptual model. Section three explains the study's methodology and design followed by data analysis and the account of results in sections four and five. In section six, implications are discussed followed by conclusion of the study and limitations reflected on in section seven.

2. LITERATURE REVIEW

2.1. THE ENERGY DRINKS MARKET

Energy drinks are the soft drinks that contain ingredients, such as a high percentage of caffeine, sugar, or a stimulant, which is designed to boost energy in order to overcome fatigue; they also contain more caffeine when compared to traditional soft drinks (Rath 2012). BMI (2016) refers to energy drinks as beverages that contain large amounts of caffeine and other legal stimulants such as guarana and ginseng. Some of the popular energy drink brands include Red Bull, Monster, Powerplay, Dragon, Full Throttle, 5-Hour Energy, and Rockstar Energy. Energy drinks provide the extra vigour that is needed throughout the day. Certain benefits are being promoted for this category such as boosting mental alertness, enhancing physical performance and mood elevation. As stated by Rath (2012), energy drink manufacturers focus advertising on the perception that energy drink consumption will enhance performance, boost mental alertness, improve endurance and energy, decrease fatigue, enhance metabolism, and improve overall performance. BMI (2016) pointed out that the amount of caffeine in an energy drink can range from 75 milligrams to over 200 milligrams per serving. Some ingredients in energy drinks are said to provide enhanced concentration, which is beneficial to people who need to focus on work or study after a sleepless night (Euromonitor 2016). Nowadays, interest in energy drinks has progressively increased (Park, Lee & Lee 2016). Energy drinks, designed to replenish energy and increase alertness (BMI 2016), have become the fastest growing category within the non-alcoholic beverage industry (BMI 2016; Capps & Hanselman 2012; Datamonitor 2007; Kennedy 2015; Rath 2012). According to Packaged Facts (2013), ready-to-drink (RTD) energy drinks account for a 78% market share, followed by 18% for energy shots, and energy drink mixes (roughly 4%).

2.2. EXPERIENTIAL BRANDING

Based on Schmitt's (1999) proposed five experiences (sense, feel, think, act and relate), researchers such as Brakus et al. (2009), considered the intricacy of brand experience and developed four dimensions of brand experience, namely: sensory, affective, behavioural and intellectual. As stated by Beckman, Kumar and Kim (2013), the main aim of marketers should be maximising these experiences. Marketing researchers such as Zarantonello and Schmitt (2013), Shamim and Butt (2013) as well as Iglesias et al. (2011) have all used the dimensions of brand experience and attested that customer experience of brands represents an important outcome of consumer behaviour. With this new era of marketing, the brand takes on the role of an experience provider rather than an identifier (Schmitt et al. 2014), since consumer decision making has shifted from the rational to the emotional and experiential (Wade Clarke, Perry & Denson 2012). For some organisations, customer experiences have become one of the greatest challenges (Carù, Colm & Cova 2016). This study adapted the brand experience model of Brakus et al. (2009). The four dimensions of brand experience (sensory, affective, behavioural and intellectual) are discussed below.

2.2.1. *Sensory experience*

Firstly, sensorial experience refers to the marketing efforts made to appeal to the five human senses (i.e. smell, sound, sight, taste and touch) (Brakus et al. 2009) and is related to Schmitt's (1999) "sense" experience. Machado, Cant and Seaborne (2014) highlight that this could be the look and feel of an Apple product. Another example is the Garg, Mukherjee, Biswas and Kataria (2015) study which included sub-themes that were collated from the sensory experience theme (i.e. pleasant aroma, aesthetic appeal, tastes nice, sophisticated musical background and great ambiance). Barnes, Mattsson and Sørensen (2014) examined brand experience for destination brands and found the sensory dimension was the most important one.

2.2.2. *Affective experience*

Secondly, affective experience refers to customer's inner feelings and emotions (Brakus et al. 2009) and is related to Schmitt's (1999) "feel" experience. Machado et al. (2014) highlight that through certain behaviour (i.e., the purchase of an iPhone), certain outcomes could manifest through the consumers' feelings or thoughts (i.e., the love of the iPhone after using it for a couple of days). Garg et al.'s (2015) affective sub-themes included: feel thrilled, make my mood, help in reducing stress, therapy for me, as well as make me happy.

2.2.3. *Behavioural experience*

Thirdly, behavioural experience refers to motor actions and behavioural experiences (Brakus et al. 2009) and is related to Schmitt's (1999) "act" experience. Machado et al. (2014) highlight that the behavioural dimension should aim to enrich consumers' lives by targeting their physical experiences by showing them alternative ways of doing things (i.e., highlighting the benefits of Apple products as compared to its competition). Garg et al.'s (2015) behavioural sub-themes included: make me go out, as well as help in exploring new places.

2.2.4. *Intellectual experience*

Lastly, intellectual experience refers to convergent/analytical and divergent/imaginative thinking (Brakus et al. 2009) and is related to Schmitt's (1999) "think" experience. Machado

et al. (2014) highlight that companies could also appeal to the consumer's intellect through creativity and innovativeness (i.e., the constant renewal of the Apple iOS operating system). Garg et al.'s (2015) intellectual sub-themes included: upgrade my knowledge, make me think, and create curiosity.

2.3. THE ROLE OF EMOTIONS IN CONSUMER BEHAVIOUR

Several definitions of emotions (Organism) are available in psychology and marketing literature (Mazaheri, Richard, Laroche & Ueltschy 2014). Moreover, emotions result from exposure to specific stimuli (Singer & Arora 2015). Surprise, for instance, may be caused from exposure to unexpected attributes of a product or situation, such as an unusually high or unusually low quality. People may experience a feeling of being relaxed in a restaurant providing appropriate ambiance, colour or music. The study of emotions is important in marketing for several reasons. Emotions are a rapidly triggered response to a specific event that is often easily identifiable; measuring emotions is an extremely delicate task (Lichtlé & Plichon 2014). Emotions have been proven to play an important role in consumers' evaluation of their consumption experiences (Yao 2016). According to Smilansky (2018), emotions are pivotal drivers of buying behaviour. Holbrook and Hirschman (1982), the first pioneers in introducing the notion of experience in the field of consumption and marketing, state that emotions evoked by products enhance the pleasure of buying, owning and using them. According to Soscia (2013), emotions have a cognitive origin. Pauley (2015) argued that experiences that give rise to positive emotions and generate memorable mental imagery in potential customers are incredibly valuable to any brand.

In this study, positive emotional responses refer to the consumer's positive feelings toward the brand experience and represent the affective aspect of the organism component as defined by Bagozzi (1986). The positive emotional response of this study (organism) is represented by brand pleasure, brand arousal, brand love, brand credibility and brand faith.

2.4. STIMULUS-ORGANISM-RESPONSE (SOR) THEORY

The S-O-R model was first introduced by Tolman (1936), and the first application of this model was done by Kotler (1973). Kotler (1973) introduced the term "atmospherics" – the impact of environmental sensory stimuli, such as sight, sound, smell, as well as touch, providing an implication that retailers can manipulate the store environment to generate consumers' positive emotions, which can increase the likelihood of purchasing. In line with Kotler's (1973) original definition of atmospherics, environmental psychologists Mehrabian and Russell (1974) presented a theoretical model for determining the effect of store environment on individuals' behaviour.

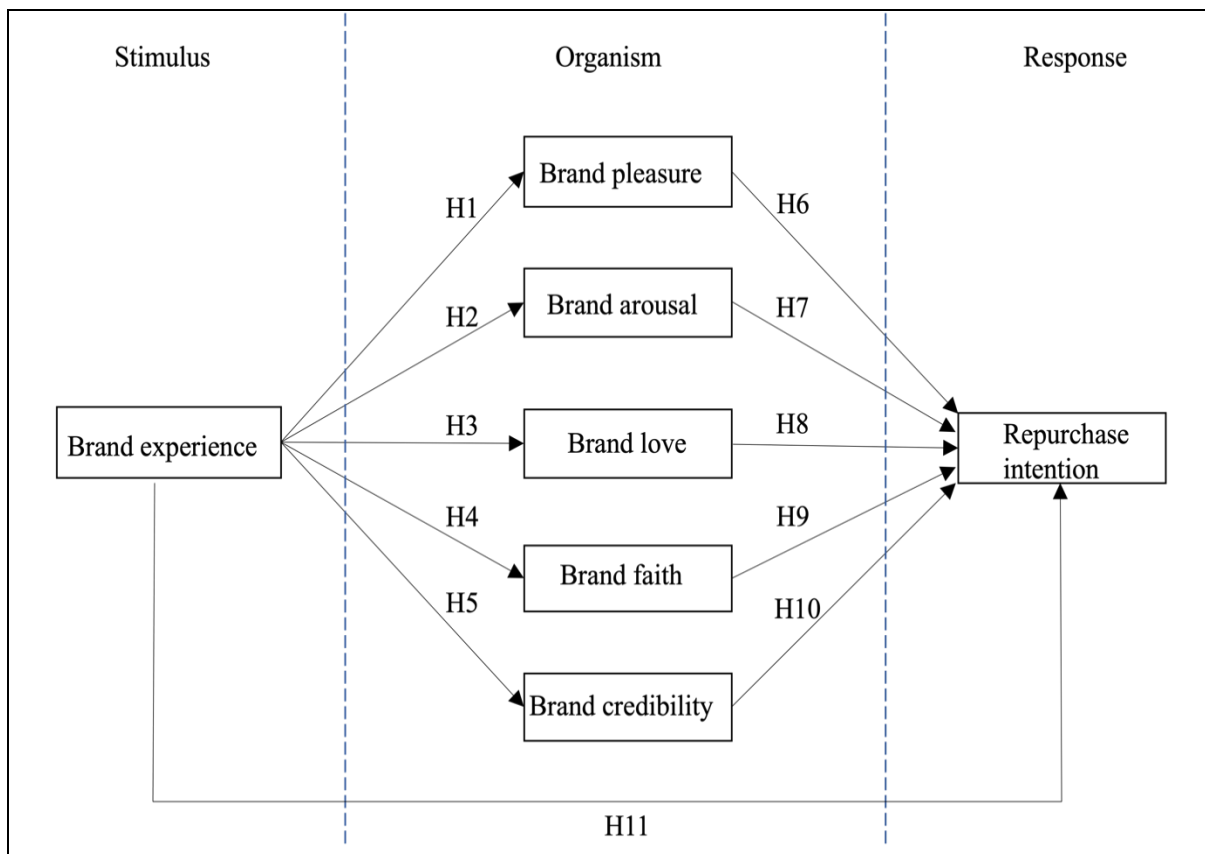
In their seminal work, Mehrabian and Russell (1974) conceptualised the SOR framework that explains the impact of environmental stimuli (S), which affect organisms (O) and result in approach or avoidance response (R) behaviours. Most past literature agrees on the three basic variables, except for some critiques who believe in two basic variables; stimuli (S) and response (R) (Daunt & Harris 2012; Lin 2004; Nigam 2012; Rose, Hair & Clark 2011; Wong, Osman, Jamaluddin & Yin-Fah 2012). In examining the brand-related stimulus, "stimuli" or environmental cues, are conceptualised as brand experience attributes, more specifically, the unidimensional scale thereof which includes sensory, affective, behavioural and intellectual dimensions. "Organism" is described as the internal state, using the Pleasure-Arousal-Dominance scale to measure the affective and emotional state of consumers, as well as faith, love and credibility scales, which ultimately reflects upon the attitudinal state of consumers

while engaging with energy drinks. Then finally, “response” is outlined by a potential positive consumer behavioural reaction: intent to repurchase an energy drink. In summary, the paradigm states that various environmental stimuli (e.g. colour, music, light, and scent) induce emotions (e.g. pleasure, arousal, and dominance) which in turn, influence approach-avoidance behaviours (Mehrabian & Russell 1974). Environments can influence consumers’ emotional states and shopping behaviour in the Stimulus-Organism-Response theory (Donovan & Rossiter 1982). The SOR has dominated consumer behaviour literature and has been widely employed in marketing studies (Lee & Johnson 2010; Liu, Guo & Liang 2016; Peng & Kim 2014).

2.5. HYPOTHESES DEVELOPMENT

The conceptual model proposes that a consumer’s experience with a brand will have a significant effect on their emotions (brand pleasure, brand arousal, brand love, brand faith, and brand credibility), which will lead to customers repurchasing the brand.

FIGURE 1: CONCEPTUAL MODEL



Source: Own construction

2.5.1. Brand experience and brand pleasure

The relationship between brand experience and brand pleasure has been explored by numerous scholars (Chang et al. 2014; Ha & Im 2012; Lin & Mattila 2010). Mehrabian and Russell (1974) summarised evidence in support of a positive relationship between the intensity of pleasure and the tendency to approach a stimulus. A study by Lin and Mattila (2010) indicated that service scape experience has a positive influence on pleasure, especially for Generation Y consumers. The studies presented are consistent with the propositions under the Stimulus-Organism-

Response (SOR) theory as empirical findings by Othman, Musa, Muda and Mohamed (2016), Jacobs and Cassel (2015) as well as Bäckström and Johansson (2006) that highlighted the centrality of brand experience in determining 'positive brand pleasure. Kang, Boger, Back and Madera's (2011) study indicated that pleasure is a full mediator of sight and touch with customers' behavioural intentions in the spa industry. Numerous studies have indicated that experience plays a key role in influencing positive emotional states such as excitement and enjoyment (Ha & Stoel 2009; Lin & Lu 2000). This study therefore proposes the following:

H₁: Brand experience has a significant and positive influence on brand pleasure.

2.5.2. *Brand experience and brand arousal*

Numerous studies show that multisensory stimulation, especially when positive, can amplify the arousal or emotional response (Schreuder, van Erp, Toet & Kallen 2016; Tajadura-Jiménez, Larsson, Våljamäe, Västfjäll & Kleiner 2010). Similarly, Spangenberg, Grohmann and Sprott's (2005) study found that the presence of a Christmas scent along with Christmas music led to more favourable store attitudes, stronger intentions to visit, greater pleasure, greater arousal, greater dominance, and a more favourable evaluation of the environment compared with a no-scent condition. A study by Morrison, Gan, Dubelaar and Oppewal (2011) on Generation Y, found a congruency effect between music and scent; they stated that a combination of high volume music and vanilla aroma (congruent stimuli in the sense that they both induced arousal) significantly enhanced pleasure levels of Generation Y customers in a shopping environment, which in turn, positively affected their shopping behaviour. Bellizzi and Hite (1992) mentioned that a cool colour (e.g., blue) is more affective on pleasure and arousal emotions that influence the customer's spending money and time. This study therefore proposes the following hypotheses:

H₂: Brand experience has a significant and positive influence on brand arousal.

2.5.3. *Brand experience and brand love*

Since brand love can be defined as a relationship, but also as an emotion (Batra, Ahuvia & Bagozzi 2012), brand experience may influence brand love, and thus be considered an actionable antecedent of brand love. Consumers are making choices based on experiential factors which a brand offers, these long lasting experiences with a brand help in creating an emotional bond between consumers and the brand in the form of brand love (Garg et al. 2015). Consumers desire something that touches their heart and engages their senses (Schmitt 2009; Tynan & McKechnie 2009). Numerous scholars have established that brand experiences encourage the development of the affective and cognitive bond between self and the brand (Brakus et al. 2009; Chinomona 2013; Dolbec & Chebat 2013). As stated by Sarkar (2011), favourable brand experiences are likely to stimulate brand love, further suggesting that brand advertisements should contain romantic themes, as romantic advertising content will stimulate an individual's romantic feelings for a brand. Based on the reviewed literature, the following hypothesis is proposed:

H₃: Brand experience has a significant and positive influence on brand love.

2.5.4. *Brand experience and brand faith*

Brand experience is the impression and experience brought by a brand after the consumer contacts and uses it (Lin, Ming & Bin 2011). In their study, Lin et al. (2011) found that a

pleasant brand experience can form and enhance consumers' positive perception of a virtual brand community, thereby strengthening the motivation for participation. They confirmed that brand experience has a positive effect on community participation. As social media technology increases, marketers aim to engage customers in online brand communities to enhance the customer brand experience (Pongpaew, Speece & Tiangsoongnern 2017). Social media has the ability to foster brand community, and companies have rapidly added social media to their marketing and brand building activities (Dessart, Veloutsou & Morgan-Thomas 2015; Hollebeek & Chen 2014). As stated by Pongpaew et al. (2017), customer brand engagement (CBE) in brand communities can enhance the customer brand experience. Therefore, it can be posited that for Generation Y energy drink consumers in South Africa, the stronger the brand experience, the higher the brand faith. Based on the reviewed literature, the following hypothesis is proposed:

H4: There is a significantly positive relationship between brand experience and brand faith of energy drinks amongst Generation Y in South Africa.

2.5.5. *Brand experience and brand credibility*

Previous research has shown that brand experience is the strongest direct predictor of brand credibility compared to brand attitude and consumer-based brand equity (Shamim & Butt 2013). Shaoolian (2017) stated that leaving the right impression with users on your website and offering a pleasant user experience is critical to bolstering brand credibility. Brand experience plays a vital role in predicting brand equity, brand attitude and brand credibility (Schmitt 2009). Wang and Yang (2010) found that brand image and brand awareness are found to positively moderate the relationship between brand credibility and consumers' brand purchase intention. Therefore, it can be posited that for Generation Y energy drink consumers in South Africa, the stronger the brand experience, the higher the brand credibility. Based on the reviewed literature, the following hypothesis is proposed:

H5: There is a significantly positive relationship between brand experience and brand credibility of energy drinks amongst Generation Y in South Africa.

2.5.6. *Brand pleasure and re-purchase intention*

According to Ki, Lee and Kim (2017), existing studies have demonstrated a strong association between consumers' consumption-related emotions and their post consumption behaviour. In their study, they found that pleasure experienced from luxury consumption will positively lead to the intent to repurchase luxury. Otto and Ritchie (1996) argued that pleasurable brand experiences can lead to service brand differentiation, positive word of mouth, increase in sales, customer satisfaction, and repeat purchases. Li, Dong and Chen (2012) stated that emotions, such as pleasure and arousal, affect consumers' activity, intention and reaction with regard to consumption behaviour. Lunardo and Mbengue (2009) also demonstrated that pleasure has a positive impact on intention. Guests' perception of the company restaurant servicescape influenced their emotional states (pleasure and arousal) and through these emotions, their behavioural intentions (Ellen & Zhang 2014). Based on the reviewed literature, the following hypothesis is proposed:

H6: There is a significantly positive relationship between brand pleasure and repurchase intention of energy drinks amongst Generation Y in South Africa.

2.5.7. *Brand arousal and re-purchase intention*

Li, Dong and Chen (2012) point out that emotions, such as pleasure and arousal, affect consumers' activity, intention and reaction with regard to consumption behaviour. Lunardo and Roux's (2015) study suggests that practitioners need to carefully design their store environments, such that the arousal they create does not lead consumers to believe that the environment is manipulative. According to Kotler (1973), retailers can trigger high levels of arousal by manipulating a store's atmospherics. Therefore, it can be posited that for Generation Y energy drink consumers in South Africa, the stronger the brand arousal, the higher the repurchase intention. Based on the reviewed literature, the following hypothesis is proposed:

H7: There is a significantly positive relationship between brand arousal and repurchase intention of energy drinks amongst Generation Y in South Africa.

2.5.8. *Brand love and re-purchase intention*

Brand love has been shown to influence desirable marketing outcomes (Carroll & Ahuvia 2006). Several studies demonstrate the positive relationship between brand love and consumers' intention to repurchase (Bergkvist & Bech-Larsen 2010; Vlachos & Vrechopoulos 2012; Rossiter 2012). Batra et al. (2012) as well as Carroll and Ahuvia (2006), examined that consumers who are emotionally attached to the brands are more likely to continue the purchase of the same brand. Several previous studies have investigated the relationship between brand love and repatronage intentions (Carroll & Ahuvia 2006; Vlachos & Vrechopoulos 2012; Yim, Tse & Chan 2008). Meyer, Barnes and Friend's (2017) research suggest that in a transaction-based environment, elevated emotions such as customer delight, represents a more powerful predictor of repurchase intentions. Based on the reviewed literature, the following hypothesis is proposed:

H8: There is a significantly positive relationship between brand love and repurchase intention of energy drinks amongst Generation Y in South Africa.

2.5.9. *Brand faith and re-purchase intention*

According to Hegner and Jevons (2016), brand trust has a strong influence over purchase and repurchase behaviour. Trust weakens or strengthens by experience (Yoon 2002). Similarly, Ha and Perks (2005) stated that trust is dependent on consumers' prior experiences or satisfaction judgements. Brand trust influences consumers' attitudes and brand related behaviours including purchases, attitudinal and behavioural loyalty, perceptions of brand value, brand commitment, and brand referrals (Becerra & Badrinarayanan 2013). As stated by Sahin et al. (2012), brand trust has a significant effect on consumer repurchase intention for a brand; trusted brands should be purchased more often. Consumers with high commitment to specific brands have a higher level of intention to repeatedly purchase the same branded products (Chiu & Won 2016). Based on the reviewed literature, the following hypothesis is proposed:

H9: There is a significantly positive relationship between brand faith and repurchase intention of energy drinks amongst Generation Y in South Africa.

2.5.10. *Brand credibility and re-purchase intention*

Literature has demonstrated that a customer who sees a company as being highly credible is more likely to purchase from them (Sweeney & Swait 2008). Jin, Lee and Jun (2015) argue

that brand credibility significantly and positively impacts consumers' brand preference; information cost saved, and brand prestige. They further state that brand preference, information cost saved, and brand prestige, in turn, significantly and positively impact behavioural intention (e.g. returning, positive word-of mouth, spend more than planned). Kemp and Bui (2011) found that brand credibility had a positive effect on brand commitment through the mediating role of purchase intention. As stated by Kim, Morris and Swait (2008), the more credible a brand as signal, the more loyal consumers are toward that brand in terms of repeat purchase. Based on the reviewed literature, the following hypothesis is proposed:

H₁₀: There is a significantly positive relationship between brand credibility and repurchase intention of energy drinks amongst Generation Y in South Africa.

2.5.11. Brand experience and re-purchase intention

Consumer's experience with a brand is likely to influence their re-purchase intention. Several studies have been conducted that explored this relationship and found a significant relationship. For instance, Brakus et al. (2009) found that customers make repeat visits when they receive unique and memorable brand experience and are more likely to develop brand loyalty. Sikdar and Makkad (2015:765) stated that "if the experience is positive, it creates a desire for repeat usage". A study by Rambitan (2013) indicated that brand experience has an influence, but not significant, towards repurchase intention. Likewise, in a study conducted by Bagdare and Jain (2013), they found that customers' engagement with several activities during retail brand selection, purchase and post purchase stages brings a comprehensive experience that determines their satisfaction with the retailer and affects their revisit intention. This study therefore proposes the following:

H₁₁: There is a significantly positive relationship between brand experience and repurchase intention of energy drinks amongst Generation Y in South Africa.

3. RESEARCH METHODOLOGY

3.1. DATA COLLECTION AND SAMPLING

The study undertook a quantitative approach, and 700 online surveys were distributed to university students between the ages of 18 and 25 years of age who resides in South Africa. The study was undertaken at four large universities in Gauteng, South Africa: The University of the Witwatersrand (Wits), the University of Johannesburg (UJ), the University of Pretoria (UP), and Monash University (MU). Gauteng was selected as the geographic location for this study, as it constitutes 52.2% of South Africa's energy drink market in terms of sales (BMI, 2016). The researcher obtained a 98.4% response rate, therefore having 689 usable surveys.

3.2. MEASUREMENT SCALE DEVELOPMENT

The questionnaire was designed using existing measurement scales that were adapted for the purpose of this study. The study used a seven-point Likert scale ranging from (1 = strongly disagree to 7 = strongly agree). The choice of the seven-point scale in this study was informed by assertions by Finstad (2010), who noted that seven-point scales provide more reliable measures of a participant's evaluation than a five-point scale. The scales were extracted from previous literature and adopted to suit the context of this study. To measure the various constructs, the following scales were used: The following scales were used in the study: brand experience and repurchase intention were measured using a scale from Beckman et al. (2013),

consumer pleasure and consumer arousal were both measured using Kulviwat, Bruner II and Neelankavil's (2014) scales, and scales for brand credibility (Hanzaee & Taghipourian 2012), brand faith (Plante & Boccaccini 1997) and brand love (Rageh & Spinelli 2012).

3.3. ETHICS

This research underwent a comprehensive ethics procedure. Prior to commencing with participant recruitment and data collection, the approval of the ethics committee at the University of the Witwatersrand was sought. Each participant was issued a consent form prior to participating in the study and questionnaires were anonymous. Participants participated for free. The participants' involvement was voluntary, and the rights of the respondents have been taken into consideration. Participants were given the right to withdraw from the study if, in any instance, they felt uncomfortable. Participants have not been exposed to any harm. Participants have been assured that the information is confidential and will only be used for academic purposes.

4. RESULTS AND FINDINGS

4.1. RESPONDENT PROFILE

The respondent's demographic profile is presented in Table 1. The demographics of the study shows that males constituted the majority of young people sampled (59.9%). Young people between the ages of 18 to 20 constituted the majority of age segments sampled (46.4%). Approximately 336 (48.8%) of respondents indicated that their energy drink consumption frequency is irregular routine, while 170 (24.7%) indicated their energy drink consumption frequency as one to three times a month, 70 (10.2%) indicated more than once per week consumption, 80 (12.0%).

TABLE 1: RESPONDENT PROFILE

Variables	Descriptions	(%)
Gender	Male	59.9
	Female	37.7
	Prefer not to say	2.3
Age	18–20	46.4
	21–23	42.4
	24–25	11.3
Frequency of energy drinks use	Daily	4.4
	Once per week	12.0
	More than once per week	10.2
	1-3 times a Month	24.7
	Irregular routine	48.8
Favourite energy drink brand	Red Bull	28.4
	Powerplay	24.2
	Monster	19.6
	Dragon	17.9
	Score	3.6
	Mo Faya	3.2
Importance of the five senses	Other	3.0
	Taste	53.6
	Smell	31.9
	Sight	21.6
	Touch	18.6
	Sound	12.2

Source: Own construction, based on analysis

Majority of respondents' favourite energy drink brand is Red Bull at 196 (28.4%), followed by Power Play at 167 (24.2%), and Monster at 135 (19.6%). Of the respondents, 369 (53.6%) indicated that taste sense was very important and contributed the most to energy drinks' consumer experience. These findings are similar to that of Visram et al. (2016) and Visram et al. (2017) who reported taste as the primary driver motivating the purchase and consumption of energy drinks. Furthermore, in this study, smell sensory was second with 220 (31.9%) in terms of being very important, followed by sight 149 (21.6%), touch 128 (18.6%), and sound 84 (12.2%). In summary, our study found that taste attracted the higher ratings, and hearing/sound gathered the lowest values, as shown in Table 1.

4.2. ACCURACY SCALE ANALYSIS

4.2.1. Testing for scale reliability and validity

To assess reliability of the measurement scales, the Cronbach alpha coefficient (CA), the composite reliability (CR) and a comparison between the average variance extracted (AVE) and the highest shared variance were conducted. As presented in Table 2, the Cronbach alpha coefficients ranged between 0.842 to 0.926, thus exceeding the required minimum value of 0.70 as recommended by Hair, Ringle, Sarstedt and Gudergan (2017) (BE: $\alpha = 0.894$; BP: $\alpha = 0.877$; BA: $\alpha = 0.842$; BL: $\alpha = 0.919$; BF: $\alpha = 0.926$; BC: $\alpha = 0.910$; RI: $\alpha = 0.921$). The composite reliability values ranged from 0.853 to 0.945, which is acceptable as it exceeds the threshold of 0.7 (Bagozzi & Yi, 1988) (BE = 0.870; BP = 0.945; BA = 0.853; BL = 0.925; BF = 0.926; BL = 0.902; RI = 0.925). The validity of the scales was measured by testing the convergent validity (CV) and discriminant validity. To test the CV, an exploratory factor analysis (EFA) is conducted, a composite reliability (CR) and average variance extracted (AVE) are explored. Factor loadings are generally required to be above (>) 0.5 to be statistically accepted (Hair et al. 2017). Composite reliability values should be above (>) 0.6, while AVE values must be above (>) 0.4 to be deemed acceptable (Hamid, Sami & Sidek 2017). Convergent validity examines the occurrence of cross items and is appropriate.

TABLE 2: ACCURACY SCALE ANALYSIS

Research Construct		Descriptive Statistics				Cronbach's Test		C.R. Value	AVE Value	Highest Shared Variance	Factor Loading
		Mean Value		Standard Deviation		Item-total	a value				
BE	BE1	4.987		1.405		0.470					0.507
	BE2	5.067		1.259		0.485					0.508
	BE3	5.035		1.311		0.479					0.500
	BE4	4.209		1.521		0.590					0.588
	BE5	3.936		1.662		0.653					0.703
	BE6	3.685	4.460	1.608	1.552	0.642	0.894	0.870	0.362	0.361	0.637
	BE7	4.570		1.721		0.622					0.584
	BE8	4.556		1.609		0.676					0.619
	BE9	4.745		1.459		0.610					0.591
	BE10	4.408		1.684		0.678					0.635
	BE11	4.261		1.718		0.662					0.637
	BE12	4.061		1.662		0.671					0.667
BP	BP1	4.909		1.310		0.740					0.831
	BP2	5.033		1.263		0.763					0.880
	BP3	5.080	4.723	1.249	1.396	0.748	0.877	0.945	0.593	0.572	0.815
	BP4	4.951		1.270		0.749					0.808
	BP5	4.142		1.547		0.637					0.691
	BP6	4.222		1.734		0.551					0.546

Research Construct		Descriptive Statistics				Cronbach's Test		C.R. Value	AVE Value	Highest Shared Variance	Factor Loading
		Mean Value		Standard Deviation		Item-total	a value				
BA	BA1	5.032		1.488		0.657		0.853	0.498	0.315	0.715
	BA2	4.663		1.453		0.745					0.888
	BA3	4.475	4.715	1.493	1.521	0.739	0.842				0.754
	BA4	4.412		1.533		0.606					0.564
	BA5	5.541		1.394		0.495					0.670
	BA6	4.167		1.763		0.518					0.592
BL	BL1	5.104		1.281		0.712		0.925	0.640	0.572	0.748
	BL2	4.681		1.388		0.771					0.838
	BL3	4.913		1.379		0.794					0.835
	BL4	4.395	4.649	1.447	1.445	0.787	0.919				0.836
	BL5	4.864		1.439		0.801					0.785
	BL6	4.671		1.441		0.786					0.813
	BL7	3.913		1.737		0.636					0.737
BF	BF1	5.074		1.347		0.462		0.936	0.596	0.695	0.876
	BF2	3.906		1.693		0.729					0.750
	BF3	3.922		1.656		0.782					0.809
	BF4	3.324		1.724		0.751					0.746
	BF5	4.219	3.848	1.729	1.687	0.738	0.926				0.757
	BF6	3.755		1.674		0.813					0.844
	BF7	3.392		1.691		0.832					0.834
	BF8	3.409		1.713		0.790					0.771
	BF9	3.231		1.764		0.743					0.708
	BF10	4.251		1.877		0.524					0.581
BC	BC1	5.199		1.270		0.735		0.902	0.608	0.577	0.741
	BC2	5.035		1.298		0.725					0.723
	BC3	4.996	5.080	1.351	1.309	0.753	0.910				0.788
	BC4	4.949		1.271		0.817					0.878
	BC5	5.136		1.362		0.681					0.715
	BC6	5.165		1.300		0.785					0.819
RI	RI1	5.469		1.449		0.863		0.928	0.763	0.362	0.931
	RI2	5.319	5.376	1.481	1.464	0.875	0.921				0.919
	RI3	5.023		1.561		0.786					0.859
	RI4	5.694		1.367		0.757					0.777

Source: Own construction, based on analysis

4.2.2. Inter-construct correlation matrix

The inter-construct correlation matrix was used to determine how distinct and/or less similar the constructs were from one another (Hair et al. 2017). Correlation values must be smaller (<) 0.8. The results in Table 3 indicate that 0.756 is the highest correlation, which is below the recommended maximum threshold of 1.0 (Hair et al. 2017), therefore indicating satisfactory discriminant validity in the measurement scales. The inter-correlation values for all paired latent variable were lower than 1.0, therefore confirming the existence of discriminant validity.

TABLE 3: CORRELATIONS MATRIX

	BE	CP	CA	BL	BF	BC	RI
BE	1						
CP	0.585**	1					
CA	0.561**	0.558**	1				
BL	0.550**	0.756**	0.538**	1			
BF	0.601**	0.643**	0.505**	0.695**	1		
BC	0.535**	0.590**	0.430**	0.577**	0.473**	1	
RI	0.472**	0.602**	0.484**	0.597**	0.505**	0.518**	1

** Correlation is significant at the 0.01 level (2-tailed). BE-Brand Experience; CP-Consumer Pleasure; CA-Consumer Arousal; BL-Brand Love; BF-Brand Faith; BC-Brand Credibility; RI-Repurchase Intention

Source: Own construction, based on analysis

4.2.3. Assessing model fit

This section presents the analysis of model fit by assessing a number of different indices, so as to ascertain the degree of acceptable or good model fit (Table 4). The structural model had good fit: chi-square value of ($\chi^2/df = 1.856$) which was well within the acceptable range of 3, as recommended by Hair et al. (2017). CFI = 0.969; TLI = 0.959; IFI = 0.969; GFI = 0.902; NFI = 0.935. All these indices were within the recommended acceptable value range of 0.90 or above (Hair et al. 2017). RMSEA = 0.035 which was beneath the acceptable cutoff level of below 0.08 or below 0.05 which is better (Hair et al. 2017). The structural model had a good fit with all the fit-indexes better than the recommended cut-off values.

TABLE 4: SUMMARY OF MODEL FIT RESULTS CFA

Model Fit Indices	Acceptable Threshold	Study Threshold	Acceptable/ Unacceptable
Chi-Square Value: χ^2/df	<3	1.856	Acceptable
Normed Fit Index (NFI)	> 0.900	0.935	Acceptable
Incremental Fit Index (IFI)	> 0.900	0.969	Acceptable
Tucker Lewis Index (TLI)	> 0.900	0.959	Acceptable
Comparative Fit Index (CFI)	> 0.900	0.969	Acceptable
Goodness of Fit Index (GFI)	> 0.900	0.902	Acceptable
Random Measure of Standard Error Approximation (RMSEA)	< 0.08	0.035	Acceptable

Source: Own construction, based on analysis

4.2.4. Hypotheses testing and path coefficients

Table 5 presents the results of the hypotheses and path coefficients followed by a discussion. The results in Table 5 provide clear evidence that nine of the eleven hypotheses are supported. In other words, (H₁) brand experience has a positive impact on consumer pleasure ($B = 0.814$, $p < 0.01$), (H₂) consumer arousal ($B = 0.820$, $p < 0.01$), (H₃) brand love ($B = 0.790$, $p < 0.01$), (H₄) brand faith ($B = 0.916$, $p < 0.01$), and (H₅) brand credibility ($B = 0.752$, $p < 0.01$). Furthermore, the relationships between repurchase intention and (H₆) consumer pleasure ($B = 0.412$, $p < 0.01$), (H₇) consumer arousal ($B = 0.103$, $p < 0.1$), (H₈) brand love ($B = 0.192$, $p < 0.05$) and (H₁₀) brand credibility ($B = 0.231$, $p < 0.01$), were found to be positive. However, the relationships between brand faith (H₉) as well as brand experience (H₁₁) and repurchase intention were found to be insignificant and the hypotheses therefore not supported.

TABLE 5: HYPOTHESES RESULTS

Hypothesised Path	Hypothesis	Path Coefficient	P-Value	Assessment (** <i>p</i> <0.01; * <i>p</i> <0.05; * <i>p</i> <0.1)
BE → CP	H ₁	0.814	***	Supported and Significant
BE → CA	H ₂	0.820	***	Supported and Significant
BE → BL	H ₃	0.790	***	Supported and Significant
BE → BF	H ₄	0.916	***	Supported and Significant
BE → BC	H ₅	0.752	***	Supported and Significant
CP → RI	H ₆	0.412	***	Supported and Significant
CA → RI	H ₇	0.103	0.083*	Supported and Significant
BL → RI	H ₈	0.192	0.014**	Supported and Significant
BF → RI	H ₉	0.066	0.329 ^{ns}	Not Supported and Not Significant
BC → RI	H ₁₀	0.231	***	Supported and Significant
BL → RI	H ₁₁	0.058	0.636 ^{ns}	Not Supported and Not Significant

Notes: (^{ns}) is not significant at *** *p*<0.01; ***p*<0.05; **p*<0.1)

BE-Brand Experience; CP-Consumer Pleasure; CA-Consumer Arousal; BL-Brand Love; BF-Brand Faith; BC-Brand Credibility; RI-Repurchase Intention

Source: Own construction, based on analysis

5. DISCUSSION OF RESULTS

Derived from the results, it is evident that nine of the eleven hypotheses were supported and significant (hypotheses nine and eleven were not supported).

The first half of the proposed model, hypotheses one to six (H₁ – H₆) tested the relationships between brand experience and brand pleasure, brand arousal, brand love, brand faith and brand credibility, and were all supported and significant. This means that the more favourable the brand experience, the more likely that consumers will experience brand pleasure, brand arousal, brand love, brand faith and brand credibility. These hypotheses are consistent with previous literature: brand pleasure (H₁) (Chang et al. 2014; Ha & Im 2012); brand arousal (H₂) (Sweeny & Wyber 2002); brand love (H₃) (Sarkar, Ghosh, Bannerjee & Aikat 2012); brand faith (H₄) (Jung & Soo 2012; McAlexander & Koenig 2007; Mohamed & Musa 2012); brand credibility (H₅) (De Klerk & Lubbe 2008; Spry et al. 2011); and brand credibility (H₆) (Ruy & Jang 2007).

From the second part of the model, the findings supported hypotheses seven (H₇) (brand pleasure), eight (H₈) (brand arousal) and ten (H₁₀) (brand credibility), and their impact on re-purchase intention. This indicates that the more pleasurable the brand pleasure, the higher the brand arousal, and the more credibility a brand has, the more likely that they will re-purchase the brand in the future. These findings are consistent with previous literature: brand pleasure (H₇) (Koo & Ju 2010); brand arousal (H₈), and brand faith (Garg et al. 2015; Park 2015).

Hypothesis nine (H₉) (brand faith), and hypothesis eleven (H₁₁) (brand experience) were not supported and not significant. This implies that regardless of whether or not consumers have faith in a brand, it will not influence their re-purchase intention. And lastly, brand experience does not have a direct effect on re-purchase intention. This finding is interesting and indicates that within the context of brand experience, re-purchase intention will not occur without triggering emotional responses in consumers. These two findings were inconsistent with previous literature.

6. MANAGERIAL IMPLICATIONS

The findings from the study provide energy drink brands with significant insight to how they can use experiential branding and emotional appeals to influence consumer's buying behaviour. Brand pleasure can be evoked by using sound as the primary sensory stimulator. For instance, brand jingles, creating unique music signatures that customers associate with the brand. Marketers can also focus on touch, which can be done through packaging material, the temperature of the drink, and the weight of the bottle or can. Another strategy can be the taste and offering consumers a large variety of unique flavours to choose from.

To evoke brand arousal, energy drink brands can stimulate brand arousal using sensory touchpoints with an emphasis on smell, such as the smell of grapefruit, orange, mint and citrus, which have proven to be effective. Focusing on the visual elements of the brand can also be effective in stimulating brand arousal, like catchy packaging and strong product displays in retail environments.

Brand love can be encouraged by focussing on attributes such as music, music volume, temperature, scents, packaging, the use of colour in the energy drinks category can influence brand pleasure levels such as feeling happy, satisfied, hopeful feeling, and feeling relaxed. Marketers can also create favourable feelings towards the brand by showing generosity and give away free sample energy drinks at events or in-stores. Marketers should also convince customers through sampling or free-tasting promotional operations, as this is important in the consumption industry, also customers are more disposed to purchase a product that they have already tasted and liked.

To enhance brand credibility, energy drink brands should invest time in social media and providing customer reviews, rating, sharing of brand related content, encouraging brand engagement that are associated with quality visuals, unique brand font, eye-catching colour palette and appealing marketing campaigns. In order for marketers to ensure that brand credibility levels are evoked, the brand experience elements need to assure consumers on brand promises, believable product claims, that the brand name can be trusted, and that the brand delivers on promises. Though corporate social responsibility programmes, a brand can enhance credible perceptions as this can show that a company believes and is committed to the brand. Marketers can reinforce brand promises, drive believable product claims, and assure consumers that the brand name can be trusted, though brand experience cues such as public relations through exhibitions; event management, launch parties, events/shows, and sponsorship tie ups to build brands.

If energy drink brands successfully implement the above campaigns, they will reap the benefits of repeat customer purchase, which will increase sales, profits and market share.

7. CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH

This study shows that the role of brand experiences on consumer emotions and repurchase intention of energy drinks among young consumers remains relevant. Marketers of energy drink brands should utilise multi-sensory branding to provide customers with a unique experience, which will evoke strong emotions and lead to re-purchase intention. By means of a proposed conceptual model, eleven hypotheses were tested to determine the role of brand experience in evoking consumer emotions (brand pleasure, brand arousal, brand love, brand faith and brand credibility), and ultimately re-purchase intention. This study contributes to literature in the field of experiential marketing. This study contributes to literature within an

emerging context, South Africa, a market that is often overlooked by global researchers. It contributes to theory within the field of branding and experiential marketing and the application of the S-O-R model. As with any other research project, the current study has some limitations which, in turn, provide opportunities for future research. First, the selected use a student sample, which could limit the generalisability of some findings. Future research may consider using non-student samples to ascertain the results reported here. Secondly, new brands continue to enter the market and consumer preferences may have changed. Considering the growth in awareness of consumer well-being and health, the energy drinks market may have changed with regards to consumer perceptions towards this industry. Future research can be conducted from a sustainable perspective to measure changing consumer perceptions and behaviour within the energy drinks market.

REFERENCE LIST

- Andreini, D., Pedeliento, G., Zarantonello, L. & Solerio, C., 2018. Reprint of "A renaissance of brand experience: Advancing the concept through a multi-perspective analysis". *Journal of Business Research*, 96:355-365.
- Anshu, K., Gaur, L. & Singh, G. 2022. Impact of customer experience on attitude and repurchase intention in online grocery retailing: A moderation mechanism of value Co-creation. *Journal of Retailing and Consumer Services*, 64:102798.
- Bäckström, K. & Johansson, U., 2006. Creating and consuming experiences in retail store environments: Comparing retailer and consumer perspectives. *Journal of Retailing and Consumer Services*, 13(6):417-430.
- Bagdare, S. & Jain, R. 2013. Measuring retail customer experience. *International Journal of Retail & Distribution Management*, 41(10):790-804.
- Bagozzi, R.P. & Yi, Y. 1988. On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16:74-94.
- Bagozzi, R.P. & Yi, Y. 2012. Specification, evaluation, and interpretation of structural equation models. *Journal of the Academy of Marketing Science*, 40:8-34.
- Bagozzi, R.P. 1986. *Principles of marketing management*. Chicago, Illinois: Science Research Association.
- Barnes, S.J., Mattsson, J. & Sørensen, F. 2014. Destination brand experience and visitor behavior: Testing a scale in the tourism context. *Annals of Tourism Research*, 48:121-139.
- Batra, R., Ahuvia, A. & Bagozzi, R.P. 2012. Brand love. *Journal of Marketing*, 76(2):1-16.
- Becerra, P.E. & Badrinarayanan, V. 2013. The influence of brand trust and brand identification on brand evangelism. *Journal of Product & Brand Management*, 22(5/6):371-383.
- Becker, L. & Jaakkola, E. 2020. Customer experience: Fundamental premises and implications for research. *Journal of the Academy of Marketing Science*, 48:630-648.
- Beckman, E., Kumar, A. & Kim, Y.K. 2013. The impact of brand experience on downtown success. *Journal of Travel Research*, 52(5):646-658.

- Bellizzi, J.A. & Hite, R.E. 1992. Environmental colour, consumer feelings, and purchase likelihood. *Psychology and Marketing*, 9(5):347-363
- Bergkvist, L. & Bech-Larsen, T. 2010. Two studies of consequences and actionable antecedents of brand love. *Journal of Brand Management*, 17:504-518.
- BMI. 2016. Annual Quantification Reports: Energy Drinks in South Africa. *Annual Industry report*. BMI research.
- Brakus, J.J., Schmitt, B.H. & Zarantonello, L. 2009. Brand experience: What is it? How is it measured? Does it affect loyalty? *Journal of Marketing*, 73(3):52-68.
- Cachero-Martínez, S. & Vázquez-Casielles, R. 2021. Building consumer loyalty through e-shopping experiences: The mediating role of emotions. *Journal of Retailing and Consumer Services*, 60:102481.
- Capps Jr, O. & Hanselman, R. 2012. A Pilot Study of the Market for Energy Drinks. *Journal of Food Distribution Research*, 43(3):15-29.
- Carroll, B.A. & Ahuvia, A.C., 2006. Some antecedents and outcomes of brand love. *Marketing Letters*, 17:79-89.
- Carù, A., Colm, L. & Cova, B. 2016. Innovating services through experiences: An investigation of servicescape's pivotal role. In *Service Innovation* (pp. 149-170). Tokyo: Springer Japan.
- Chan, A.P.H. & Tung, V.W.S. 2019. Examining the effects of robotic service on brand experience: the moderating role of hotel segment. *Journal of Travel & Tourism Marketing*, 36(4):458-468.
- Chang, S. 2018. Experience economy in hospitality and tourism: Gain and loss values for service and experience. *Tourism Management*, 64:55-63.
- Chevtchouk, Y., Veloutsou, C. & Paton, R.A. 2021. The experience–economy revisited: An interdisciplinary perspective and research agenda. *Journal of Product & Brand Management*, 30(8):1288-1324.
- Chinomona, R. 2013. The influence of brand experience on brand satisfaction, trust and attachment in South Africa. *International Business & Economics Research Journal (IBER)*, 12(10):1303-1316.
- Choi, Y.G., Ok, C.M. & Hyun, S.S. 2017. Relationships between brand experiences, personality traits, prestige, relationship quality, and loyalty: An empirical analysis of coffeehouse brands. *International Journal of Contemporary Hospitality Management*, 29(4):1185-1202.
- Datamonitor. 2007. *Red Bull and Lucozade case study. Lucozade & Red Bull Case Study: Repositioning energy drinks to meet consumers' needs*. Available from <http://0-web.b.ebscohost.com/innopac.wits.ac.za/ehost/detail/detail?vid=5&sid=f1eb8346-ac19-4d81-9a6b-652962911856%40sessionmgr102&bdata=JnNpdGU9ZWwhvc3QtbGl2ZSZzY29wZT1z aXRl #AN=29415037&db=bth>. (Date accessed: 8 May 2017).

- Daunt, K.L. & Harris, L.C. 2012. Exploring the forms of dysfunctional customer behaviour: A study of differences in servicescape and customer disaffection with service. *Journal of Marketing Management*, 28(1-2):129-153.
- De Klerk, H.M. & Lubbe, S. 2008. Female consumers' evaluation of apparel quality: exploring the importance of aesthetics. *Journal of Fashion Marketing and Management: An International Journal*, 12(1):36-50.
- de Oliveira Santini, F., Ladeira, W.J., Sampaio, C.H. and Pinto, D.C. 2018. The brand experience extended model: a meta-analysis. *Journal of Brand Management*, 25:519-535.
- Dessart, L., Veloutsou, C. & Morgan-Thomas, A. 2015. Consumer engagement in online brand communities: A social media perspective. *Journal of Product & Brand Management*, 24(1):28-42.
- Ding, C.G., & Tseng, T.H. 2015. On the relationships among brand experience, hedonic emotions, and brand equity. *European Journal of Marketing*, 49(7/8):994-1015.
- Dolbec, P.Y. & Chebat, J.C. 2013. The impact of a flagship vs. a brand store on brand attitude, brand attachment and brand equity. *Journal of Retailing*, 89(4):460-466.
- Donovan, R.J. & Rossiter, J.R. 1982. Store atmosphere: An environmental psychology perspective. *Journal of Retailing*, 58:34-57.
- Ellen, T. & Zhang, R. 2014. Measuring the effect of company restaurant servicescape on patrons' emotional states and behavioral intentions. *Journal of Foodservice Business Research*, 17(2):85-102.
- Energy Drinks Europe. 2023. *History of energy drinks*. Available from <https://www.energydrinkseurope.org/facts/history-of-energy-drinks/#:~:text=Although%20energy%20drinks%20are%20mostly,in%20more%20than%20165%20countries.> (Date accessed: 15 August 2023).
- Euromonitor. 2016. *Energy drinks in South Africa*. Available from <http://www.euromonitor.com/energy-drinks-in-south-africa/report>. (Date accessed: 21 December 2016).
- Finstad, K. 2010. Response interpolation and scale sensitivity: Evidence against 5-point scales. *Journal of Usability Studies*, 5(3):104-110.
- Garg, R., Mukherjee, J., Biswas, S. & Kataria, A. 2015. An investigation of antecedents and consequences of brand love in India. *Asia-Pacific Journal of Business Administration*, 7(3):174-196.
- Grewal, D. & Roggeveen, A.L. 2020. Understanding retail experiences and customer journey management. *Journal of Retailing*, 96(1):3-8.
- Ha, H.Y. & Perks, H. 2005. Effects of consumer perceptions of brand experience on the web: Brand familiarity, satisfaction and brand trust. *Journal of Consumer Behaviour: An International Research Review*, 4(6):438-452.

- Ha, S. & Stoel, L. 2009. Consumer e-shopping acceptance: Antecedents in a technology acceptance model. *Journal of Business Research*, 62(5):565-571.
- Ha, Y. & Im, H. 2012. Role of web site design quality in satisfaction and word of mouth generation. *Journal of Service Management*, 23(1):79-96.
- Hair Jr, J.F., Sarstedt, M., Ringle, C.M. & Gudergan, S.P. 2017. *Advanced issues in Partial Least Squares Structural Equation Modeling*. Thousand Oaks, CA: Sage Publications.
- Hanzaee, K.H. & Taghipourian, M.J. 2012. The effects of brand credibility and prestige on consumers purchase intention in low and high product involvement. *Journal of Basic and Applied Scientific Research*, 2(2):1281-1291.
- Hegner, S.M. & Jevons, C. 2016. Brand trust: a cross-national validation in Germany, India, and South Africa. *Journal of Product & Brand Management*, 25(1):58-68.
- Högberg, J., Ramberg, M.O., Gustafsson, A. & Wästlund, E. 2019. Creating brand engagement through in-store gamified customer experiences. *Journal of Retailing and Consumer Services*, 50:122-130.
- Holbrook, M. B. & Hirschman, E. C. 1982. The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of Consumer Research*, 132-140.
- Hollebeek, L.D. & Chen, T. 2014. Exploring positively-versus negatively-valenced brand engagement: A conceptual model. *Journal of Product & Brand Management*, 23(1):62-74.
- Hwang, J. & Lee, K.W. 2018. The antecedents and consequences of golf tournament spectators' memorable brand experiences. *Journal of Destination Marketing & Management*, 9:1-11.
- Iglesias, O., Singh, J.J. & Batista-Foguet, J.M. 2011. The role of brand experience and affective commitment in determining brand loyalty. *Journal of Brand Management*, 18(8):570-582.
- Jacobs, B.M. & Cassel, E. 2015. *Effects of the four realms of experience on pleasurable pop-up retail and patronage intention*. (Masters dissertation). University of Pretoria. Available from <http://www.repository.up.ac.za/handle/2263/50850>. (Date accessed: 28 March 2017).
- Jang, E.S., Ruy, S.H. & Phae, C.G. 2007. Effect of TS concentration on anaerobic digestion using supernatant of food waste. *Journal of the Korea Organic Resources Recycling Association*, 15(2):118-127.
- Kang, E., Boger, C.A., Back, K.J. & Madera, J. 2011. *The impact of sensory environments on Spagoers' emotion and behavioral intention*. (Unpublished Thesis). Houston: Houston University. Available from http://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1115&context=gradconf_hospitality. (Date accessed: 29 March 2017).

- Kanigan, D. 2013. *Live & Learn: People will never forget how you made them feel*. Available from <https://davidkanigan.com/2013/03/03/people-will-never-forget-how-you-made-them-feel/>. (Date accessed: 11 July 2017).
- Kemp, E. & Bui, M. 2011. Healthy brands: Establishing brand credibility, commitment and connection among consumers. *Journal of Consumer Marketing*, 28(6):429-437.
- Kennedy, S. 2015. *Energy drink sales get a jolt; Sports drinks not so much*. *Dairy Foods*, 116(3):26-28. Available from <http://www.dairyfoods.com/articles/91041-energy-drink-sales-get-a-jolt-sports-drinks-not-so-much?v=preview>. (Date accessed: 26 February 2016).
- Ki, C., Lee, K. & Kim, Y.K. (2017). Pleasure and guilt: How do they interplay in luxury consumption? *European Journal of Marketing*, 51(4):722-747.
- Kim, J., Morris, J.D. & Swait, J. 2008. Antecedents of true brand loyalty. *Journal of Advertising*, 37(2):99-117.
- Kim, R.B. & Chao, Y. 2019. Effects of brand experience, brand image and brand trust on brand building process: The case of Chinese millennial generation consumers. *Journal of International Studies*, 12(3).
- Koo, D.M. & Ju, S.H. 2010. The interactional effects of atmospherics and perceptual curiosity on emotions and online shopping intention. *Computers in Human Behavior*, 26(3):377-388.
- Kulviwat, S., Bruner II, G.C. & Neelankavil, J.P. 2014. Self-efficacy as an antecedent of cognition and affect in technology acceptance. *Journal of Consumer Marketing*, 31(3):190-199.
- Kumar, R. 2014. *The history of doing: An illustrated account of movements for women's rights and feminism in India, 1800-1990*. Zubaan.
- Lee, J. & Johnson, K.K. 2010. Buying fashion impulsively: Environmental and personal influences. *Journal of Global Fashion Marketing*, 1(1):30-39.
- Lemon, K.N. & Verhoef, P.C., 2016. Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6):69-96.
- Li, M., Dong, Z.Y. & Chen, X. 2012. Factors influencing consumption experience of mobile commerce: A study from experiential view. *Internet Research*, 22(2):120-141.
- Lichtlé, M.C. & Plichon, V. 2014. Emotions experienced in retail outlets: A proposed measurement scale. *Recherche et Applications en Marketing* (English Edition), 29(1):3-24.
- Lin, B., Ming, S. & Bin, H. 2011. Virtual brand community participation and the impact on brand loyalty: A conceptual model. In 2011 International Conference on Business Management and Electronic Information (Vol. 1, pp. 489-492). IEEE. Available from <http://59.69.174.17:8088/Self-digital/qarticle/data/14278.pdf>. (Date accessed: 3 April 2017).

- Lin, I.Y. & Mattila, A.S. 2010. Restaurant servicescape, service encounter, and perceived congruency on customers' emotions and satisfaction. *Journal of Hospitality Marketing and Management*, 19(8):819-841.
- Lin, I.Y. 2004. Evaluating a servicescape: The effect of cognition and emotion. *International Journal of Hospitality Management*, 23(2):163-178.
- Lin, J.C.C. & Lu, H. 2000. Towards an understanding of the behavioural intention to use a web site. *International journal of information management*, 20(3):197-208.
- Liu, W., Guo, F., Ye, G. & Liang, X. 2016. How homepage aesthetic design influences users' satisfaction: Evidence from China. *Displays*, 42:25-35.
- Lobaugh, K., Stephens, B. & Simpson, J.D. 2019. Insights: The consumer is changing but perhaps not how you think. *Deloitte Center for Consumer Insight*, Kansas City, Missouri.
- Lunardo, R. & Mbengue, A. 2009. Perceived control and shopping behavior: The moderating role of the level of utilitarian motivational orientation. *Journal of Retailing and Consumer Services*, 16(6):434-441.
- Machado, R., Cant, M.C. & Seaborne, H. 2014. Experiential marketing on brand advocacy: a mixed-method approach on global apple product users. *The International Business & Economics Research Journal*, 13(5):955.
- Mazaheri, E., Richard, M. O., Laroche, M. & Ueltschy, L. C. (2014). The influence of culture, emotions, intangibility, and atmospheric cues on online behavior. *Journal of Business Research*, 67(3):253-259.
- McKinsey & Company. 2022. *How US consumer behavior is changing: Insights for CPG companies*. Available from <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/how-us-consumer-behavior-is-changing-insights-for-cpg-companies>. (Date accessed: 17 August 2023).
- Mehrabian, A. & Russell, J.A. 1974. *An approach to environmental psychology*. Cambridge, MA.: MIT Press.
- Meyer, T., Barnes, D.C. & Friend, S.B. 2017. The role of delight in driving repurchase intentions. *Journal of Personal Selling & Sales Management*, 37(1):61-71.
- Mordor Intelligence. 2022. *Energy drinks market size & share analysis - Growth trends & forecasts (2023 - 2028)*. Available from <https://www.mordorintelligence.com/industry-reports/energy-drinks-market/> (Date accessed: 11 June 2023).
- Morrison, M., Gan, S., Dubelaar, C. & Oppewal, H. 2011. In-store music and aroma influences on shopper behavior and satisfaction. *Journal of Business Research*, 64(6):558-564.
- Nigam, D.A. 2012. Modeling relationship between experiential marketing, experiential value and purchase intentions in organized quick service chain restaurants shoppers using structural equation modeling approach. *Paradigm*, 16(1):70-79.

- Othman, R., Musa, R., Muda, M. & Mohamed, R. N. 2016. Conceptualization of Immersive Brand Experience (IBX) Measurement Scale of Emotion. *Procedia Economics and Finance*, 37:208-213.
- Otto, J.E. & Ritchie, J.B. 1996. The service experience in tourism. *Tourism Management*, 17(3):165-174.
- Parise, S., Guinan, P.J. & Kafka, R. 2016. Solving the crisis of immediacy: How digital technology can transform the customer experience. *Business Horizons*, 59(4):411-420.
- Park, S., Lee, Y. & Lee, J.H. 2016. Association between energy drink intake, sleep, stress, and suicidality in Korean adolescents: Energy drink use in isolation or in combination with junk food consumption. *Nutrition Journal*, 15(1):87.
- Pauley. 2015. *Experiential marketing: Exploiting next generation tech*. Available from <http://www.pauley.co.uk/blog/experiential-marketing-exploiting-next-generation-tech/>. (Date accessed: 6 March 2016).
- Peng, C. & Kim, Y.G. 2014. Application of the stimuli-organism-response (SOR) framework to online shopping behavior. *Journal of Internet Commerce*, 13(3-4):159-176.
- Plante, T.G. & Boccaccini, M.T. 1997. The Santa Clara strength of religious faith questionnaire. *Pastoral Psychology*, 45(5):375-387.
- Pongpaew, W., Speece, M. & Tiangsoongnern, L. 2017. Social presence and customer brand engagement on Facebook brand pages. *Journal of Product & Brand Management*, 26(3):262-281.
- Rageh, I.A. & Spinelli, G. 2012. Effects of brand love, personality, and image on word of mouth: The case of fashion brands among young consumers. *Journal of Fashion Marketing and Management: An International Journal*, 16(4):386-398.
- Rambitan, T.F. 2013. The effect of perceived value and brand experience on customer repurchase intention. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 1(4).
- Rath, M. 2012. Energy drinks: What is all the hype? The dangers of energy drink consumption. *Journal of The American Academy of Nurse Practitioners*, 24(2):70-76.
- Rodrigues, C. 2018. Multisensory brand experiences and brand love: Myth or reality?. In *Driving customer appeal through the use of emotional branding*, IGI Global, 1-21.
- Rose, S., Hair, N. & Clark, M. 2011. Online customer experience: A review of the business-to-consumer online purchase context. *International Journal of Management Reviews*, 13(1):24-39.
- Rossiter, J.R. 2002. The C-OAR-SE procedure for scale development in marketing. *International Journal of Research in Marketing*, 19(4):305-335.
- Sarkar, A. 2011. Romancing with a brand: A conceptual analysis of romantic consumer-brand relationship. *Management & Marketing*, 6(1):79-94.

- Sarkar, N., Ghosh, S.K., Bannerjee, S. & Aikat, K. 2012. Bioethanol production from agricultural wastes: An overview. *Renewable Energy*, 37(1):19-27.
- Schmitt, B. 2009. The concept of brand experience. *Journal of Brand Management*, 16:417-419.
- Schmitt, B. H. 1999. *Experiential marketing: How to get customers to sense, feel, think, act, relate*. New York: Free Press.
- Schreuder, E., van Erp, J., Toet, A. & Kallen, V.L. 2016. Emotional responses to multisensory environmental stimuli: A conceptual framework and literature review. *SAGE Open*, 6(1):1-19.
- Shamim, A., & Butt, M.M. 2013. A critical model of brand experience consequences. *Asia Pacific Journal of Marketing and Logistics*, 25(1):102-117.
- Shaoolian, G. 2017. Digital marketing for luxury brands—is your strategy working? *Huffington Post*, available at: https://www.huffingtonpost.com/entry/digital-marketing-for-luxury-brands-is-your-strategy_us_598c89c0e4b08a4c247f28e8 (accessed 19 March 2018).
- Shukla, M., Misra, R. & Singh, D. 2022. Exploring relationship among semiotic product packaging, brand experience dimensions, brand trust and purchase intentions in an Asian emerging market. *Asia Pacific Journal of Marketing and Logistics*, 35(2):249-265.
- Sikdar, P. & Makkad, M., 2015. Online banking adoption: A factor validation and satisfaction causation study in the context of Indian banking customers. *International Journal of Bank Marketing*, 33(6):760-785.
- Singer, J. & Arora, R. 2015. Great expectations for fine dining: Lessons for small business restaurateurs. *Journal of Small Business Strategy*, 11(2):108-116.
- Smilansky, S. 2018. *Experiential marketing: A practical guide to interactive brand experiences*. London: Kogan Page Publishers.
- Soscia, I. 2013. *Emotions and consumption behaviour*. Cheltenham: Edward Elgar Publishing.
- Spangenberg, E. R., Grohmann, B. & Sprott, D. E. 2005. It's beginning to smell (and sound) a lot like Christmas: the interactive effects of ambient scent and music in a retail setting. *Journal of Business Research*, 58(11):1583-1589.
- Spry, A., Pappu, R. & Bettina Cornwell, T. 2011. Celebrity endorsement, brand credibility and brand equity. *European Journal of Marketing*, 45(6):882-909.
- Srivastava, M. & Kaul, D. 2016. Exploring the link between customer experience—loyalty—consumer spend. *Journal of Retailing and Consumer Services*, 31:277-286.
- Stacey, N., van Walbeek, C., Maboshe, M., Tugendhaft, A. & Hofman, K. 2017. Energy drink consumption and marketing in South Africa. *Preventive Medicine*, 105:32-36.
- Sweeney, J. & Swait, J. 2008. The effects of brand credibility on customer loyalty. *Journal of Retailing and Consumer Services*, 15(3):179-193.

- Sweeney, J.C. & Wyber, F. 2002. The role of cognitions and emotions in the music-approach-avoidance behavior relationship. *Journal of Services Marketing*, 16(1):51-69.
- Tajadura-Jiménez, A., Larsson, P., Våljamäe, A., Västfjäll, D. & Kleiner, M. 2010. When room size matters: Acoustic influences on emotional responses to sounds. *Emotion*, 10(3):416.
- Tolman, E.C. 1936. An operational analysis of "Demands". *Erkenntnis*, 6:383-392.
- Tynan, C. & McKechnie, S. 2009. Experience marketing: a review and reassessment. *Journal of Marketing Management*, 25(5-6):501-517.
- Vanharanta, H., Kantola, J. & Seikola, S. 2015. Customers' conscious experience in a coffee shop. *Procedia Manufacturing*, 3:618-625.
- Verhoef, P.C. 2020. Customer experience creation in today's digital world. *The Routledge companion to strategic marketing*, pp.107-122.
- Visram, S., Cheetham, M., Riby, D.M., Crossley, S.J. & Lake, A.A. 2016. Consumption of energy drinks by children and young people: a rapid review examining evidence of physical effects and consumer attitudes. *BMJ open*, 6(10):e010380.
- Vlachos, P.A. & Vrechopoulos, A.P. 2012. Consumer-retailer love and attachment: Antecedents and personality moderators. *Journal of Retailing and Consumer Services*, 19(2):218-228.
- Wade Clarke, D., Perry, P. & Denson, H. 2012. The sensory retail environment of small fashion boutiques. *Journal of Fashion Marketing and Management: An International Journal*, 16(4):492-510.
- Wong, Y.T., Osman, S., Jamaluddin, A. & Yin-Fah, B.C. 2012. Shopping motives, store attributes and shopping enjoyment among Malaysian youth. *Journal of Retailing and Consumer Services*, 19(2):240-248.
- Yao, V.Y. 2016. Investigating consumption-related emotions elicited by selected dairy products using product emotion measurement. *International Journal of Marketing Studies*, 8(1):86.
- Yim, C.K., Tse, D.K. & Chan, K.W. 2008. Strengthening customer loyalty through intimacy and passion: Roles of customer-firm affection and customer-staff relationships in services. *Journal of Marketing Research*, 45(6):741-756.
- Yoon, S.J. 2002. The antecedents and consequences of trust in online-purchase decisions. *Journal of Interactive Marketing*, 16(2):47-63.
- Zarantonello, L. & Schmitt, B.H. 2010. Using the brand experience scale to profile consumers and predict consumer behaviour. *Journal of Brand Management*, 17:532-540.
- Zarantonello, L. & Schmitt, B.H. 2013. The impact of event marketing on brand equity: The mediating roles of brand experience and brand attitude. *International Journal of Advertising*, 32(2):255-280.

Zha, D., Melewar, T.C., Foroudi, P. & Jin, Z. 2020. An assessment of brand experience knowledge literature: Using bibliometric data to identify future research direction. *International Journal of Management Reviews*, 22(3):287-317.

IS INSTAGRAM AN EFFECTIVE DIGITAL MARKETING STRATEGY?

Ntsundeni Madzunya

ABSTRACT

The interactions of users on social media have been analysed in the literature as sources of information on their ability to generate engagement among stakeholders in higher education institutions. The current study investigates variables that generate engagement on Instagram as a vehicle for an effective digital marketing strategy. Published posts from a university Instagram page were analysed over a period of 3 months, and a content analysis was performed. The results indicate implications for both universities and higher education professionals. Results are showing indicators of the impact of post formats, content in published posts as well as the communication strategy of the published posts. Various themes emanated from the study. Firstly, it was clear that video posts are more likely to drive engagement. In terms of the content of the posts, results illustrate that the marketing of events leads to the most engagement. Results further indicated that student recruitment strategies were the most likely to garner engagement in published posts. The findings suggest that higher education marketing practitioners should optimise their digital marketing strategy through focusing on social media strategies that are more likely to generate higher engagement.

Key words/phrases: higher education, marketing strategy, relationship, social media, user engagement.

1. INTRODUCTION

The pervasive use of social media has created a significant shift in the marketing of services. The ubiquitous use of these platforms has led to new communication channels between businesses and their consumers. The current state of this new communication strategy has enabled business to garner greater reach to the consumers without much resistance (Hansen, Saridakis & Benson 2018; Kudeshia & Kumar 2017). Thus, social media platforms have created an integral space for businesses to maintain long-term meaningfulness with their consumers. The shifts in the communication landscape have therefore also affected higher education institutions as a service industry (Bonilla, Perea, Olmo & Corrons 2020). Social media platforms have become a core communication strategy in teaching and learning, information provision and awareness creation amongst higher education stakeholders (Kumar & Nanda 2019).

Therefore, this present study follows this line of research by analysing the engagement of users with higher education institutes and identifying engagement strategies of those institutes. Previous research has analysed various social media platforms (for example, Schultz 2016), Twitter (for example, Kursuncu et al. 2019), Instagram (for example, Robinson, Wheeler & Damron 2019), YouTube (Moghavvemi, Sulaiman, Jaafar & Kasem 2018) and Pinterest (for example, Amer & Amer 2018). The current study places emphasis on the social media platform Instagram, as institutions have taken cognisance of the importance of the visual nature of Instagram for digital strategies. Many institutions in the industry sector are strategically creating marketing efforts using hashtags, user generated content and involving influencer marketing techniques (Bonilla et al. 2017).

The social media communication network benefits both higher education institutions and its stakeholders. Clark, Fine and Scheuer (2017), state that the quality of the relationship between

a higher education institution is influenced by the engagement present on social media. The Instagram social media platform is of key interest in marketing research as it is considered the fourth most popular social media platform (Pokrop 2023). The photo and video content sharing application allows users to connect with individual users and brands alike. Furthermore, the platform is revealed to be one of most utilised social media platforms in South Africa, reaching approximately 7.15 million users in the country (Statista 2023). The platform has been found to be most popular with users between the age of 18 – 24 of age, with the age group 25 – 34 ranked second (Statista 2023). It has therefore been suggested by Hu, Manikonda and Kambhampati (2014), that the inherent visual emphasis placed on the platform may create an environment that may influence user's consumer decision making processes in the use of Instagram. Furthermore, users who spend a significant time on Instagram are likely to engage in purchasing behaviours (Phua, Jin & Kim 2017; Sheldon & Bryant 2016).

The primary characteristic of Instagram is the liking and commenting of another user's content (Hu et al. 2014). Previous research has proposed strategies that businesses can implement to increase their brand engagement in the online environment (Harmeling, Moffet & Arnold 2017; So, Wei & Martin 2021). Traditionally, user engagement involves a customer's cognitive and physical connections with a brand (Hollebeek 2014). Quesenberry and Coolson (2018) propose that *likes* correlate strongly with overall brand impressions over comments and shares. Businesses using social media as a marketing tool use interactive approaches to foster meaningful experiences with their products and services. Therefore, user engagement on social media can be considered as user making voluntary commitments to a brand's image. Furthermore, studies have shown that consumers who have active engagement with brands online are more likely to display brand loyalty intentions (Lie & Xie 2020). In the context of this study, *user engagement* reflects a user's willingness to participate in a higher education institution's social media marketing efforts through liking behaviours.

2. LITERATURE REVIEW

2.1. SOCIAL MEDIA

Social media is defined as applications that allow users to interact by creating personal profiles, requesting anyone they want to be friends with and communicate with on a personal basis (ElAydi 2018). Furthermore, the term social media refers to a family of software technologies that provide users with a digital environment, typically in the form of an app or website (Stephen, Hadi, Grewal & Appel 2019). Similarly social media is described as digital applications and platforms whose sole function is to effortlessly allow users to create content, communicate and share information amongst their chosen network (Johansson & Hiltula 2021). Social media is centred on the ability of the message shared by users to be transmitted to a wider audience and not only the immediate circle (Tritama & Tarigan 2016).

Social media platforms such as Facebook, Instagram, Twitter and TikTok have a greater capacity for consumer and brand interaction than traditional media (Moran & Muzellec 2017). The ability for users to create, share and interact with brand generated content further, propagated on their friends' newsfeed, allows brand content to be transmitted at a significantly faster rate (Liu, Lee, Lui & Chen 2018; Phua et al. 2017). As such digital marketers are increasingly incorporating social media platforms as an indispensable part of their online brand strategy as means to drive engagement. Users on social media visit brand pages either because they already had experiences with the product or service of that brand or because the product is complex, and they wanted to learn more about it, both from the company and other users (Chang & Shen 2017; Moran & Muzellec 2017). The interactive nature of social media allows

marketers to easily engage with their consumers. Marketers can provide direct responses to consumers and provide personalised information (Liu et al. 2018).

Lie and Xie (2020), believe that although there are inherent positives in social media technology as a communication channel, it is the users who have the most influence. The interactions online therefore can be considered a bartering tool for brand engagement. Tuten and Solomon (2017) proposed the idea that these online interactions can be defined as “social currency”. The currency therefore acts as a key tenet of brand engagement and performance and ultimately purchase intentions. Therefore, the use of social media and the extent to which it serves a brand’s digital marketing strategy is heavily dependent on the interaction with users online (Tuten & Solomon 2017). Social currency therefore encompasses elements such as conversations, information dissemination, usefulness and relatability. The factors of social currency ultimately allow brands to reinforce their image to the user (Dehghani & Tumer 2015).

In recent years, many businesses have begun integrating Instagram into their marketing strategy. A total of 71% of globally recognised brands use Instagram for marketing purposes because of its high engagement rate and visual nature (Park & Namkung 2022). Instagram allows for engagement between users, businesses are commonly using the Instagram platform to engage with customers, promote their brands and establish friendly relations with customers (Phua et al. 2017). A one-of-a-kind interactive ecosystem for businesses and their consumers is offered by Instagram. Currently, consumers are more likely to remember visuals, and Instagram’s highly visual nature allows marketers to express elicit emotions from the users (Lie & Xie 2020).

Businesses in the current digital environment are leveraging social media platforms to enact an effective digital strategy. The use of social media has been found to be imperative in an integrated marketing strategy (Mason, Narcum & Mason 2021). They further put forth that content posted on social media is useful in creating positive brand perceptions. The interactions on social media have been defined similarly to relationship marketing as the landscape allows brands and users to establish a communication channel based on the shared interest of selling and buying (Moretti & Tuani 2014). This conceptualisation of social media marketing investigates the phenomena of consumers being more likely to engage in purchasing behaviours when an emotional link is established (Tuten & Solomon 2017). Consequently, social media has become vital in the development of a well-rounded digital marketing strategy.

2.2. THE USE OF SOCIAL MEDIA IN HIGHER EDUCATION

It is not possible to exclude education from the social and technological environment in which it operates. The prevalent use of social media has seen a change in the higher education sector (Bolat & Sullivan 2017). Universities have long lacked commercial strategic intent because of the adherence to antiquated beliefs that universities should not actively pursue students. Scholars continue to express strong hostility to what they see as the "commercialisations" of the modern institution (Missaghian & Pizarro Milian 2018). Higher education institutions must, however, adjust to the most recent advancements in communication tools: social media has not only taken centre stage in the lives of university students but has also emerged as a major information source for consumers worldwide (Bayraktaroğlu & Aykol 2008). With the rise of social media, communication tactics and resources for students have undergone a dramatic transformation. Universities must adjust to the growing communicative and content-sharing nature of the digital modern society.

In order for higher education institutions to maintain a competitive advantage, they need to take cognisance of the current technological landscape in which social media is located (Kumar & Nanda 2019; Scullion & Moleworth 2016). Digital marketing theories, strategies and concepts previously used in the private sector are being implemented in the higher education sector (Jan & Ammari 2016; Kumar & Nanda 2019). Previous research suggests that digital marketing may perhaps be one of the most important communication channels for fostering and maintaining relationships with stakeholders, whilst maintaining a competitive edge. These reasons include the following:

- Research suggests that students spend a considerable amount of time on social media as opposed to other media (Perring & Jiang 2018; Sert & Baskale 2022).
- Online marketing strategies have previously been found to outperform traditional forms of media (Beqiri & Bello 2021; Daou 2020).
- Users have been found to engage in online searching behaviours. Users on social media are inundated with various messages and information. They use this information to engage in competitor analyses and research alternatives in an effort to gauge their best option to satisfy their needs.

Higher education institutions now have to respond to the economic strains of the past few years with genuine and compelling brand promises. Universities are passing up chances to improve their reputation and refute unfavourable remarks. The creation of appealing information that can be presented through a variety of points of contact, including social media, should be the focus of marketing managers' investments (Pringle & Fritz 2018). Higher education organisations are active on Instagram in the present digital sphere. Both users and organisations can advertise their brands on the platform and obtain helpful information. Utilising their presence on the platform, they may use it to highlight their academic initiatives, provide credit to their partners, and advance the institution (Bonilla et al. 2020; Kumar & Nanda, 2019). They can also establish and preserve relationships with their stakeholders (Bonilla, Arriaga & Domingo 2019). Since Instagram users are typically thought of as highly engaged online, higher education institutions have an excellent opportunity to boost their exposure and engagement (Park & Namkung 2021). The number of likes is significantly influenced by the type of material, according to Chaun and Pillai (2013).

In the current digital space, higher education institutions have an online presence on Instagram. The platform allows users access to useful information and allows institutions to promote their brands. They are able to leverage their visibility on the platform to publicise their academic programmes, acknowledge their stakeholders and promote the institute (Bonilla et al. 2020; Kumar & Nanda 2019). Furthermore, they are able to create and maintain relationships with their stakeholders (Bonilla et al. 2019). The Instagram user is generally considered very interactive online (Park & Namkung, 2021), this creates a great space for higher education institutions to increase their visibility, and engagement. Chaun and Pillai (2013) further assert that the content type has a significant effect on the number of likes.

According to Garza Salgado and Royo Vela's investigation from 2019, a university can boost student loyalty by creating a favourable educational experience on its website and social media platforms. In contrast to conventional marketing medium utilised by higher education institutions, social media has numerous intrinsic benefits. First off, sharing content on social media without charging for it is more affordable when done as a component of a bigger marketing and communication initiative. Additionally, this communication's channels

capabilities can make uploading and creating content simple. Second, since the majority of university students utilise social media, it is readily accessible to those in this group.

Previous studies on the many kinds of social media content in higher education marketing indicate that fans of universities on social media are open to receiving content about athletics, news, school pride, and admissions. Additionally, social media makes it possible to assess and monitor post and campaign effectiveness in real-time. Universities may learn about the attitudes and actions surrounding their brand image, as well as find fresh information to publish that will engage students and allow them to reply to comments or engage in dialogue (Shields & Peruta 2018).

2.3. USER ENGAGEMENT ON SOCIAL MEDIA

Engagement on social media is vital in the modern era of digital marketing (Daou 2020). Brands need to keep their audiences engaged to maintain long-term meaningful relationships. The more engaged a brand's audience is, the more likely they are to interact with them, share their content, and ultimately convert into purchase intentions (Lie & Xie 2020). Social media engagement has been investigated as brand-user interaction on social media platforms (Barger, Peltier, Schultz 2016; Bonilla-Quijada, Perea, Corrons & Olmo-Arriaga 2021). Research has generally categorised social media engagement into two broad criteria (Lie & Xie 2020). The first type is direct responses to original posts, including likes, comments, and favourites. For the purposes of this study, focus was put on *liking*, a commonly adopted metric, considered a common indicator of advocacy and approval of the content without the presence of a message. Research indicates that liking can be viewed as a personal, internally stimulated behaviour by the user in an act of approval of the content (Buechel & Berger 2018; Lie & Xie 2020). The second type concerns sharing or dissemination of original posts, which allows the users to recommend content to their followers, however the second type was not considered for the purposes of this study.

Bearing these social media actions in mind, research indicates several ways to measure social media engagement. This has been done through the development of metrics, scales and indexes (Harrigan, Evers, Miles & Daly 2017; Oviedo-García Christodoulides & Dabrowski 2014; Schivinski et al. 2016; Trunfio & Della Lucia 2019). The definition of consumer engagement has often been viewed broadly, however both scholars and practitioners have taken cognisance of social media as a tenet of a successful digital marketing strategy. Industry experts generally identify a successful digital strategy as one that elicits an emotional response from the users to the brands itself (Gallup consulting 2009). Similarly, the software provider Hubspot (2014), identified social media engagement as a continuous communication network between an institution and the user. With the increasing use of social media as an imperative marketing tool, practitioners have identified user engagement as a key metric to assess the success of their digital marketing strategy.

Due to the ever changing landscape of the technological environment, adoption of social media is critical in increasing engagement. Engagement, therefore, is seen as an assertion for a higher education institution in its ability to create connections with its stakeholders (Shields & Perulta 2018). Current research on the adoption of Instagram in higher education institutions is largely focused on students' learning and development (Bolliger & Martin 2020; Koranteng Wiafe & Kuada 2019). Bonilla-Quijada et al. (2021) view the integration of social media strategies in the higher education space as an imperative in increasing engagement metrics. Instagram users are generally young and willing to engage with brands online as social media continues to be ubiquitous. It is important for any brand trying to reach a wider audience to engage in Instagram

marketing activities. For the purposes of this study, engagement will be measured by the number of likes divided by sum of posts.

2.4. RESEARCH FRAMEWORK

The current study aims to analyse a higher education institution's posts' vividness, interactivity, and content against the likes on the published posts. Consequently, the scope of the content analysis was expanded to include posts from this institution, where users exhibit high levels of engagement and provide opportunities for social interaction (Park & Cho 2012; Schultz 2016). The findings are the first step in the research framework's analysis of the social interaction sparked by the posts' content and the communication strategy employed in their publications.

2.5. RESEARCH QUESTIONS

Higher education institutions have largely embraced the use of social media to interact with stakeholders and prospective students. The current study investigates variables that generate engagement on Instagram as a vehicle for an effective digital marketing strategy. Engagement in this study is measured by an interaction with a brand's post (*Likes*). Therefore, part of the study aims to analyse the post format. The formats are analysed based on whether they are a *Photo, Video or Carousel (Series of pictures)*. The study thus aims to answer the following question.

RQ1. Does the post format affect engagement?

The importance of multimedia is relevant across all social media platforms. With regards to Instagram, photos and videos are considered the main element of post and therefore have a decisive impact on engagement (Bonilla et al. 2020). Therefore, part of this study aims to analyse the formal elements of the content in the posts. The categories were adapted from Bonilla et al. (2020), including *News, Events/Sports, Promotions/Marketing, Acknowledgments, and CSR Initiatives*. Bearing this in mind the following research question is proposed.

RQ2. Do the contents of the posts affect engagement?

Communication strategies are also considered important in creating engagement for higher education institutions. Lee, Hosanagar and Nair (2018) propose that content that allows users to understand brand image through creating experiences that users perceive as humorous and emotional are more likely to have increased brand engagement. Posts published on social media act as a communication channel that allows a brand and its users to engage in robust information dissection on products and services. These posts can be categorised into the following communication strategies: *providing information on the organisation, creating awareness, projecting a favourable organisational image, providing opportunity for feedback, and recruitment*. Regarding the communication strategies that condition the engagement of higher education institutions, the following research question is posed regarding their content:

RQ3. Does the communication strategy in the posts affect engagement?

With the background, research questions and literature review at hand, the paper will follow with the methodology, results and discussion that will be presented. The paper will end with conclusions and prospects for further research.

3. METHODOLOGY

The current study made use of an exploratory design. Therefore, and due to convenience, the study utilised publicly available data from the official Instagram account of the Nelson Mandela University (George Campus). For the empirical investigation, a data set of Instagram posts on the Instagram page were obtained. The desktop research was obtained between the period of January 1, 2023, and March 30, 2023. Systematic sampling was used of all published posts during the period. Before data coding, operational definitions for all variables used in the analysis were created, based on a coding guide by Brown (2003) and Bonilla et al. (2019). The variables, post format (*photo, video, and carousel*), content (*providing information on the organisation, creating awareness, projecting a favourable organisational image, providing opportunity for feedback, and recruitment*) and strategy (*providing information on the organisation, creating awareness, projecting a favourable organisational image, providing opportunity for feedback, and recruitment*) were coded manually and defined in Table 1.

A coder who was not part of the research team received training prior to the data analysis. Following the establishment of the coded data's reliability, an inter-coder reliability analysis was conducted to measure the Kappa and Pi coefficients of Cohen, which establish a relationship between the coded data and values that would be randomly obtained. After conducting an inter-coder reliability analysis on 30 analysis units, values were obtained that were consistently above 0.80 and, in the majority of cases, reached a value of 1. This was anticipated in all descriptive categories where the encoder's subjective assessment did not enter the analysis.

The data collected included the number of likes per post for each of the variables defined, this data was then measured against the number of posts per variable. Engagement was measured by a formula adapted from Ovideo-Garcia, Muñoz-Expósito, Castellanos-Verdugo and Sancho Mejías (2014).

$$engagement = \frac{no. of likes}{no. of posts}$$

TABLE 1: DEFINITION OF VARIABLES

VARIABLE	DEFINITION
POST FORMAT	
Photo	The published post is a photo
Carousel	The published post is a series of photos
Video	The published post is a video
CONTENT	
News	The published post contains news about the higher education institution
Achievements	The published posts recognise the successes of the higher education institution
Promotions/marketing	The published post is promoting the higher education institution and engaging in marketing efforts
Events/sports	The published post refers to sporting and event activities
CSR initiatives	The published post shows the higher education institutions commitment to socio-economic challenges in their community
Acknowledgments	The published post is aimed at recognising members of the higher education institution's stakeholders

STRATEGY	
Providing information on the institution	The published posts intend to provide information on the higher education institution
Creating awareness	The published posts aim to increase the knowledge of presence of the higher education institution
Recruitment	The published posts are aimed at recruiting students to the higher education institution
Providing opportunity for feedback	The published post intends to generate feedback
Projecting favourable institutional image	The published post aims to increase the brand desirability of the higher education institution

Source: Own construction

4. RESULTS

Engagement for the study was measured by the number of likes that were obtained by the higher education institution's Instagram page. Engagement was measured by a formula adapted from Ovideo-Garcia et al. (2014). It is worth noting that at the time of data collection the selected higher education institution had a total of 786 followers.

4.1. POST FORMAT

A total of 79 posts were analysed for the purposes of this study of the Nelson Mandela University George campus Instagram page. Of these 79 posts, 59 of the posts were photos, 10 were carousels or a series of photos, and 10 of the posts were video format. The distribution is illustrated in Table 1. Table 1 further illustrates the variables proposed by the study. In regard to the post format variable, results show that *videos* published on the Instagram page garnered the most number of likes. Likes were used to measure engagement for the purposes of this study (Bonilla et al. 2019). With that in mind, the category also had the highest engagement totalling 80. This was followed by a post with *carousel* content that had an engagement of 54.6, and *photo* with the least engagement of 10.

4.2. CONTENT

Overall, the results showed that events and sports lead with 25 of the total 79 posts on the Instagram page as shown in Table 1. This was followed by news, which contributed 24 of the posts. Examples of other content found include promotions and marketing (13 posts), acknowledgements (11 posts), and achievements (5 posts). The category with the least posts was CSR initiatives with 1 post. In terms of the content present in the published posts, it is evident that *events/sports* is the most engaging. This is evidenced by the 40.24 engagement rate. The least engaging content was shown to be *CSR initiatives* generating an engagement rate of 9. The other factors measured in the content of the published post varied in engagement levels from a 13 to a 21 engagement rate.

4.3. STRATEGY

Of the posts, providing information on the institution was contained in 29 of the posts, an average of 37% of all the posts analysed. Recruitment was second with 21 posts. Other categories included creating awareness (13 posts), projecting favourable institutional image (12 posts), and lastly providing opportunity for feedback (4 posts). The distribution is shown in Table 1. When it comes to the strategy used in the published posts, the results were proven as follows. *Recruitment* was shown to be the most engaging strategy used by the higher

education institution fetching a rate of 50.33. This was followed by *projecting a favourable institutional image* which had engagement levels of 30.08. The least effective strategy was *providing opportunity for feedback* as it only generated an engagement of 6. Both *creating awareness* and *providing information on the institutions* had engagement levels of 11.38 and 11.93 respectively.

TABLE 2: ENGAGEMENT RATE

VARIABLE	FREQUENCY OF POSTS	%	ENGAGEMENT
POST FORMAT			
Photo	59	74.68	10
Carousel	10	12.65	54.6
Video	10	12.65	80
	n=79	100%	
CONTENT			
News	24	30.37	13.45
Achievements	5	6.32	19
Promotions/marketing	13	16.45	21.69
Events/sports	25	31.64	40.24
CSR initiatives	1	1.26	9
Acknowledgments	11	13.92	09
	n=79	100%	
STRATEGY			
Providing information on the institution	29	36.70	11.93
Creating awareness	13	16.45	11.38
Recruitment	21	26.58	50.33
Providing opportunity for feedback	4	5.06	6
Projecting favourable institutional image	12	15.18	30.08
	n=79	100%	

Source: Own construction, based on analysis

5. DISCUSSION AND MANAGERIAL IMPLICATIONS

The findings of the study suggest that there is a clear priority for higher education institutions to leverage social media in an effort to generate favourable user engagement from its stakeholders. The consistent increasing growth of the use of social media in the higher education sector suggests a positive shift in the use of digital marketing to increase visibility and awareness. Institutions need to take cognisance of the demographic that uses these platforms and how they can serve as a directive for an effective digital marketing strategy. Bearing in mind the empirical results presented above, the research questions are discussed below.

Regarding RQ1 (Does the post format affect engagement?), the empirical study does not provide a clear conclusion however does allow us to answer the question broadly. It is evident from the results that *video* post formats generate the most likes. Though 13% of all analysed posts were videos, they constituted the most likes, and similarly the most engagement as illustrated in table 1, was 54.6 for video published posts. Seeing as though likes were used by the current study to measure engagement, it can be deduced that format does affect the engagement on a post. *Photos* garnered the second most number of likes, with photos making up 75% of all posts analysed at an engagement rate of 10. It can be assumed from the results that video posts are more engaging, this is consistent with previous research (Bonilla et al.

2020). This is not aligned to the findings of Peruta and Shields (2018), who asserted photos as the most engaging post format.

In reference to RQ2 (Do the contents of the posts affect engagement?), the study allows this question to be answered broadly. As shown in Table 1, the various elements are seen to impact engagement differently. The results show that *events and sports* posts generate the most amount of engagement at a rate of 40.24, this is consistent with the data shown in Figure 2 as sports and events has 32% of all analysed posts. The results also further revealed that certain themes are decisive in the generation of engagement. This is supported by the findings from Chauhan and Pillai (2013). Contrary to results found by Shields and Peruta (2018), *achievements and acknowledgements* were found to be a popular theme in engagement generation.

With regards to RQ3 (Does the communication strategy in the posts affect engagement?) the variables aimed to focus on the intention of the message and ability to generate engagement. The results showed that *recruitment* intentions were the element to generate the greatest number of likes and the highest engagement at 50.33. The communication strategy with the least amount of engagement was found to be *providing opportunity for feedback*, this is in contrast to the findings of Kumar and Nanda (2019). Findings from a study done by Bonilla et al. (2019), found no discernible difference among the variable factors in generating likes. The current study does suggest, however, that recruitment strategies are capable of generating the most number of likes.

It is therefore recommended that higher education institutions place emphasis on publishing video posts, as previous research has indicated user are more likely to engage with interactive posts (Bonilla et al. 2020). Posting frequent Instagram reels (videos), will therefore drive engagement, similarly posting videos on story posts on the platform may prove beneficial. The content of the published posts would benefit from showcasing institutional events using video and story content. Furthermore, gearing marketing content toward recruitment will increase engagement. Due to this it is recommended that marketing managers strategise toward potential students through distinct Instagram features. One such feature is the use of Instagram lives, which is a live broadcasting in which institutions can engage in real-time with stakeholders, furthermore these lives can be saved and re-viewed as video content.

The current study will allow marketing managers to evaluate their digital marketing strategy. This evaluation will include an audit of published posts and their impact on engagement. Therefore, they can utilise the most engaging social media factors to increase engagement and overall brand presence. The correct management of social media as a marketing tool will allow brands to efficaciously maintain relationships with their stakeholder, as well as potentially widen their market. Video's being found to be the most engaging should be of key interest to marketing specialist as this suggest that should a business want to increase their visibility on social media, video will reach and entertain a larger audience. Similarly, marketers should be encouraged to publish more posts including content related to sports and events. Stakeholder and potential stakeholder are therefore able to see activities engaged by the brand outside the social media space. These findings may also assist marketers in devising the correct content. The research has significant implications for communication managers in higher education. Because the generation of user engagement with Instagram depends on it, it is recommended that universities take an active approach to the strategic management of this communication tool. Based on the results obtained and considering the rise in the use of Instagram, universities should evaluate the impact sought in order to be deliberate and plan the most appropriate content to achieve this engagement. This study demonstrates that a post's chosen content has a significant influence on engagement.

This study adds to the body of knowledge on digital communication in higher education by examining the influence of an institution's Instagram posts—an area of analysis that had not yet been examined. By conducting an analysis of the content and digital communication strategies of a higher education institution's Instagram account, our work also adds to the body of research on users' engagement with universities. It is important to keep in mind that future students may regularly switch their preferred social network. For example, Facebook, which was founded by students as a virtual gathering place, is now primarily used by older audiences (Shields & Peruta 2018), while the younger generation uses apps like Instagram.

6. CONCLUSION

The current study allows for an investigation into the complex use of social media by higher education institutions to generate engagement. The study offers pertinent data on the sophisticated use of social media as a primary engagement driver by students and higher education institutions. In particular, the findings show that, depending on the subjects and approaches covered, a university's interaction with its users is restricted and the response is higher. The results illustrate the importance of post formats, content and communication strategies and how they relate to user engagement. The study aims to add on existing literature on digital marketing communication in higher education. The results further expand on the need for higher education institutions to adopt digital marketing strategies often utilised by large corporations. As social media continues to be a prevalent element in day to day life, it is empirical that higher education institutions are able to leverage the technology to foster meaningful engagement with its stakeholders.

7. LIMITATIONS AND FUTURE RESEARCH

The findings of the current study may hold implications for higher education institutions engaged in social media activities. Though the implications are both managerial and theoretical, the study is still limited. The first limitation is the use of one university campus, namely the Nelson Mandela University George Campus. The university is considered a mid-size university in South Africa, with the George Campus being considered small size. However, the campus takes cognisance of the importance of social media tools, and actively engages in the use of these digital tools. Therefore, the results can be transferred and contextualised to other similar institutions. Further research can also be done in other public and private institutions, these studies may go further to compare social media platforms. These platforms could include the likes of Facebook, Tik Tok, Twitter and YouTube.

REFERENCE LIST

- Amer, B. & Amer, T S. 2018. Use of Pinterest to promote teacher-student relationships in a higher education computer information systems course. *Journal of the Academy of Business Education*, 19:132-141.
- Barger, V., Peltier, J.W. & Schultz, D.E. 2016. Social media and consumer engagement: A review and research agenda. *Journal of Research in Interactive Marketing*, 10(4):268-287.
- Bayraktaroğlu, G. & Aykol, B. 2008. Comparing the effect of online word-of-mouth communication versus print advertisements on intentions using experimental design. *Dokuz Eylül Üniversitesi İşletme Fakültesi Dergisi*, 8(1):69-86.

- Beqiri, G. & Bello, K. 2021. The effect of social media marketing compared to traditional marketing on sales: A study of enterprises in Kosovo. *Wseas Transactions on Business and Economics*, 18:402-410.
- Bolat, E. & O'Sullivan, H. 2017. Radicalising the marketing of higher education: Learning from student-generated social media data. *Journal of Marketing Management*, 33(9-10):742-763.
- Bolliger, D.U. & Martin, F. 2021. Factors underlying the perceived importance of online student engagement strategies. *Journal of Applied Research in Higher Education*, 13(2):404-419.
- Bonilla, M.R., Arriaga, J.L.D.O. & Domingo, D.A. 2020. Insights into user engagement on social media. Findings from two fashion retailers. *Electronic Markets*, 1-13.
- Bonilla, M.R., Perea, E., del Olmo, J.L. & Corrons, A. 2019. Insights into user engagement on social media. Case study of a higher education institution. *Journal of Marketing for Higher Education*, 1-16.
- Bonilla-Petriciolet, A., Mendoza-Castillo, D.I. & Reynel-Ávila, H.E. eds. 2017. *Adsorption processes for water treatment and purification* (Vol. 256). Cham: Springer International Publishing.
- Bonilla-Quijada, M. del R., Perea M, E., Corrons, A. & Olmo-Arriaga, J. L. 2021. Engaging students through social media. Findings for the top five universities in the world. *Journal of Marketing for Higher Education*, 1-18.
- Buechel, E.C. & Berger, J. 2018. Microblogging and the value of undirected communication. *Journal of Consumer Psychology*, 28(1):40-55.
- Chang, S.E., Liu, A.Y. & Shen, W.C. 2017. User trust in social networking services: A comparison of Facebook and LinkedIn. *Computers in Human Behavior*, 69:207- 217.
- Chauhan, K. & Pillai, A. 2013. Role of content strategy in social media brand communities: A case of higher education institutes in India. *Journal of Product & Brand Management*, 22(1):40-51.
- Clark, M., Fine, M. & Scheuer, C. 2017. Relationship quality in higher education marketing: The role of social media engagement. *Journal of Marketing for Higher Education*, 27(1):40-58.
- Daou, Li. 2020. Social media vs traditional marketing. *Business and Social Media in the Middle East*, 3-16.
- Dehghani, M. & Tumer, M. 2015. A research on effectiveness of Facebook advertising in enhancing purchase intention of consumers. *Computers in Human Behavior*, 49:597-600.
- ElAydi, H.O. 2018. The effect of social media marketing on brand awareness through Facebook: An individual-based perspective of mobile services sector in Egypt. *Open Access Library Journal*, 5(10):1-5.

- Gallup Consulting. 2009. *Customer engagement: What's your engagement ratio?* Gallup Consulting.
- Garza Salgado, E. & Royo Vela, M. 2019. Brand fan pages experience and strength as antecedents to engagement and intensity of use to achieve HEIS' brand loyalty. *Journal of Marketing for Higher Education*, 29(1):102-120.
- Hansen, J. M., Saridakis, G. & Benson, V. 2018. Risk, trust, and the interaction of perceived ease of use and behavioural control in predicting consumers' use of social media for transactions. *Computers in Human Behavior*, 80:197-206.
- Harmeling, C.M., Moffett, J.W., Arnold, J.M. & Carlson, J.B. 2017. Toward a theory of customer engagement marketing. *Journal of the Academy of Marketing Science*, 45:312-335.
- Harrigan, P., Evers, U., Miles, M. & Daly, T. 2017. Customer engagement with tourism social media brands. *Tourism Management*, 59:597-609.
- Hollebeek, L. D., Glynn, M. S. & Brodie, R. J. 2014. Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing*, 28(2):149-165.
- Hu, Y., Manikonda, L. & Kambhampati, S. 2014. What we Instagram: A first analysis of Instagram photo content and user types. In *Proceedings of the Eight International AAAI Conference on Weblogs and Social Media ICWSM 2014*, 595-598. The AAAI Press.
- Hubspot. 2014. *CRM expert Paul Greenberg defines customer engagement*. Available from <https://blog.hubspot.com/sales/paul-greenberg-defines-customer-engagement> (Date accessed: 5 May 2023).
- Jan, M.T. & Ammari, D. 2016. Advertising online by educational institutions and students' reaction: A study of Malaysian universities. *Journal of Marketing or Higher Education*, 26(2):168-18.
- Johansson, F. & Hiltula, M. 2021. *The effect of social media marketing activities on brand image and brand loyalty: A quantitative study within the sportswear industry* (Dissertation). Available from <http://urn.kb.se/resolve?urn=urn:nbn:se:ltu:diva-85386>.
- Koranteng, F. N., Wiafe, I. & Kuada, E. 2019. An empirical study of the relationship between social networking sites and students' engagement in higher education. *Journal of Educational Computing Research*, 57(5):1131-1159.
- Kudeshia, C. & Kumar, A. 2017. Social eWOM: does it affect the brand attitude and purchase intention of brands? *Management Research Review*, 40(3):310-330.
- Kumar, V. & Nanda, P. 2019. Social media in higher education: A framework for continuous engagement. *International Journal of Information and Communication Technology Education*, 15(1):97-108.
- Kursuncu, U., Gaur, M., Lokala, U., Thirunarayan, K., Sheth, A. & Arpinar, I.B. 2019. Predictive analysis on Twitter: Techniques and applications. *Emerging Research*

Challenges and Opportunities in Computational Social Network Analysis and Mining, pp.67-104.

- Lee, D., Hosanagar, K. & Nair, H.S. 2018. Advertising content and consumer engagement on social media: Evidence from Facebook. *Management Science*, 64(11):5105-5131.
- Lie, Y. & Xie., Y. 2020. Is a picture worth a thousand words? An empirical study of image content and social media engagement. *Journal of Marketing Research*, 57(1):1-19.
- Liu, L., Lee, M.K., Liu, R. & Chen, J. 2018. Trust transfer in social media brand communities: The role of consumer engagement. *International Journal of Information Management*, 41:1-13.
- Mason, A.N., Narcum, J. & Mason, K. 2021. Social media marketing gains importance after Covid-19. *Cogent Business & Management*, 8(1):1870797.
- Missaghian, R. & Pizarro Milian, R. 2018. A day at the university fair: 'Hot' brands, 'house of brands' and promotional tactics in higher education. *Journal of Marketing for Higher Education*, 1-20.
- Moghavvemi, S., Sulaiman, A., Jaafar, N.I. & Kasem, N. 2018. Social media as a complementary learning tool for teaching and learning: The case of YouTube. *The International Journal of Management Education*, 16(1):37-42.
- Moran, G. & Muzellec, L. 2017. eWOM credibility on social networking sites: A framework. *Journal of Marketing Communications*, 23(2):149-161.
- Moretti, A. & Tuan, A. 2014. Social media marketing and relationship marketing: Revolution or evolution? A first step analysis. *Referred Electronic Conference Proceedings*. 10.7433/SRECP.2013.16.
- Oviedo-García, M.Á., Muñoz-Expósito, M., Castellanos-Verdugo, M. & Sancho Mejías, M. 2014. Metric proposal for customer engagement in Facebook. *Journal of Research in Interactive Marketing*, 8(4):327-344.
- Park, C.I. & Namkung, Y. 2022. The effects of Instagram marketing activities on customer-based brand equity in the coffee industry. *Sustainability*, 14(3):1657.
- Park, H. & Cho, H. 2012. Social network online communities: Information sources for apparel shopping. *Journal of Consumer Marketing*, 29(6):400-411.
- Perring A. & Jiang, J. 2018. *Almost a Quarter of U.S. Adults Say They Are 'Almost Constantly' Online*. Available from <https://www.pewresearch.org/shortreads/2021/03/26/about-three-in-ten-u-s-adults-say-they-are-almost-constantlyonline/> (Date accessed: 4 July 2023).
- Peruta, A. & Shields, A.B. 2018. Marketing your university on social media: a content analysis of Facebook post types and formats. *Journal of Marketing for Higher Education*, 28(2):175-191.
- Phua, J., Jin, A. V. & Kim, J. 2017. Gratifications of using Facebook, Twitter Instagram, or Snapchat to follow brands: the moderating effect of social comparison, trust, tie strength,

- and network homophily on brand identification brands engagement, brand commitment and membership intention. *Telematics and Informatics*, 34:412-424.
- Pokrop, J. 2023. *Instagram statistics that matter for marketers*. NapoleonCat. Available from <https://napoleoncat.com/blog/instagram-statistics/>. (Date accessed: 17 June 2023).
- Pringle, J. & Fritz, S. 2018. The university brand and social media: Using data analytics to assess brand authenticity. *Journal of Marketing for Higher Education*, 29(1):19-44.
- Quesenberry, K. & Coolson, M. 2018. What makes Facebook brand posts engaging: A content analysis of Facebook brand post text that increases shares, likes, and comments to influence organic viral reach. *Journal of Current Issues & Research in Advertising*, 40:1-16.
- Robinson, S., Wheeler, R. & Damron, T. 2019. *Higher education institutional use of Instagram*. Copyright 2019 by Institute for Global Business Research, Nashville, TN, USA, 184.
- Schivinski, B., Christodoulides, G. & Dabrowski, D. 2016. Measuring consumers' engagement with brand-related social-media content: Development and validation of a scale that identifies levels of social-media engagement with brands. *Journal of Advertising Research*, 56(1):64-80.
- Schultz, C.D. 2016. Insights from consumer interactions on a social networking site: Findings from six apparel retail brands. *Electronic Markets*, 26:203-217.
- Scullion, R. & Molesworth, M. 2016. Normalisation of and resistance to consumer behaviour in higher education. *Journal of Marketing for Higher Education*, 26(2):129-13.
- Sert, H.P. & Baskale, H. 2022. Students' increased time spent on social media, and their level of coronavirus anxiety during the pandemic predict increased social media addiction. *Health Information and Libraries Journal*, 1-13.
- Sheldon, P. & Bryant, K. 2016. Instagram: Motives for its use and relationship to narcissism and contextual age. *Computers in Human Behavior*, 58:89-97.
- So, K.K.F., Wei, W. & Martin, D. 2021. Understanding customer engagement and social media activities in tourism: A latent profile analysis and cross-validation. *Journal of Business Research*, 129:74-483.
- Statista. 2023. *Distribution of Instagram users in South Africa as of May 2023*. Available from <https://www.statista.com/statistics/1028334/south-africa-instagram-user-age-distribution/#:~:text=As%20of%20May%202023%2C%20there,Instagram%27s%20audience%20in%20the%20country> (Date accessed: 4 July 2023).
- Stephen, A., Hadi, R., Grewal, L. & Appel, G. 2019. The future of social media in marketing. *Journal of the Academy of Marketing Science*, 48:79-95.
- Tritama, H.B. & Tarigan, R.E. 2016. The effect of social media to the brand awareness of a product of a company. *Communication and Information Technology Journal*, 10(1):9-14.

Trunfio, M. & Della Lucia, M. 2019. Engaging destination stakeholders in the digital era: The best practice of Italian regional DMOs. *Journal of Hospitality and Tourism Research*, 43(3):349-373.

Tuten, T.L. & Solomon, M.R. 2017. *Social media marketing*. London: Sage.

REDEFINING PRODUCT INVOLVEMENT: EXPLORING THE ROLE OF RISK IN SHAPING CONSUMER ONLINE PURCHASE BEHAVIOUR

Semona Pillay

Christine De Meyer-Heydenrych

ABSTRACT

The accessibility of technology has fostered growth in online purchase behaviour within emerging markets. However, significant differences in decision-making processes arise when consumers engage in online shopping compared with traditional methods. These differences stem from the extent of consumer involvement and the level of perceived risk encountered during the online purchase process. Although prior research has primarily focused on the effect of product involvement in the purchase process, scant attention has been given to assessing the involvement levels during the entire online purchase experience. Therefore, this study explored the influence of perceived risk on the purchase involvement of South African online consumers. The study convened five virtual focus groups using a qualitative, interpretive approach. Thematic analysis of the data revealed fluctuations in purchase involvement, contingent on the phase of the online purchase process the customer found themselves in. The challenges experienced by the participants, such as load-shedding and protest action, influenced their involvement level and perceived risk during the purchase process. It is recommended that e-commerce sites include quality product reviews to aid online consumers in navigating their involvement levels. Enhancing the credibility of the purchase process through encrypted or offline payment and collection methods can decrease the perceived risk.

Keywords/phrases: consumer decision-making, online, perceived risk, purchase involvement.

1. INTRODUCTION

The rapid evolution of digital technology is transforming consumer behaviour. This requires that marketers – to remain competitive – must recognise the changing needs of traditional and digital consumers (Papadopoulos, Baltas & Balta 2020; Scott et al. 2017:31). The varying consumer behaviour needs between traditional and digital consumers significantly influence their online purchase behaviour and, thus, their involvement in the purchase process. Purchase involvement is a key element in the online purchase environment and refers to the temporary or situational state in which a consumer is emotionally or cognitively connected to the purchase process (Kokemuller 2018). For this study, purchase involvement refers to how invested the consumer is when engaging with the online consumer-decision making process and purchasing online. Despite the importance of this change in perspective, there has been very limited research on how perceived risk affects consumer online purchase behaviour in the context of emerging markets.

South Africa, as an emerging market, has seen growth in online shopping due to its growing population of internet users, higher levels of internet access through more investment in mobile connectivity and increased digital payment methods (Wolf 2023). The South African e-commerce market was worth US\$4.5 billion in 2021 and is expected to have an annual compound growth rate of 13.2% (Global News Wire 2021). The main product categories South Africans shop online for include electronics, fashion, food and personal care, furniture, toys, hobbies and DIY. Additionally, more South African consumers are making purchase decisions

online through information searches and research on products (Statista 2021; Smidt & Maigurira 2020). A study by Nielsen found that South African consumers – as an emerging market – are looking for convenience and value for money when purchasing. These factors drive online consumer behaviour and purchase decisions (Nielsen 2022). However, research is lacking in considering the complexities of emerging markets and the online purchase process (McKinsey 2020). These complexities include i) emerging market consumers having a different view of what product involvement is and ii) understanding how these consumers view risk in an online environment as consumers in emerging markets experience different problems with online purchases (e.g., will products purchased online be delivered, will payment details be used for fraud and whether the consumer can trust the online site) (Khandelwal, Yadav & Kumar 2020; McKinsey 2020).

2. PROBLEM STATEMENT

According to Goa, Ou and Lui (2019), most studies on consumer decision-making and purchase behaviour, including those from an online retail perspective, consider the process consumers go through to make an actual purchase. These studies focus on determining what drives the actual purchase process and post-purchase behaviour. However, more recent studies have started moving towards understanding the intricacies involved in consumer behaviour and the factors influencing purchase behaviour (Pauwels & van Ewijk 2020). Some of these aspects include exploring the effects of shopping orientation, the stimuli and information consumers consider during the process and identifying whether consumer demographics (for example, age) influence the decision-making process when making an online purchase. It is accepted that emerging market consumers perceive online shopping as riskier, especially when it comes to high-involvement purchases (Liébana-Cabanillas, Japutra, Molinillo, Singh & Sinha 2020). In addition, emerging markets have more complexities that marketers need to consider in their strategy. These complexities compound the risks that emerging market consumers experience when purchasing online, such as payment security, delivery reliability and limited access to after-sales services (McKinsey, 2020). Emerging market consumers may perceive higher levels of risk in the online purchase environment due to concerns about online privacy, the lack of ability to physically view the product, cybercrime and fraud (Rosillo-Díaz, Blanco-Encomienda & Crespo-Almendros 2019)

Even though previous studies have considered the elements of perceived risk in the online purchases process, and purchase involvement, these studies have not considered how consumers view low and high-involvement purchases in the online purchase environment from an emerging market perspective. Previous studies have all considered the traditional and accepted definition of low and high-involvement purchases without considering whether this definition is valid in all contexts (Khandelwal et al. 2020). This contextual omission requires more research as it can harm the growth and sales of online retailers if they do not develop marketing strategies based on the correct context. Suppose marketers can understand the risk and its link to purchase involvement. In that case, marketers can develop marketing strategies to reduce the perceived risk experienced by customers, which will lead to a better online experience and increase sales as the consumer will consider the online shopping environment safer and will have a better online experience fostering trust and engagement.

3. RESEARCH OBJECTIVES AND QUESTIONS

The main aim of this study is to explore and describe how perceived risk influences the purchase involvement of online emerging market consumers' decision-making process. Based on this, the objectives considered for the study are to:

- 1) Explore how online emerging market consumers view purchase involvement, and
- 2) Uncover how perceived risk affects online purchase involvement in online purchase behaviour among emerging market consumers.

As this study utilises an exploratory, qualitative research approach, the objectives of the study can also be formulated as research questions, namely:

- 1) How do online emerging market consumers view purchase involvement, and
- 2) How does perceived risk influence the purchase involvement of online emerging market consumers in the purchase process?

4. LITERATURE OVERVIEW

This study's literature overview comprises two sections, the first delving deeper into the underpinning theories that support the study. The second section provides more detail on the online purchase process and decision-making, followed by a discussion of purchase involvement and perceived risk. As this study is poised from an emerging market perspective, the literature overview focuses on this perspective.

4.1. THEORIES UNDERPINNING THE STUDY

Apart from the online Consumer Decision-Making models and Consumer Involvement theories which form the theoretical foundation for this study, three Marketing theories contribute to the understanding of the study. These include the Social Cognitive Theory (SCT), the Elaboration Likelihood Model and the Shopping Continuum Model. These models have been selected as they provide an understanding of how consumers engage and learn from others and their experiences that form attitudes in the online purchase environment.

4.1.1. Social Cognitive Theory (SCT)

The SCT aids in understanding the psychosocial systems that influence consumers' thoughts, behaviour and actions. Three main elements influence this behaviour, as per the SCT. These elements include i) personal (beliefs, attitudes, emotions), ii) environmental (rewards, punishments, norms) and iii) behavioural (actions and reactions of people). These three elements interact with each other and influence each other during various actions, which could include online purchasing behaviour (Das & Ramalingam 2022). The SCT relates to this study as emerging market consumers' personal factors, such as their vulnerability (e.g. not having access to a stable internet connection to purchase online); environmental factors (e.g. risk of the product not being delivered) and behavioural factors (e.g. previous online purchase experience) may affect how involved and risky they find the online purchase process (Milkaković 2021; Zhang & Yu 2020).

4.1.2. Elaboration Likelihood Model (ELM)

The ELM considers how consumers process messages and form attitudes through the central (careful thought and consideration of the message and its arguments) or peripheral route (source attractiveness, credibility, reliance on superficial cues) to persuasion (Yang, Liu, Cheng & Ma 2022). This model is relevant to the study as the route consumers select during the online decision-making process may influence whether a high or low purchase involvement ensues – specifically during the “search” phase of the online consumer decision-making process

(Mousavizadeh, Koohikamli, Salehan & Kim 2020; Zhou 2022). For high-involvement purchases, the central route may take preference as the consumer will carefully consider the source's argument and the advantages and disadvantages of making the purchase. The peripheral route is more aligned with low-involvement purchases as the consumer may only consider partial cues such as brand name or website credibility (Geng & Chang 2022).

4.1.3. *Shopping Continuum Theory*

The Social Continuum Theory adds to the SCT and ELM by adding to the context of online shopping and purchase behaviour. This theory considers how online consumers interact with information and the online environment – cognitively and affectively. This theory explains that consumers make online purchase decisions on a continuum from goal-directed (e.g., high cognitive and low experiential involvement) to experiential (low cognitive but high affective involvement). This theory adds to the concept of “perceived risk” as goal-directed purchases may be perceived as higher risk and vice versa (Chou & Hsu 2016; Mahnke, Benlian & Hess 2015). The Shopping Continuum Theory suggests that consumers will have a cognitive reaction and make more informed decisions for high-involvement purchases. However, this theory also suggests that consumers may follow their intuition when purchasing for low-involvement purchases. As for the ELM, this theory relates more to the “search” phase of the online decision-making process but adds some insights into the actual purchase stage (Shiau, Zhou & Liu 2022).

From these models, there are common elements, namely online purchase behaviour, purchase involvement and risk. The following sections of the literature review focus on how these constructs are relevant to the study.

4.2. ONLINE PURCHASE BEHAVIOUR AND DECISION-MAKING

Any customer considering making a purchase online is engaging in online purchase behaviour. This behaviour includes all consumers' actions and decisions when purchasing products or services online. This links to the consumer decision-making process (Wenzl 2021). Many consumer decision-making (CDM) models have been developed to explain the various processes consumers engage with when purchasing. Some of these models include the “Buyer Behaviour Model” by Nicosia in 1966, the Engel, Blackwell and Kollat Model of 1968 and the widely used Model of Consumer Behaviour by Howard and Sheth developed in 1969 (Peña-García, Gil-Saura, Rodríguez-Orejuela & Siqueira-Junior 2020). Over the years, these models have become the foundation for many aspects of the Marketing discipline and have been used in multiple contexts and labelled as “traditional” CDM models. However, these models are more valid for offline purchases and are seen as linear (Gupta 2015). Authors, however, such as Fu, Manogara, Wu, Cao, Jiang and Yang (2020) argue that these traditional models have limited value in modern society due to i) the development of technology, ii) the growth of online purchases and subsequently, iii) the changing complexity of consumer behaviour. Since the development of the Internet and technologies supporting online purchase behaviour, scholars have started developing adapted CDM models for the online context. Some of these models include the Lee (2002) and the Smith and Rupp model (2003). However, some of these online models have not all been empirically tested in various contexts, such as emerging markets and were developed in the early part of the century. Karimi (2013) noted that although some of the stages presented in these models are still relevant, consumer behaviour has changed drastically since then, and more robust and relevant models should be developed. Recent online CDM models that were developed included the models by Karimi (2013), Arshi, Nandi and Morande (2017) as well as Pauwels and van Ewijk (2020). However, these models have only

been tested in developed market contexts and should be considered from emerging markets perspectives (Izogo & Jayawardhena 2018).

The model suggested by Karimi (2013) aimed to illustrate the decision-making model stages consumers engage with when purchasing online. The model includes seven stages: i) Formulation of the problem, ii) Search, iii) Evaluation, iv) Appraisal, v) Choice, vi) Choice and vii) Post-purchase evaluation (Ewerhard, Sisovsky & Johansson 2019). The model suggested by Arshi et al. (2017) aimed to provide an integrated analysis of online consumer decision-making. This model is based on the TPB (Theory of planned behaviour) and the Theory of Perceived Value. This model focuses on how consumers' attitudes, subjective norms, perceived value and intentions influence how - and if - consumers will purchase online. The model presented by Pauwels and van Ewijk (2020) considered lasting attitudes and the contextual interest of consumers during the online decision-making process. Considering these models, for this study, the Karimi (2013) model was considered as it i) provides a clear description of the stages consumers go through during the online process rather than on "planned behaviour" and the "interest" of the consumer as per the other models and ii) it considers the aspect of online channels and social media as part of online decision-making – essential to the extent information search which is a determinant of the perceived involvement of the purchase. As this study aimed to explore how consumers define purchase involvement throughout the online decision-making process and their perceived risk during each stage, the Karimi model would provide a more consistent base for evaluation.

4.3. PURCHASE INVOLVEMENT

To understand the concept of purchase involvement, it is necessary to look at the Involvement and Consumer Involvement Theories.

4.3.1. *Involvement Theory and Consumer Involvement Theory*

The concept of "involvement" refers to how relevant an online purchase decision is to consumers and how much risk they perceive during this process (Fill & Turnbull 2016). Involvement theory considers the degree of relevance the purchase will hold for the consumer (Alalwan 2020). Consumer Involvement Theory, however, adds that products and services are different. The amount of time and energy consumers will put into purchasing different products and services will influence their involvement in the purchase process. This theory suggests that purchases can be placed on a continuum from high to low involvement. High-involvement purchases are seen as those purchases that are very important to the consumer and require high levels of problem-solving and information search during the purchase process (Alalwan 2020; Vasić, Kilibarda & Kaurin 2019). These types of purchases also are deemed to be more riskier. Low-involvement purchases are deemed more routine, less risky, lower in value, and require less involvement during the purchase process (Jain, 2019; Kim & Chao 2019). In literature, reference is often made to high and low-involvement products, influencing whether the purchase process is deemed high or low-involvement. However, an important distinction often omitted in literature is that the level of involvement should depend on the consumer and their involvement in the purchase process, not on the product itself (Niosi 2021).

4.3.2. *Purchase involvement*

Understanding the differences in levels of purchase involvement in online consumer decision-making is crucial as it influences how decisions are made during the entire purchase process and not only the type of product purchased and consumed (Schiffman & Wisenblit 2019). With

the increasing complexities in consumer behaviour and particularly among emerging market consumers, understanding the concept of purchase involvement is important, considering that the online purchase decision process of consumers in this market is influenced by a multitude of factors, such as those mentioned in section 4.1.1. Generally, in an emerging market such as South Africa, online purchases are made by middle to affluent customers who are digitally literate and who have the resources to engage in high-involvement purchases such as access to data to access the internet (Mathaba & Mkhize 2018; Ndayizigamiye & Koase 2018). However, this sentiment is changing as many lower-income individuals in emerging markets purchase online. Reasons for this include having access to more products that are traditionally not found in their areas; the convenience of delivering the products; and access to more digital payment methods (Chaudhuri, Gathinji, Tayar & Williams 2022). Recent studies have shown that – from an online purchase perspective – involvement influences the purchase process holistically, from how much information search the consumer does during the online consumer decision-making process to tracking and receiving their purchase, including all the stages in between (Nguyen, De Leeuw, Dullaert & Foubert 2019; Wang, Wang, Wan, Jin & Pa 2021). Considering that South Africans use the Internet for communication, social networking and finding information (SME South Africa 2017), it stands to reason that understanding how high and low-involvement purchases are perceived in an emerging market becomes important.

- High-involvement purchases

As mentioned in the previous section, traditionally, purchase involvement can be seen on a continuum from high to low involvement. From the literature, high-involvement purchases are defined as those purchases that will require a significant amount of effort during the entire online consumer decision-making process; they are deemed as more expensive purchases and involve higher levels of risk (Jain 2019; Kim & Chao 2019, Park & Keil 2019). High-involvement purchases require higher levels of customer interaction during the purchase process (Hochstein, Bolander, Goldsmith & Plouffe 2019:121). These types of purchases, therefore, require high cognitive attributes (Peng, Zhang, Wang & Liang 2019). During this purchase, consumers will also extensively research various types of brands and engage in longer purchase processes to ensure higher levels of satisfaction with the purchase (Wahab, Daa & Nagaty 2023).

- Low-involvement purchases

Low-involvement purchases have little importance, relevance, or risk for consumers during and after purchase. These purchases require minimal information processing and decision-making (Wahab et al. 2023). Low-involvement purchases are more influenced by consumers' emotions than rational thinking, which tends to rely on simple cues, such as price or brand name, to make the purchase decision rather than comparing alternatives (Geng & Chang 2022; Peng et al. 2019). Since low-involvement purchases are those consumers are familiar with, having purchased before or are habitual, consumers do not need to do much research or evaluation before engaging in the purchase process. They are thus associated with lower perceived risks (Sihi 2018). Clow and Baack (2018) argue that this also narrows the number of options and shortens the time between recognising a need and making a purchase, unlike high-involvement purchases.

4.4. PERCEIVED RISK

One factor affecting how consumers define purchase involvement – specifically in an online context - is the risk they perceive when buying online. Wu, Chiu and Chen (2020) describe

“perceived risk” as the possibility of adverse outcomes from online purchase decisions. According to Martin (2018), perceived risk influences whether consumers complete their online purchases. Alalwan (2020) argues that in emerging markets, perceived risk reduces the likelihood of online purchases for both low- and high-involvement decisions. Izogo and Jayawardhena (2018) confirm that consumers in emerging markets perceive more risk when buying online than those in developed markets. The primary sources of perceived risk for emerging market consumers are financial risk (doubts about online payment security due to cybercrime) (Amirtha, Sivakumar & Hwang 2020; Moser, Schoenebeck & Resnick 2019) and social risk (anxiety about choosing an option that does not conform to social norms or expectations of reference groups) (Maziriri & Chuchu 2017). Online shopping involves more risk than offline shopping because consumers cannot physically evaluate the products or services they are purchasing prior to the purchase. Also, online shoppers do not interact face-to-face with salespeople and may face online security and privacy issues (Rosillo-Díaz et al. 2019). For instance, consumers may worry about the safety of their credit cards, mobile payments and personal information on the Internet. They may also hesitate to buy products from sellers without physical inspection (Liao, Hu, Chung & Huang 2021). Therefore, people may feel some degree of risk when they shop online.

Online purchases involve higher perceived risk levels, which can cause cognitive dissonance for consumers (Gökcek, Çarıkçioğlu & Yüksel 2019). The higher the involvement with a product or service, the higher the perceived risk and the cognitive dissonance. To reduce their risk and dissonance, consumers may seek more information before buying online (Rokonuzzaman, Harun, Al-Emran & Prybutok 2020). They may also want to interact more with the service provider to meet their needs (Das & Ramalingam 2022). In contrast, low-involvement purchases are deemed to have lower perceived risk, as they follow a shorter decision-making process with minimal effort (Choi 2019). Low-involvement purchases may be seen as habitual, or the consumer has had experience in the purchase process of the same kind before, thus decreasing the perceived risk involved (Sihi, 2018). Clow and Baack (2018) mention that as consumers may be familiar with the purchase process and already have a limited range of alternatives, the time required for making the purchase is reduced, reducing perceived risk compared with high-involvement purchases (Liu et al. 2020). Considering the above, little is known in emerging markets about the influence of perceived risk, purchase involvement and how this affects the online purchase process.

5. RESEARCH METHODOLOGY

In alignment with the research aim, this qualitative study followed an interpretive phenomenological approach to guide research into how perceived risk influences the purchase involvement of online emerging market consumers’ decision-making processes. More precisely, it is based on Benner’s (1985) interpretive phenomenology, as this study aimed to articulate the commonalities of online consumers’ purchase decision-making experiences within a specific emerging market context. Benner’s (1985) interpretive phenomenology is primarily focused on investigating the practice. It aims to articulate the shared aspects found in participants’ everyday understanding and knowledge, thereby not prioritising the exploration of their individual or distinct interpretations (Gill 2014).

The study participants were recruited using non-probability purposive sampling and through an external data collection agency. Purposive sampling was used as the study required the participant to adhere to specific inclusion criteria that can address the research question (Sarstedt, Bengart, Shaltoni & Lehmann 2017). To select the participants, various inclusion criteria were comprised, which included that participants should be 1) between the ages of 18

and 65, 2) have access to data, and 3) have made low or high-involvement purchases online within the six months prior to data collection. The sample comprised 40 participants – five virtual focus groups of eight participants each. Focus groups in a conversational setting are a distinctive methodological feature of Benner’s interpretive phenomenology (Gill 2014), allowing for “engaged reasoning and dwelling in the immediacy of the participants’ worlds” (Benner 1994). Before the virtual focus groups, the external data collection agency sent out the explanatory statement and consent forms to contacts in their databases to identify suitable participants. Fifty-five people were identified; however, only 40 participated in the final virtual focus groups. For those that consented to participate in the study, information was sent regarding what the study was about, when and how the focus groups would take place and how to access the link for the focus groups. Data were collected through a semi-structured interview guide with low to moderate levels of mediation by the moderator. The virtual focus groups were conducted online through Google Meet as most participants were comfortable with; and had access to the platform. The virtual focus groups were held virtually and recorded for transcription and subsequent analysis.

In terms of analysis, Benner (1985) proposes a thematic analysis of the transcribed texts, wherein recurring themes are identified along with relevant excerpts that provide substantial support for those (Burns & Peacock 2019). Thematic analysis, used widely in qualitative analysis, was employed to identify the data’s patterns, themes and meanings. Initially, the data was familiarised through multiple viewings of the recordings and transcriptions. The coding process involved gathering initial codes, organising them into potential themes, and refining these themes through an iterative process. Atlas.ti, a qualitative data analysis software, was utilised to facilitate data organisation and management, enhancing the efficiency and rigour of the analysis.

Regarding the ethical considerations during the research process, the following was included, as well as obtaining ethical clearance from the educational institution related to the researcher:

- Recruitment process: As an external research agency was used to identify participants, the researcher did not have previous contact or relationship with the participants avoiding bias.
- Participants: Although participants required data access to purchase online, many types of data access exist in South Africa. Participants could have been seen as “vulnerable” if they had limited access to data (e.g., buying data bundles to access the internet) and may be low-income earners. Possible participants with limited data access were grouped so they did not experience prejudice from participants with high levels of data access (e.g., access to uncapped fibre at home).
- Data collection: Participants were informed that the discussions through the virtual platform would be recorded for data analysis. However, participants were aware that pseudonyms would be used for reporting and confidentiality, and anonymity would be upheld once the focus group discussion was concluded. Participants were informed that they could withdraw at any moment without consequence. The researcher acted as the moderator during these virtual sessions and was mindful of not sharing personal insights and opinions to avoid skewing the discussions and data.
- Data analysis: Lincoln and Guba’s criteria for trustworthiness was employed, which emphasised honesty, confirmability, and reflective commentary to mitigate bias (Gordon 2020). Through triangulation, iterative questioning, member checking, reflective

commentary, peer scrutiny and regular debriefing (Shenton 2004), participants' lived experiences were documented as accurately as possible to ensure the meaning of their insights was not misrepresented.

6. RESULTS AND FINDINGS

Based on the methodology and analysis employed for the study described in the preceding discussion, this section focuses on the findings per the two research questions set for the study.

6.1. RESEARCH QUESTION 1: HOW DO ONLINE EMERGING MARKET CONSUMERS VIEW PURCHASE INVOLVEMENT?

The virtual focus groups' findings presented interesting insights regarding how participants view purchase involvement. Instead of seeing purchase involvement as either high or low for a specific product or purchase (as done in previous literature, e.g., Nguyen et al. 2019; Wang et al. 2021), participants indicated that the stage of the online consumer decision-making process they are exposed to would influence their perception of whether the purchase is deemed high or low involvement. This suggests that involvement should be considered a multifaceted construct from an emerging market perspective. Specifically, participants concurred that “there is a perceived subjectivity” with online purchase involvement, and it is based on “personal perspective”.

Through the thematic analysis, the “themes” observed from the data connected to each phase of the online consumer decision-making process. For this reason, the following section discusses how purchase involvement is viewed during each phase of the online consumer decision-making process, as Karimi, Papamichail and Holland (2015) suggested. However, the themes indicated that the “Evaluation” and “Appraisal” phases of the Karimi model could be grouped into one theme. Table 1 provides insights and supporting exemplars regarding purchase involvement in the online purchase process. For this study, “exemplars” are used instead of the traditional “quotes”, as suggested by Benner in Burns and Peacock (2019).

TABLE 1: SUMMARY OF FINDINGS AND SUPPORTING EXEMPLARS FOR THEMES IDENTIFIED FOR PURCHASE INVOLVEMENT IN THE ONLINE PURCHASE PROCESS

Themes	Element influencing the purchase involvement	Corresponding verbatim exemplars
1. Formulation of the problem	<ul style="list-style-type: none"> - The “need and effort” for the purchase - The “type” of item that needs to be purchased 	<ul style="list-style-type: none"> - “If it is something fragile, I think it is high-involvement because then you want to have a product get to you in the condition that you would like it.” - “For high involvement purchases, I really deliberate on whether I need the product, if I am willing to take the risk to purchase it online and how urgent the purchase is. This motivates my purchase process online.” - “For low involvement purchases, what motivates me to purchase online is if I have previous experiences or have purchased before.”
1. Search	<ul style="list-style-type: none"> - Read reviews – specifically about the quality of the item purchased 	<ul style="list-style-type: none"> - “I think looking at reviews before getting whatever that you want could also constitute high involvement.”

Themes	Element influencing the purchase involvement	Corresponding verbatim exemplars
	<ul style="list-style-type: none"> - Social media influencers - e-WOM 	<ul style="list-style-type: none"> - “The first thing I do is go search on Twitter and see what people are saying or check if people have been getting their delivery.” - “Even for a low involvement purchase, I would still go and look for the reviews because even if I buy like certain essential items, I sometimes look at the comments that people made regarding the product or their experience on buying the product because it is risky to purchase online.”
1. Evaluation and appraisal	<ul style="list-style-type: none"> - Review ratings of products and brands - Looking for pictures of items - Quality of the website 	<ul style="list-style-type: none"> - “... you trust what other people are saying.” - “... maybe like three of four stars tell me that, oh, the service is generally good but they delivery.” - “... you have to triple check that you are buying from legit websites.” - “... if the (site) is more legit and everyone uses it, you trust it more and be willing to purchase it.” - “When it comes to small transactions I don’t compare, I just buy. I don’t want to spend time and data on small transactions. I usually know what I want.”
1. Choice	<ul style="list-style-type: none"> - Information provided on the purchase site (trust) - Price comparisons - Payment options 	<ul style="list-style-type: none"> - “... you may compare the price tags from one store to another before purchasing it.” - “To reduce risk for high involvement purchases I need to know if I can use my virtual card on my banking app.” - “Because it is a high involvement purchase I check if I can trust the site.”
1. Purchase	<ul style="list-style-type: none"> - Waiting period - Tracking 	<ul style="list-style-type: none"> - “... you have to constantly keep track of your order.” - “Tracking your order is important it doesn’t matter if it’s a high involvement or low involvement, you are still spending your money on the purchase.” - “If I buy international, because I don’t get the product immediately, I would need to wait for a very long time.” - “Like, in my case, the grocery that I bought at Checkers for me is low-involvement.”
1. Post-purchase	<ul style="list-style-type: none"> - Warranties - Returns - Post-purchase communication 	<ul style="list-style-type: none"> - “So, looking at digital products where it might need a warranty in case I get it and it doesn’t work I would have to return it.” - “To reduce risk for high involvement purchases I need to know that I can return the product.” - “I would influence others to buy or not to buy whether its low or high involvement.”

Source: Own construction, based on analysis

For **Theme 1: Formulation of the problem**, participants indicated the item needed and the type of item required during the first phase of the online purchase process to start the discussion of which level of involvement is required. For example, if the product to be purchased is deemed “fragile”, no matter the cost involved, participants deemed this a high-involvement purchase. In addition, the more effort the participant must exert in completing the purchase process as perceived when first becoming aware of the problem, the more purchase involvement is seen.

Most discussions from the virtual focus groups arose from **Theme 2: Search**, as this phase was the most significant during the online decision-making process and influential to the

perceptions of purchase involvement. As this phase extends from the previous one, participants will have the level of purchase involvement in mind as from the first phase. For “high” involvement purchases, participants indicated they would engage in significant research, which included reading reviews (however, these reviews must be substantiated through quality reviews), following reviews on social media and those presented by influencers to obtain e-WOM reviews. Participants mentioned that the longer the search process takes and the more effort exerted to find information, the higher the involvement level. Low-involvement purchases are deemed “quick”, with less time spent online. Despite what most participants alluded to, it was mentioned that even for some low-involvement purchases, reading reviews was deemed essential to help reduce the perceived risk associated with online shopping.

After searching for social media and influencer reviews, consumers will move to stages 3 and 4 of the online decision-making process, which was found to create **Theme 3: Evaluation and appraisal**. At this point, participants indicated that depending on what they found from Theme 2, they would continue seeing the purchase process as high involvement if they needed to continue doing more research. If they have found the information they are looking for, the involvement may move to a “lower” level of purchase involvement, and they may even skip this theme and move directly to the purchase phase. However, the “evaluation and appraisal” theme was still important for perceived high-involvement purchases requiring more information. During this phase, consumers engaging in high-involvement purchases would look further for reviews of products and look for pictures of the specific item to be purchased on websites of e-commerce companies, but interestingly also evaluate the quality of the e-commerce site.

Theme 4: Choice derived from consumers’ decision-making from the previous two stages. Participants indicated that “trust” becomes an important factor for high-involvement purchases. Could they trust the e-commerce site they were purchasing from, the reviews of others, and the information they have found about the item they wish to purchase? However, participants indicated that sites offering various payment options or payment through EFTs were deemed more low-involvement purchases.

During the **purchase phase (Theme 5)**, participants indicated that their levels of involvement changed depending on how long they needed to wait for the product and whether there was a clear and specific tracking mechanism. Participants indicated that the longer the wait for the product and lack of tracking information led to higher levels of involvement as they would check for this information or follow up for it more often. Purchases offering same-day delivery, such as grocery delivery services, were deemed “low involvement” purchases.

Once the item purchased is delivered, the **post-purchase phase (Theme 6)** comes into play. Participants mentioned that products that offered warranties, returns and post-purchase communication increased the level of involvement in the purchase process.

From the findings presented above, the definition of purchase involvement from the context of online purchasing in an emerging market can be adjusted to “the degree of personal relevance and interest a consumer has in the purchase decision, which varies based on the phase of the online consumer decision-making process the consumer is in and the effort exerted during each phase”. The above findings show that involvement levels in online purchasing are not as clear-cut as per previous definitions. It is not only about the cost or the type of product purchased but more about the effort exerted during each phase. It should also be recognised that involvement levels can change over the purchase process as it becomes less complex. Table 2

summarises the features of low and high-involvement purchases from an online emerging market perspective.

TABLE 2: FEATURES OF LOW AND HIGH-INVOLVEMENT PURCHASES FROM AN ONLINE EMERGING MARKET PERSPECTIVE

High-involvement purchases	Low-involvement purchases
Requires effort to complete the process	Easy purchase to complete
Time-consuming purchases	Impulse or habitual purchases that are quicker to make
Many alternatives to consider	Fewer considering alternatives
Extensive information search	Straightforward information search, if any
More time online	Less time online

Source: Own construction, based on analysis

The participants’ responses also alluded that online purchases are inherently riskier. Therefore, the perception of risk is surmised to influence how emerging market consumers view purchase involvement in the online purchase environment. This is further extrapolated in the findings for the following research question.

6.2. RESEARCH QUESTION 2: HOW DOES PERCEIVED RISK INFLUENCE THE PURCHASE INVOLVEMENT OF ONLINE EMERGING MARKET CONSUMERS IN THE PURCHASE PROCESS?

Participants felt strongly about online purchase decisions being higher risk than traditional/offline purchase decisions. This was due to several factors, including the lack of face-to-face interaction with the seller, the inability to inspect the product before purchase, and the potential for fraud or identity theft. As a result, online purchases were perceived as having higher involvement than traditional purchases. A supporting verbatim excerpt is presented below:

“Shopping online is a risk itself regardless of whether you make a high involvement or low involvement purchases. I feel there will always be a risk because it involves my money...I think if we are speaking of risk in terms of fraud, your risk online is the same whether it is a high or low-involvement purchase because you are exposed either way. Also, that fact that there is no physical presence of the product shopping online has a higher risk.... But in the low involvement purchase, yes the risk would be lower about but it is still a loss at the end of the day. So, I think the risk is on both sides.”

During the discussion of the purchase involvement in the virtual focus groups, and when gauging insights into specific stages of the online decision-making process, the theme of “risk” emerged. This, therefore, required more insight into “perceived risk” in online purchase involvement. Three themes emerged for the risk element in online purchase involvement: i) purchase risk, ii) e-commerce site credibility and iii) additional factors/uncertainties.

Theme 7: Purchase risk

As discussed in the previous section, the traditional view of high and low-involvement products must be reconsidered as high and low-involvement for online *purchases*. Participants in this study explained that the inherent nature of online purchases makes the initial stages of the online consumer decision-making process a high-involvement one. Thus, the purchase risk was not associated with the “price” of the product or the “type” of product purchases as per traditional definitions of product involvement. However, from an online perspective, the risk

increased the perceived level of involvement in the online purchase process. Some of these risks included providing personal details and credit card information online, high fraud / cyber-crime rates and the prevalence of online scams in South Africa. Supporting verbatim excerpts are provided below:

- “You get sceptical because there’s a lot of card scammers out there...there are higher risks when shopping online especially when you are spending a lot of money.”
- “I feel inserting your information online is a bit risky, also adding your credit card details poses a risk.”

Theme 8: E-commerce site credibility

In addition to the expected “purchase risk” observed in Theme 7 – and linking to Theme 3 from research objective one above, purchase involvement was seen to be higher in an online shopping context because of the risks involved in dealing with uncertainties related to the credibility of the e-commerce site. Participants mentioned that sites that are seen as “credible”, “reliable”, and “legit” lowered the level of purchase involvement and lowered the perceived risks involved with the online purchase. Participants deemed sites that people purchase from often or know others that have had good experiences with the e-commerce site lowers the perceived risk and thus the level of purchase involvement in the purchase decision. Supporting excerpts are presented below:

- “...making sure that it is a legit site. I prefer to shop from sites that I know.”
- “Seeing how legit and credible the site is before checking out.”
- “Reviews will tell you if the site is reliable. Reading reviews is very important to me.”
- “Before I checkout, I make sure the site is credible before adding my personal and banking details.”
- “For low involvement products, I generally have previous experience with the purchase and so I check out as soon as possible to secure my goods.”

Theme 9: Additional factors/uncertainties

An interesting theme that emerged from the virtual focus groups was the influence of uncertainties which increases the risk levels and subsequent purchase involvement levels and are unique to an emerging market such as South Africa. The “uncertainties” mentioned by participants included load-shedding and protest action. Load-shedding is deemed to increase the risk and involvement during the online purchase process, as consumers may be in the middle of their purchase or making a payment when the electricity supply is interrupted. In this case, consumers perceived risk and involvement levels increase as they need to follow up and do more checks to see whether the purchase went through or not or whether they need to repeat the entire process, which is supported as follows.

“If there is loadshedding, you might lose all the products that you have added to your cart and have to restart the whole process.”

The protest action and occurrences of looting were emphasised as creating more risk and increasing the levels of involvement in the online purchase process. In South Africa, incidents of looting or targeting delivery trucks occurred during the time frame when data was collected (e.g., during the National Shutdown of the N3 as per Naidoo 2021). Participants indicated higher levels of uncertainty and risk during these occurrences, which negatively influenced

their willingness to purchase online as the risk of not receiving their purchases on time or at all was increased. The following excerpt supports this.

“With all the protest action going on, am I really going to get my order. This was a risk because I heard that people’s packages were being stolen off the truck.”

7. DISCUSSION AND RECOMMENDATIONS

Based on the findings above, emerging market consumers do not only base their perceived levels of involvement on the product purchased but rather on the overall online purchase process in general. This differs from previous literature on involvement presented by Alalwan (2020) and Vasić et al. (2019), who argued that involvement was related mainly to the product. Instead, the findings support the study by Hochstein et al. (2019) and Wahab et al. (2023), who differentiated between purchase involvement and expressed that purchase involvement lies on a continuum of low and high involvement purchases. Although the same was true in this study, one of the key findings from an emerging market perspective was that perceptions of involvement were subjective, and even though certain *products* were perceived as low involvement, the actual online *purchase* process/consumer decision-making was not necessarily perceived as low involvement. An important finding from this study was that the involvement levels could vary depending on which phase of the purchase process the customer finds themselves in. Based on Tables 1 and 2, it was evident that involvement is not only about cost but rather the amount of effort exerted during each phase which influenced the level of involvement. One of the main reasons for varying perceptions of involvement was the increased perceived risk that participants attributed online purchasing to, whether the product they were purchasing was high or low involvement. For example, a consumer might purchase groceries (classified as a *low-involvement product*). However, because of certain perceived risks, the purchasing process requires more effort and time for consumers to reassure themselves of the purchase and minimise perceived risks before checking out, which culminates in a more involved purchase making it a *high-involvement purchase* (Nguyen et al. 2019). The significant risks that were identified in this study that influence perceptions of involvement were purchase risk, risks related to the credibility of the e-commerce site (Jadil, Rana & Dwivedi 2022; Bhattacharya, Sharma & Gupta 2023), and unique to emerging markets, additional factors such as load-shedding and protest action. Considering the abovementioned findings, several recommendations have been proposed for the study.

- Including quality product reviews to minimise the effort (involvement) customers must engage in to complete the purchase. This will also reduce the perceptions of risk. These reviews should go beyond a simple rating system and encourage consumers to provide more qualitative feedback. Including video demonstrations (Agrawal & Mittal 2022) of how the product might be used will improve the quality of the review and streamline the information search, evaluation and appraisal and purchase stage in the consumer decision-making process. The reviews should also be included on the retailers’ social media sites.
- Enhancing the legitimacy and credibility of online shopping sites to reduce perceptions of scams/identity theft or fraudulent transactions. Apart from including reviews, retailers should make it clear on their websites that they adhere to the POPIA (Lappeman, Marlie, Johnson & Poggenpoel 2023) and ask consumers to read through and agree to a disclaimer such as ‘The website ensures that all personal information is collected, processed, stored, handled, managed and protected in accordance with the principles of the POPI Act.’ The legitimacy and credibility of the site might also be conveyed by

offering consumers various payment options, such as the option to pay using an accredited third-party site (PayPal), cash on delivery or Buy Now Pay Later options (Alzoubi, Alshurideh, Kurdi, Alhyasat & Ghazal 2022). Furthermore, when making payments, encryption methods such as 3D-secure encryption or biometrics might be used (Yeoh 2022). These techniques minimise risk perceptions for high-involvement purchases, particularly in the choice and purchase stages.

- Risk of additional factors such as load-shedding and protest action cannot always be controlled; however, as these are ongoing issues in an emerging market such as South Africa, shopping sites must aim to mitigate their operations. To combat the effects of load-shedding, online shopping sites/apps might offer consumers a ‘shop offline’ option where consumers can browse and ‘add to cart’; however, to complete the transaction, they must be ‘online’ and thus having access to the internet and electricity. Sites/Apps might also be optimised for ‘lite’ versions to save on mobile data costs if consumers cannot use Wi-Fi because of load-shedding (Enihe & Joshua 2020). To combat issues regarding receiving delivery of products due to future protest action, perhaps online shopping sites might look into using technologies, such as drones (Chi & Hanh 2023), to deliver the products to consumers and bypass the risks of being stopped on the road by protesters or having some of the drivers be part of the protest action. Alternatively, online stores can offer various “offline” collection sites or “drop off and pick up” zones where customers can collect their purchases.

These recommendations might help minimise risk in the information search and evaluation stages. If the abovementioned alternatives are included in marketing and promotional messages, consumers might feel more comfortable completing the online purchase process. These strategies might also help mitigate perceived risks between the purchase and post-purchase stages, where consumers track their orders.

8. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This study aimed to explore how emerging market online consumers perceive purchase involvement and whether the risk involved in purchasing online influences this view. The findings suggest that involvement does indeed range from low to high involvement. However, participants viewed involvement as a factor influencing their entire online consumer decision-making process (*purchase* involvement) and not just the perceptions associated with the product purchased (i.e. high or low-involvement *products*). Participants felt that involvement is determined by the extent of the effort exerted during each phase of the consumer decision-making process and that involvement levels can change depending on their purchase phase. High-involvement purchases require more information search, more time spent online, browsing various sites and web pages, and reading up on reviews. For low-involvement purchases, consumers require a quick, convenient, and efficient process that enables them to spend less time online, thus reducing the purchase risk. Despite low-involvement purchases being perceived as exerting minimal effort when purchasing online, participants still affirmed that purchasing online poses a risk. Three main risks were identified: purchase risk, risks related to the credibility of the e-commerce site and additional factors. These risks influenced online consumer decision-making stages: search, appraisal and evaluation, choice, purchase, and post-purchase decision. Participants specifically mentioned that to mitigate the perceived risks; they perform significant information searches; have a range of evaluation criteria, compare many alternatives, tend to trust sites they perceive as legit and credible; must be able to track deliveries after purchase and before consumption; have access to warranties, returns policies, and having the brand “follow up” post-purchase.

These findings suggest that the perceived risk of online purchasing is a significant factor in determining the level of involvement in the online consumer decision-making process. Higher perceived risks denote higher involvement in the online consumer decision-making process, and lower perceived risks imply a lower involvement online consumer decision-making process. However, marketers must identify that involvement levels can change during purchase. This has implications for marketers, who need to be aware of the factors contributing to perceived risk and take steps to mitigate these risks to improve online purchase decisions. Recommendations are made for online shopping sites to include quality product reviews, enhance the legitimacy and credibility of online shopping sites through POPIA and encrypted payment methods, and provide a shop 'offline' or 'lite' site/app.

9. FUTURE RESEARCH AND FINAL CONCLUSION

Future research might employ this study on a larger scale and use a probability sampling technique to generalise findings to other emerging markets. As load-shedding and protest action were prominent factors in the South African market, comparative studies might be conducted in other emerging markets to determine the types of additional risks faced and how marketers of online shopping sites might mitigate this risk. It might also prove helpful for marketers to get a better understanding of the psychological variables that influence perceived risk from an emerging market consumer behaviour perspective to devise appropriate strategies. Lastly, since trust was so influential to several participants, it is suggested that more in-depth research examining the effect of trust on reducing perceived risk be conducted to understand its role in each stage of the online purchase process.

REFERENCE LIST

- Agrawal, S.R. & Mittal, D. 2022. Optimizing customer engagement content strategy in retail and E-tail: Available on online product review videos. *Journal of Retailing and Consumer Services*, 67(2022):102966.
- Alalwan, A.A. 2020. Mobile food ordering apps: An empirical study of the factors affecting customer e-satisfaction and continued intention to reuse. *International Journal of Information Management*, 50(1):28-44.
- Alzoubi, H., Alshurideh, M., Kurdi, B., Alhyasat, K. & Ghazal, T. 2022. The effect of e-payment and online shopping on sales growth: Evidence from banking industry. *International Journal of Data and Network Science*, 6(4):1369-1380.
- Amirtha, R., Sivakumar, V.J. & Hwang, Y. 2020. Influence of perceived risk dimensions on e-shopping behavioural intention among women – a family life cycle stage perspective. *Journal of Theoretical and Applied Electronic Commerce Research*, 16(3):320-355.
- Arshi, T., Nandi, V.T. & Morande, S. 2017. A modified consumer decision making model for online shopping: A structural equation modelling approach. *International Journal of Economics, Commerce and Management*, 5(2):56-70.
- Benner, P. 1985. Quality of life: A phenomenological perspective on explanation, prediction, and understanding in nursing science. *Advances in Nursing Science*, 8(1):1-14.
- Benner, P. 1994. *Interpretive phenomenology: Embodiment, caring, and ethics in health and illness*. Thousand Oaks, California: Sage.

- Bhattacharya, S., Sharma, R.P. & Gupta, A. 2023. Does e-retailer's country of origin influence consumer privacy, trust and purchase intention? *Journal of Consumer Marketing*, 40(2):248-259.
- Burns, M. & Peacock, S. 2019. Interpretive phenomenological methodologists in nursing: A critical analysis and comparison. *Nursing Inquiry*, 26(2):e12280.
- Chaudhuri, R., Gathinji, C., Tayar, G. & Williams, E. October 13, 2022. Sustaining digital payments growth: Winning models in Emerging markets. *McKinsey & Company*. Available from <https://www.mckinsey.com/industries/financial-services/our-insights/sustaining-digital-payments-growth-winning-models-in-emerging-markets>
- Chi, N.T.K. & Hanh, N.T. 2023. The drone delivery services: An innovative application in an emerging economy. *The Asian Journal of Shipping and Logistics*, 39(2):39-45.
- Choi, Y.K. 2019. Characters' persuasion effects in advergaming: Role of brand trust, product involvement, and trust propensity. *Internet Research*, 29(2):367-380.
- Chou, S. & Hsu, C. 2016. Understanding online repurchase intention: social exchange theory and shopping habit. *Information Systems and e-Business Management*, 14(2015):19-45.
- Clow, K.E. & Baack, D. 2018. *Integrated advertising, promotion, and marketing communications*. 8th edn., Harlow: Pearson Education.
- Das, M. & Ramalingam, M. 2022. What drives product involvement and satisfaction with OFDs amid COVID-19. *Journal of Retailing and Consumer Services*, 68(2022):103063.
- Enihe, R. & Joshua, J. 2020. Hybrid mobile application development: A better alternative to native. *Global Scientific Journals*, 8(5):1373-1389.
- Ewerhard, A., Sisovsky, K. & Johansson, U. 2019. Consumer decision-making of slow-moving consumer goods in the age of multi-channels. *The International Review of Retail, Distribution and Consumer Research*, 29(2019):1-22.
- Fill, C. & Turnbull, S.L. 2016. *Marketing communications: Brands, experiences and participation*. 7th edn., London: Pearson.
- Fu, H., Manogaran, G., Wu, K., Cao, M., Jiang, S. & Yang, A. 2020. Intelligent decision-making of online shopping behavior based on internet of things. *International Journal of Information Management*, 50(2020):515-525.
- Geng, L. & Chang, Y. 2022. The effects of utilitarian value on omnichannel continuance intention: the moderating role of product involvement. *Baltic Journal of Management*, 17(4):484-500.
- Gill, M.J. 2014. The possibilities of phenomenology for organizational research. *Organizational Research Methods*, 17(2):118137.
- Global News Wire. December 30, 2021. *South Africa E-Commerce Market (2022 to 2027) – impact analysis of COVID-19*. Available from <https://www.globenewswire.com/news-release/2021/12/30/2359147/28124/en/South-Africa-E-Commerce-Market-2022-to-2027-Impact-Analysis-of-COVID-19.html>

- Goa, H., Ou, C.X.J. & Liu, H. 2019. Modelling shopping cart decisions with heterogeneous product involvement and reviews, *PACIC 2019 proceedings*. 57.
- Gökçek, H.A., Çarıkçioğlu, P.S. & Yüksel, C.A. 2019. The effect of consumer decision making styles on cognitive dissonance along with the role of the perceived risk as a moderator in online shopping. *Journal of Academic Research in Economics*, 11(1):118-127.
- Gordon, B.G. 2020. Vulnerability in research: Basic ethical concepts and general approach to review. *Ochsner Journal*, 20(1):34-38. Available from <https://www.ochsnerjournal.org/content/ochjnl/20/1/34.full.pdf>
- Gupta, P. 2015. *Comparative study of online and offline shopping: A case study of Rourkela in Odisha* (Master's thesis). Odisha, India: National Institute of Technology Rourkela. Available from http://ethesis.nitrkl.ac.in/6738/1/Comparative__Gupta_2015.pdf
- Hochstein, B., Bolander, W., Goldsmith, R. & Plouffe, C.R. 2019). Adapting influence approaches to informed consumers in high-involvement purchases: Are salespeople really doomed? *Journal of the Academy of Marketing Science*, 47(1):118-137.
- Izogo, E.E. & Jayawardhena, C. 2018. Online shopping experience in an emerging e-retailing market. *Journal of Research in Interactive Marketing*, 12(2):193-214.
- Jadil, Y., Rana, N.P. & Dwivedi, Y.K. 2022. Understanding the drivers of online trust and intention to buy on a website: An emerging market perspective. *International Journal of Information Management Data Insights*, 2(1):100065.
- Jain, M. 2019. A study on consumer behavior-decision making under high and low involvement situations. *International Journal of Research and Analytical Reviews*, 6(1):943-947.
- Karimi, S. 2013. *A purchase decision-making process model of online consumers and its influential factors: A cross sector analysis* (Doctoral thesis). Manchester: The University of Manchester. Available from <https://www.escholar.manchester.ac.uk/api/datastream?publicationPid=uk-ac-man-scw:189583&datastreamId=FULL-TEXT.PDF>
- Karimi, S., Papamichail, K.N. & Holland, C.P. 2015. The effect of prior knowledge and decision-making style on the online purchase decision-making process: A typology of consumer behaviour. *Decision Support Systems*, 77(2015):137-147.
- Khandelwal, U., Yadav, S.K. & Kumar, Y. 2020. Understanding research online purchase offline (ROPO) behaviour of Indian consumers. *International Journal of Online Marketing*, 10(1):1-14.
- Kim, R.B. & Chao, Y. 2019. Effects of brand experience, brand image and brand trust on brand building process: The case of Chinese millennial generation consumers. *Journal of International Studies*, 12(3):9-21.
- Kokemuller, N. November 21, 2018. *What are high involvement purchases?* Available from <https://pocketsense.com/high-involvement-purchases-10584.html>

- Lappeman, J., Marlie, S., Johnson, T. & Poggenpoel, S. 2023. Trust and digital privacy: willingness to disclose personal information to banking chatbot services. *Journal of Financial Services Marketing*, 28(2):337-357.
- Lee, H.L. 2002. Aligning supply chain strategies with product uncertainties. *California Management Review*, 44(3):105-119.
- Liao, S., Hu, D., Chung, Y. & Huang, A. 2021. Risk and the opportunity for online purchase intention – A moderated mediation model investigation. *Telematics and Information*, 62(2021):101621.
- Liébana-Cabanillas, F., Japutra, A., Molinillo, S., Singh, N. & Sinha, N. 2020. Assessment of mobile technology use in the emerging market: Analyzing intention to use m-payment services in India. *Telecommunications Policy*, 44(9):102009.
- Mahnke, R., Benlian, A. & Hess, T. 2015. A Grounded Theory of online shopping flow. *International Journal of Electronic Commerce*, 19(3):54-89.
- Martin, K. 2018. The penalty for privacy violations: How privacy violations impact trust online. *Journal of Business Research*, 82(Jan):103-116.
- Mathaba, R. & Mkhize, N. 2018. Exploring the relationships between antecedents of online purchasing behaviour. In *Proceedings of the International Conference on Business and Management Dynamics, ICBMD-2018*: 184-194. Available from <https://amhinternational.com/wp-content/uploads/2019/03/ICBMD-2018Proceedings.pdf#page=194>
- Maziriri, E.T. & Chuchu, T. 2017. The conception of consumer perceived risk towards online purchases of apparel and an idiosyncratic scrutiny of perceived social risk: A review of literature. *International Review of Management and Marketing*, 7(3):257-265.
- McKinsey. October, 2020. *The 2020 McKinsey global payments report*. Available from https://www.mckinsey.com/~/_/media/mckinsey/industries/financial%20services/our%20insights/accelerating%20winds%20of%20change%20in%20global%20payments/2020-mckinsey-global-payments-report-vf.pdf
- Milkaković, I.K. 2021. Purchase experience during the COVID-19 pandemic and social cognitive theory: The relevance of consumer vulnerability, resilience, and adaptability for purchase satisfaction and repurchase. *International Journal of Consumer Studies*, 45(6):1425-1442.
- Moser, C., Schoenebeck, S.Y. & Resnick, P. 2019. Impulse buying: Design practices and consumer needs. In *Proceedings of the 2019 CHI Conference on Human Factors in Computing Systems*: 1-15.
- Mousavizadeh, M., Koohikamali, M., Salehan, M. & Kim, D.J. 2020. An investigation of peripheral and central cues of online customer review voting and helpfulness through the lens of Elaboration Likelihood Model. *Information Systems Frontiers*, 24(2022):211-231.
- Naidoo, J. July 12, 2021. *eThekwini residents stranded as service delivery shuts down amid violent protests*. IOL. Available from <https://www.iol.co.za/news/south-africa/kwazulu->

natal/ethekwini-residents-stranded-as-service-delivery-shuts-down-amid-violent-protests-ca2c9395-6751-5784-ac15-903f255c8d34

- Ndayizigamiye, P. & Khoase, R. G. 2018. Inhibitors of the adoption of e-commerce by SMMES in two South African cities. *International Journal of eBusiness and eGovernment Studies*, 10(1):51-66.
- Nguyen, D.H., De Leeuw, S., Dullaert, W. & Foubert, B.P.J. 2019. What is the right delivery option for you? Consumer preferences for delivery attributes in online retailing. *Journal of Business Logistics*, 40(4):299-321.
- Nielsen. 2022. *South Africans shifting shopping habits in a changing world*. Available from <https://nielseniq.com/global/en/insights/analysis/2022/south-africans-shifting-shopping-habits-in-a-changing-world/>
- Niosi, A. 2021. Chapter 15: Involvement Theories. In: Niosi, A. (2021) *Introduction to Consumer Behaviour*. BC Campus. Available from <https://opentextbc.ca/introconsumerbehaviour/chapter/involvement-levels/>
- Papadopoulos, T., Baltas, K.N. & Balta, M.E. 2020. The use of digital technologies by small and medium enterprises during COVID-19: Implications for theory and practice. *International Journal of Information Management*, 55(Dec):102192.
- Park, S.C. & Keil, M. 2019. The moderating effects of product involvement on escalation behavior. *Journal of Computer Information Systems*, 59(3):218-232.
- Pauwels, K. & van Ewijk, B.J. 2020. Enduring attitudes and contextual interest. When and why attitude surveys still matter in the online consumer decision journey. *Journal of Interactive Marketing*, 52(7):20-34.
- Peña-García, N., Gil-Saura, I., Rodríguez-Orejuela, A. & Siqueira-Junior, J.R. 2020. Purchase intention and purchase behavior online: A cross-cultural approach. *Heliyon*, 6(2020):e04284.
- Peng, L., Zhang, W., Wang, X. & Liang, S. 2019. Moderating effects of time pressure on the relationship between perceived value and purchase intention in social E-commerce sales promotion: Considering the impact of product involvement. *Information & Management*, 56(2019):317-328.
- Rokonuzzaman, M.D., Harun, A., Al-Emran, M.D. & Prybutok, V.R. 2020. An investigation into the link between consumer's product involvement and store loyalty: The roles of shopping value goals and information search as the mediating factors. *Journal of Retailing and Consumer Services*, 52(2020):101933.
- Rosillo-Diaz, E., Blanco-Encomienda, F.J. & Crespo-Almendros, E. 2019. A cross-cultural analysis of perceived product quality, perceived risk and purchase intention in e-commerce platforms. *Journal of Enterprise Information Management*, 33(1):139-160.
- Sarstedt, M., Bengart, P., Shaltoni, A.M. & Lehmann, S. 2017. The use of sampling methods in advertising research: A gap between theory and practice. *International Journal of Advertising*, 2017:1-14.

- Schiffman, L.G. & Wisenblit, J. 2019. *Consumer behavior*. 12th edn., Harlow: Pearson Education.
- Scott, P., Scott, T., Stokes, P., Moore, N., Smith, S.M., Rowland, C. & Ward, T. 2017. The consumer journey in the digital age: the challenges faced by destination and place marketing agencies. *International Journal of Digital Culture and Electronic Tourism*, 2(1):28-45.
- Shenton, A.K. 2004. Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information*, 22(2):63-75.
- Shiau, W., Zhou, M. & Liu, C. 2022. Understanding the formation mechanism of consumers' behavioral intention on Double 11 shopping carnival: Integrating S-O-R and ELM theories. *Frontiers in Psychology*, 13(2022):984272.
- Sihi, D. 2018. Home sweet virtual home: The use of virtual and augmented reality technologies in high involvement purchase decisions. *Journal of Research in Interactive Marketing*, 12(4):398-417.
- SME South Africa. August 1, 2017. *What will surprise you about the way South Africans use the Internet*. Available from <https://smesouthafrica.co.za/internet-penetration-south-africa/>
- Smidt, F. & Maigurira, L. September, 2020. *COVID effect. 7 new consumer shopping behaviour trends in South Africa*. Available from <https://www.thinkwithgoogle.com/intl/en-ssa/consumer-insights/consumer-trends/covid-effect-7-new-consumer-shopping-behaviour-trends-south-africa/>
- Smith, A.D. & Rupp, W.T. 2003. Application service providers: An application of the transaction cost model. *Information Management & Computer Security*, 11(1):11-18.
- Statista. 2021. *Country report: eCommerce in South Africa*. Available from <https://www.statista.com/study/70380/ecommerce-in-south-africa-country-report/>
- Vasić, N., Kilibarda, M. & Kaurin, T. 2019. The influence of online shopping determinants on customer satisfaction in the Serbian market. *Journal of Theoretical and Applied Electronic Commerce Research*, 14(2):70-89.
- Wahab, H.A., Diaa, N.M. & Nagaty, S.A. 2023. Demographic characteristics and consumer decision-making styles: Do they impact fashion product involvement? *Cogent Business & Management*, 10(2):2208430.
- Wang, F., Wang, M., Wan, Y., Jin, J. & Pan, Y. 2021. The power of social learning: How do observational and word-of-mouth learning influence online consumer decision processes? *Information Processing and Management*, 58(2021):102632.
- Wenzl, M. April 26, 2021. *Understanding online consumer behaviors for a better customer journey*. Available from <https://www.shipbob.com/blog/online-consumer-behavior/>
- Wolf, M. February 7, 2023. Emerging markets outlook, February 2023. *Deloitte insights*. Available from <https://www2.deloitte.com/za/en/insights/economy/emerging-markets-outlook.html>

- Wu, I.L., Chiu, M.L. & Chen, K.W. 2020. Defining the determinants of online impulse buying through a shopping process of integrating perceived risk, expectation-confirmation model, and flow theory issues. *International Journal of Information Management*, 52(June):102099.
- Yang, B., Liu, C., Cheng, X. & Ma, X. 2022. Understanding users' group behavioral decisions about sharing articles in social media: An Elaboration Likelihood Model perspective. *Group Decision and Negotiation*, 31(2022):819-842.
- Yeoh, G.L. 2022. Factors Affecting Users' Behavioural Intention Towards Touch 'N Go E-Wallet in Malaysia. *International Journal of Applied Business and International Management*, 7(3):108-120.
- Zhang, X. & Yu, X. 2020. The impact of perceived risk on consumers' cross-platform buying behavior. *Frontiers in Psychology*, 11(2020):592246.
- Zhou, T. 2022. Understanding online health community users' information adoption intention: An Elaboration Likelihood Model perspective. *Online Information Review*, 46(1):134-146.

IS YOUR STORE SMART ENOUGH? THE IMPACT OF SMART RETAIL TECHNOLOGY ON THE MODERN CONSUMER EXPERIENCE

Adam Frankel

Marike Venter de Villiers

Keegan Swinburn

ABSTRACT

Against the backdrop of a rapidly changing technological retail landscape, traditional, brick-and-mortar retailers are forced to embrace new ways to attract customers to their stores. An effective and (fast growing) popular method is by using smart retail technology (SRT). This is especially relevant to the apparel industry where competition has increased significantly, largely due to the rise of digital globalisation. In recent years, the world's top brands such as Adidas and Nike have been amongst the first to implement technology into their retail strategies and are driving the growth of SRT. The purpose of this study is to investigate the effectiveness of SRT on customer loyalty and word-of-mouth respectively, with overall in-store customer experience (OISCX) as the mediator. The main theories grounding this study are the Stimulus-Organism-Response (SOR) and the Pleasure Arousal Dominance (PAD) theories. Both of these are centred around the belief that consumers respond to external sensory stimuli, which influences their purchase decisions. By means of a conceptual framework, 12 hypotheses were proposed, of which the main constructs were augmented reality (AR), virtual reality (VR), smart screens (SS), and smart mirrors (SM), and the impact it has on customer loyalty and word-of-mouth respectively, with the mediating role of overall in-store customer experience (OISCX). This study undertook an empirical approach, and 500 online surveys were collected among university students in South Africa. The data analysis was conducted using SPSS 27 and AMOS to test the hypotheses, path coefficients, and model fit. The findings of this study provide retailers with insights into the effectiveness of implementing SRT in their retail stores. This is of particular interest to brands in emerging economies, such as South Africa, who are still in the infant stages of investing in SRT.

Keywords/phrases: augmented reality, fashion, smart mirrors, smart retail technology, smart screens, virtual reality.

1. BACKGROUND AND INTRODUCTION

The retail environment is in a state of flux (Beekman 2021). New, smart retail technologies are rapidly transforming the retail industry (Grewal, Noble, Roggeveen & Nordfalt 2020). The emergence of in-store technologies has significantly and rapidly changed the way retailers operate. Ultimately, In-store sales are declining because it is becoming increasingly difficult for brick-and-mortar stores to connect with this evolved consumer. It is difficult for retailers who have been selling the same way for decades to now adapt and focus on creating engaging experiences with the modern consumers (Future of winning in the digital era 2022). The term 'customer experience' is defined as the overall journey that a customer has from the moment they see and enter the store to the moment they leave the store (How to in Retail in 2021, 2022). It encompasses the total purchasing journey from pre-purchase to post-purchase and may involve more than one shopping channel (Chepur & Bellamkonda 2022). As the customer experience is further defined and shaped through years of progress, researchers have the opportunity to interpret and reshape their understandings of the modern consumer.

From a theoretical perspective, Venkatesh, Thong and Xu (2012) highlights the benefits of creating an experience for customers through the use of innovative technology. In his Unified Theory of Acceptance and Use of Technology (UTAUT) theory, he states that a user's experience can moderate the relationship between innovation characteristics and behaviour intentions (Venkatesh et al. 2012). The UTAUT theory further emphasises the important role that customer experience has in influencing social variables, such as social influence (Venkatesh et al. 2012). These findings have led to an urgent call for research on smart retail services (Roy, Balaji, Sadeque, Nguyen & Melewar 2017; Wunderlich et al. 2015), as there has been few studies conducted that examines the moderating role of customer experience on a consumer's buying behaviour (Giovanis, Athanasopoulou, Assimakopoulos & Sarmaniotis 2019). This is especially relevant to the South African retail context, where retailers are still approaching smart technologies with a 'touch and go' mindset.

In recent years, the growing role of global retail digitalisation in the retail industry has pivoted and evolved consumer behaviour, causing the offline retail environment to reshape, forcing retailers to adapt, embrace and look towards smart technologies as a means of enhancing and spicing up their in-store experience to attract consumers into their stores. With this in mind and considering that consumers are becoming more interested in a shopping experience that is personalised and interactive, retailers are under pressure to utilise SRT to enhance and develop their in-store touchpoints to become more interactive, valuable and memorable (Godfrey 2018). SRT's provide retailers with the technology and the tools to create this desired, personalised and memorable experience (Riegger, Klein, Merfeld & Henkel 2021). Not only does SRT have immediate benefits for retailers through heightened consumer interactions, but these technologies can store data that can be used by retailers to better understand and target their desired target market. It focuses on the power of SRT when transforming brick and mortar stores into data rich environments. With the data collected and processed from the SRT, retailers can immediately form relationships with first time consumers and alter in-store traffic for minimal annoyance, to better understand their customers' decision-making process (Buder, Dieckmann, Dietrich & Wieting 2019).

It has become apparent that in South Africa, a growing number of retailers have invested in various smart services in an attempt to provide customers with an enhanced in-store experience, while serving customers more efficiently and effectively (Allmendinger & Lombreglia 2005; Wunderlich et al. 2013). The next era for brick-and-mortar retail stores is now centred around an omnichannel shopping experience for the consumer. Consumers are seeking in-store experiences that tell a story of the brand and its products (Roggeveen et al. 2021). The retailers of 2023 need to provide their consumers with a shopping journey that allows them to interact with the space and resonate with the brand. The consumer must find themselves immersed within the store's experience as they move through various touchpoints across the store. Collectively, these technologically touchpoints need to work together to create an experience that is meaningful and memorable to the desired target audience (Kozinets et al. 2002). Harms et al. (2022), states there is an opportunity for retailers and brands to collaborate and thus creating retail spaces that blend the physical and digital retail space. To fill these gaps, this study aims to investigate the effectiveness of SRT on customer loyalty and word-of-mouth, while mediated by the overall in-store customer experience. By means of an empirical study, the authors test a proposed conceptual model and presents the findings by highlighting the potential future of SRT in an emerging market economy.

1.1. RESEARCH PROBLEM

Despite the importance of SRT when providing customers with an interactive and unique in-store experience, few retailers are investing in SRT and ultimately, run the risk of becoming lost in the crowd (Sharma 2017). The adoption of SRT assists brick-and-mortar retailers to create an engaging in-store experience to boost sales and increase customer loyalty. Chylinski and Heller (2022) found that stores that use in-store technology to create meaningful touchpoints throughout the shopping journey have an almost immediate increase in brand loyalty. Retailers need to create meaningful touchpoints that influences both the positive hedonic and utilitarian motivations of a modern consumer in order to thrive and compete with online and other smart retailers (Lemon & Verhoef 2016). When customers shop in physical stores, they enjoy modern technology that makes their shopping experience seamless and more efficient (Priporas, Stylos & Fotiadis 2017). Technologies such as self check-outs, informative touchpoints, and new payment methods all play a part in creating a more desired and efficient experience for the customer (Priporas et al. 2017). The use of smart screens (SS), augmented reality (AR), virtual reality (VR), and smart mirrors (SM) are all meaningful technologies that South African retailers can use to enhance and develop their touchpoints (Ginsburg 2022). SRT gives retailers the opportunity to utilise multiple sensing capabilities to better understand and assist shoppers within the store. Further, SRT gives retailers the ability to personalise their in-store experience whilst collecting consumer behaviour. By examining customer experience the study explores the effects the experience has on the customer's loyalty and word-of-mouth. A lack in knowledge regarding SRT had impacted the amount of retailers that implement SRT in South Africa. Various studies point out that because South African consumers are not frequently exposed to SRT, their technological readiness may be low (Walwyn & Cloete 2020). This study focuses on the middle to upper income class of South African consumers as it is studied by few (Isharyani, Sopha & Wibisono 2021). This study seeks to investigate the effects of smart retail technology on customer loyalty and word-of-mouth, and the mediating role of the overall in-store customer experience.

1.2. PURPOSE AND OBJECTIVES

The purpose of this paper is twofold: firstly, to investigate whether SRT's (augmented reality, virtual reality, smart screens and smart mirrors) influence customer loyalty and word-of-mouth, and secondly, to determine the mediating role of the overall in-store experience.

2. LITERATURE REVIEW

2.1. THE EVOLVING LANDSCAPE OF SMART RETAIL TECHNOLOGIES

We are in the midst of a technological retail revolution where physical retailers are finding it more difficult to market to consumers using traditional ways. Retailing is undergoing a remarkable transformation, and it is becoming increasingly vital to provide superior customer experience in the retail space (Lindecrantz, Tjon Pian Gi & Zerbi 2020). PWC's study revealed that 73% of shoppers see customer experience as a factor that is more important than the quality of the product and the price (Puthiyamadam & Reyes 2014). The modern consumer has constantly evolving shopping habits that are demanding a faster and more seamless retail experience. Modern consumers are expecting more of retailers, pressurising retailers as more is required from retailers to capture and satisfy the consumers attention (Blazquez 2014).

Since the 1990's, the experience of physical or traditional shopping has been influenced by an ever-increasing phenomenon called smart retail (Smart Retail & Industry 4.0 – Pushing Sales

into the Future 2019). The emergence of SRT has provided retailers with the opportunity to create experiential customer journeys that is meaningful and creates a language between physical retailers and consumers (Finnigan 2022). Implementing SRT bridges a technological gap, a communication gap, and a marketing gap. These gaps emerged as consumers got more technologically advanced, changing and retailers were hesitant when implementing better technologies that would take advantage of the technologically evolving consumer. This created a communication and technological gap that presented a need to change the way retailers interact with their customers (Finnigan 2022). A multitude of studies have proven that retailers that thrive and become leaders, embrace this change, and constantly invest and experiment with new SRT that will enhance their CX are most likely to be successful (Ramanathan et al. 2017). PWC's report on how experience is everything, emphasises the importance of using smart retail to improve and enhance CX. The report mentions how a modern retailer will not survive unless they are smart retailers (Puthiyamadam & Reyes 2018).

2.1.1. Augmented reality

Augmented reality (AR) is revolutionising the future of retail (10 Ways Augmented Reality (AR) Is Revolutionising the Retail Industry | ImagineAR 2012). It is used in a multitude of industries in a variety of ways. AR is seen in the mining, education, tourism and retail industries (Loureiro, Guerreiro & Ali 2020). AR enhances a user's experience of the physical world by augmenting the user's physical world (Roo & Hachet 2017). Tan, Chandukal and Reddy (2022) define the use of AR in retail as an opportunity to engage with customers and transform the brand experience. AR presents opportunities for retailers to entertain and educate customers, assisting when evaluating product fit, and enhancing the post-purchase experience. The findings suggest that AR is most effective when product related uncertainty is high (Tan et al. 2022).

2.1.2. Virtual reality

Types of virtual reality (VR) include non-immersive VR, immersive VR, semi-immersive VR and Collaborative VR (Different Types of | Stars & Stripes 2020). VR provides a multi-sensory experience that influences the experience a consumer has with stores. VR affects a consumer's emotional value, imagination, and cognitive value (Hoyer, Kroschke, Schmitt, Kraume & Shankar 2020). Bardi (2019) speaks about how using VR technology, a customer can be trying on different outfits and use VR to place themselves with the outfit at their desired venue. This all improves a consumer's in-store experience as the store positively touches more sensory points of the customer. By creating favourable immersive and effective in-store touchpoints using VR, various retailers created favourable immersive in-store experiences (Taylor 2018).

2.1.3. Smart mirrors

Smart mirrors (SM) are a two-way mirror that has an electronic RFID built into it (Hajek 2016). Also known as magic mirrors or interactive fitting rooms, SM provide information on products that improve the certainty of the purchasing decisions (Ogunjimi, Rahman, Islam & Hasan 2021). Using SM, customers can have 360-degree view of an item of clothing that they are trying on (Kim & Forsythe 2008). They can call for assistance without exiting the change room and can see product information displayed on the mirror.

2.1.4. Smart screens

Smart screens (SS) can be used in numerous ways within the retail sector. It is the most commonly used SRT in South Africa. Consumers in SA see SS in its most basic form in local stores such as Dischem, Woolworths, Makro and Sports scene (Cooper 2017). Smart screens are predominantly used for in-store advertising and product information but can be used to enhance the atmosphere of the store (In Store Advertising – Smart Media 2022). SS can be used in a multitude of applications like static windows, 3D holograms, digital displays, and digital shelf trips whilst still being low-cost (In Store Advertising – Smart Media 2022).

2.1.5. Overall in-store customer experience

Customer Experience (CX) is commonly seen as a multidimensional view and points out five different experiences, which include sense, feel, think, act, and relate experiences (Joakim, 2020). It's the impression a customer has when interacting and connecting with a brand. Brands create positive CX through people, products, and services. The use of SRT to influence CX is created through both people and products (Mixon & Torode 2020). Rowland et al. (2020) mention that 89% of retailers are looking to improve CX with in-store technology and 95% have said that investing in SRT has positively impacted their overall in-store experience (OISCX). If a customer has a positive OISCX, it is likely that they will be satisfied. SRT assists retailers in ensuring that customer in-store journey is exciting, enjoyable, convenient, and stimulating. Joakim (2020) suggests that SRT may be beneficial for retailers because it gives customers tools to oversee their own in-store experience. Positive OISCX is dependent on touch points throughout the store. Retailers need to offer a personalised and emotional shopping experience to meet the modern consumers expectations. Creating touchpoints with SRT provides a new, innovative, and exciting platform which has the potential of altering how customers engage with a physical store (Joakim 2020).

2.1.6. Customer loyalty

Customer loyalty (CL) measures the likeliness of a customer repeating their purchases with a retailer (Customer Loyalty 2022). CL is derived from several factors including customer satisfaction, creating positive CX and the overall value of the goods and services a customer received from a business (Customer Loyalty 2022). Rowland et al. (2020) proved that almost 100% of the retailers studied believed that when effectively implemented, SRT will improve the OISCX, which builds CL. Joakim (2020) mentions how through a great OISCX, retailers can gain CL. IBM argue that those retailers that are able to connect with their consumers through experiences that are personally relevant, memorable, interactive, and emotional are likely to increase brand loyalty (IBM 2008). There are six types of loyal customers.

2.1.7. Word-of-mouth marketing

Word-of-mouth marketing (WOM) is a form of marketing that is triggered by the impressions, feelings, and thoughts of customers. It relies on the experiences that customers have with brands (Patel 2022). Retailers can encourage WOM by providing customers with a great OISCX as customers share their experiences with those around them. Using SRT in SA provides opportunity for retailers to create WOM by providing South African consumers with an experience that is new and different (Nicolet 2022).

2.2. FASHION RETAIL AND TECHNOLOGY

The fashion industry is embracing the rapid and continuous pace of innovative technology, and it has become part of consumers' lives (Silva & Bonetti 2021). Fashion brands like Nike, Adidas and Zara have gone far to incorporate smart retail into their in-store environment. In its report, "Seeing is believing", PWC stats that VR and AR have the potential to deliver a R30 trillion boost to the global economy by 2030. Examples of such technologies are from virtual fitting rooms for fashion stores, to AR applications that let people test how new furniture will look in their home before they buy it. What are common examples of smart retail technology that are taking the fashion industry by storm?

Smart tags: The tags of the future allow brands to accurately and quickly count inventory, such as instant in-store checking of product availability, discrete security and smart fitting rooms. These tags basically act as a license plate for an item. Customers use smart tags to access information about the products they intend to purchase, rather than taking the time and effort to reach out to the brand itself (Authlink 2021). The Zara flagship store in Sandton City has recently revamped their store and implemented the use of smart tags to allow customers a more efficient and convenient experience to track product availability, and even tracking the exact location of a certain item (size and colour) within the store.

Smart mirrors: The popularity of smart mirrors are also increasing. It streamlines the shopping process and merge the physical with the digital allowing customers easier ways to compare, browse and style products without having to make multiple trips to the store and fitting room (Vasesi 2022). H&M is one of the many fashion retailers that have introduced the concept of smart mirrors in their stores. With the interactive screens and passing computers, consumer can virtually try on the brand's clothes in real time, without having to visit the store (Kang 2023).

Augmented reality: Augmented reality primarily refers to virtual try-ons (VTO). Adidas is one of the top fashion brands that is enthusiastic about using and experimenting with AR. For example, in 2019 they introduced a footwear try-on through their iOS app, which let customers virtually wear some of their most iconic shoes (Kang 2023). Being the closest case to social media AR filters, customers are able to view the shoes as it would look in real life before they decide to buy it (Kang 2023). It is also commonly used in the form of virtual fittings where customers access augmented reality using digital mirrors and smart displays (Kang 2023).

2.3 THEORETICAL GROUNDING

This study is grounded in two theories, the Pleasure-Arousal-Dominance (PAD) framework (Russel 1974), and Mehrabian and Russel's (1974) Stimulus-Organism-Response (S-O-R) framework. These two theories are discussed in the section below.

2.3.1. *Pleasure Arousal Dominance (PAD) Theory*

The main theory underpinning the current study is Mehrabian and Russel's (1974) pleasure, arousal and dominance (PAD) framework. It captures the concept of an individual's enjoyment of their environment when exposed to favourable and pleasant stimuli. The PAD theory can be used to understand the emotions of consumers when they interact with in-store SRT. It assists in determining the effectiveness of the technology. Researchers assess the level of comfort and control consumers experience while using SRT.

For example, a customer walks into a sports apparel store and interacts with a smart mirror in the fitting room. They use it to check for alternative colours and sizes and call for assistance. Using the PAD theory, researchers can understand the cognitive effect and impact that interacting with the smart mirror had on her in-store experience. She found the mirror was useful, stimulating, and exciting as it brought a new way for her to shop. She found that the SRT made her shopping experience faster, easier, more convenient, and more enjoyable. Researchers can conclude that when interacting with the smart mirror, the consumer found the experience pleasant. She was happy and excited (pleasure- displeasure scale), and because the experience was stimulating, convenient, made the shopping journey faster and more enjoyable, she was aroused (arousal-Non arousal scale) but ultimately the consumer seemed to have enjoyed the experience of interacting with the SRT (Smart mirror). The dominant emotion was satisfaction, and it seems like she did not feel like she was being controlled at all (dominance-submissiveness scale). Using the PAD theory, researchers conclude that integrating the shopping journey with SRT brings value to the retailer and the experience they offer customers. This consumer had a positive, enjoyable experience with the in-store smart mirror which ultimately led to them having a positive OISCX, wanting to experience that technology again (CL) and tell their family and friends about their experience (WOM). A study conducted on the emotions that consumer have whilst in a retail environment concluded that using the PAD theory, there is a amount of pleasure a consumer has when shopping and their in-store shopping experience (Aziz et al. 2018). The study found that (such as SRT) have a positive association with the pleasure a customer experiences once they have entered the store (Aziz et al. 2018). Grewal et al. (2020) believes that pleasure can be achieved by using technologies that make the customer experience more convenient and socially engaging.

2.3.2. *Stimulus Organism Response Theory (S-O-R)*

Stimulus organism response theory (SOR) theory believes that people have behavioural responses that are triggered by the external environment they experience. The SOR model was last updated in 1974 by Albert Mehrabian and James Russel. The model details how a certain behavioural response can be expected when there is a change to the external environment. The SOR model was adapted from the stimulus response model (SR). A study conducted in Malaysia investigated the use of SRT within the retail space. Using a sample of 220 respondents from GEN-Z, the SOR model used to complete the connection between functional stimulus (SRT) and the consumer's attitude (internal response). This could be related to GEN-Z consumer behaviour such as WOM (Ng, Ho, Lim, Chong & Latiff 2019). The SOR theory will enable this study to assess and explain the impact SRT has on a customer's in-store experience. When the customer enters the store, they will interact with SRT, changing their environment and creating a response. The use of the SOR model will allow the study to achieve its objectives of determining the influence that SRT have over WOM and CL. The SOR model will further assist in testing the mediating role of SRT toward the customer's CX. Using SOR, researchers can understand how consumers react to changes in the external environment whilst interacting with SM and SS. As the mirror changes the environment with its interactive display (showing the items the consumer has), researchers test if this positively influences their in-store experience.

3. **HYPOTHESES DEVELOPMENT AND CONCEPTUAL MODEL**

In light of the aforementioned discussion, the proposed conceptual model (Figure 1) proposes that AR, VR, SS, SM influence the overall customer in-store experience (OISCX) and ultimately influence customer loyalty and word-of-mouth. This section presents an overview of the hypotheses development.

Smart retail technologies and overall in-store customer experience (H₁-H₄)

VR and AR provides consumers with immersive experiences, relevant additional information that is presented in personalised ways, and convenience for consumers both pre-purchases, in-store and post-purchase improving their smart retail experience (Hoyer et al. 2020). Pantano and Servidio (2012) conducted a study on 150 respondents which examined the benefits of VR and AR for retailing and found that VR and AR technologies have a positive effect on the customers in-store experience (Roy et al. 2017). Grewal et al. (2020) concluded that having smart mirrors in-store is both convenient and exciting for consumers. Kim and Forsythe (2008) explain how valuable smart mirrors are as they increase store efficiency, reduce product return rate, increase customer satisfaction, and increase OISCX.

H₁: There is a positive relationship between augmented reality (AR) and the overall in-store customer experience.

H₂: There is a positive relationship between virtual reality (VR) and the overall in-store customer experience.

H₃: There is a positive relationship between smart mirrors (SM) and the overall in-store customer experience.

H₄: There is a positive relationship between smart screens (SS) and the overall in-store customer experience.

Overall in-store customer experience as a mediator for customer loyalty (H₅-H₈)

Ogunjimi et al. (2021) suggest that retailers using SRT can improve their connection with their customers (CL). The study recommends that for retailers to improve their loyalty they need to integrate with SRT (Ogunjimi et al. 2021). Tjon Pian Gi and Zerbi (2020) released a report on CX finding that 25% of customers will discontinue their relationship with a brand after just one bad experience and reinventing the customers journey with SRT decreases the likelihood of an VR has been proven to stimulate a consumer's imagination and increase their emotional connection with a brand. Therefore, increasing their in-store experience increases their CL towards a brand (Hoyer et al. 2020). According to previous literature, SRT improves a physical stores image, the perceived quality of the store and the atmosphere of the store. Bloemer and De Ruyter (1998) examined the relationship between store image (SI), (CS) and store loyalty (SL) (how loyal are customers to a specific store) and found a significant positive relationship between customer satisfaction and SI and a further positive relationship between SI and SL. SRT have the potential to enhance the customer's shopping experience by providing personalised and superior retail services (Hoffman & Novak 2015). This study therefore proposes the following mediations:

H₅: The overall in-store customer experience mediates the relationship between AR and customer loyalty.

H₆: The overall in-store customer experience mediates the relationship between VR and customer loyalty.

H₇: The overall in-store customer experience mediates the relationship between SM and customer loyalty.

H₈: The overall in-store customer experience mediates the relationship between SS and customer loyalty.

Overall in-store experience as a mediator for word-of-mouth (H₉-H₁₂)

Being able to offer customers a great experience fosters positive word-of-mouth marketing (Kuppelwieser 2022). Kupperwieser (2022) conducted a study and found that customer experience has a significant, positive influence on word-of-mouth marketing. It has been proven SRT has a direct impact on the perceived quality of a store (Roggeveen, Grewal & Schweiger 2020). Roy, Balaji and Nguyen (2017) found that when a customer has a positive interaction with a SRT, it results in positive customer satisfaction which will result in a positive effect on word-of-mouth towards SRT. Therefore, this study can consider the following mediations:

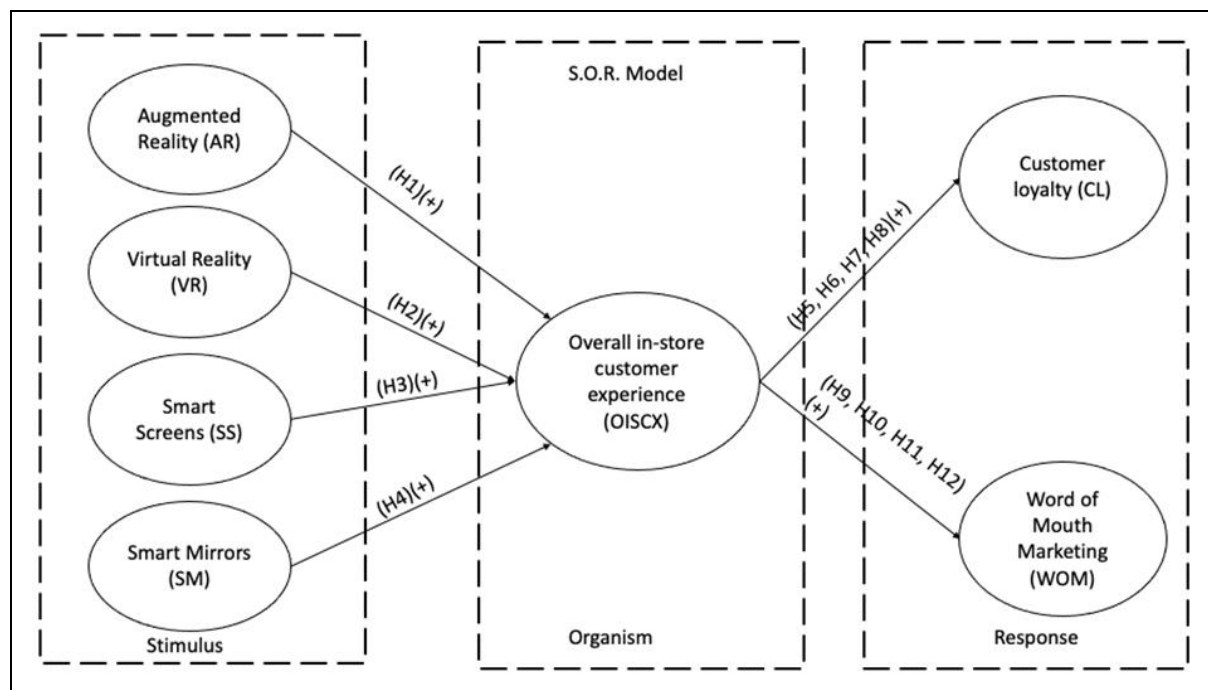
H₉: The overall in-store customer experience mediates the relationship between AR and word-of-mouth.

H₁₀: The overall in-store customer experience mediates the relationship between VR and word-of-mouth.

H₁₁: The overall in-store customer experience mediates the relationship between smart mirrors and word-of-mouth.

H₁₂: The overall in-store customer experience mediates the relationship between smart screens and word-of-mouth.

FIGURE 1: PROPOSED CONCEPTUAL MODEL



Source: Own construction

Figure 1 present the proposed conceptual model. The basic premise of the model is to gain insight into the effectiveness of SRT on customer loyalty and word-of-mouth. It further tests the mediating role of the overall in-store customer experience.

4. RESEARCH METHODOLOGY

4.1. DATA COLLECTION AND SAMPLE

A positivist research philosophy was undertaken by means of a quantitative approach, in which 500 structured questionnaires were distributed via online platforms, such as the Wits university database, email and social media platforms. Web-based surveys pose many advantages to researchers, with the main advantage being saving time (Llieva, Baron & Healey 2002). Therefore, a deductive approach was used to determine whether the proposed hypotheses are significant or non-significant. The target population was South African consumers above the age of 18 and were selected using a simple random sampling method. This method allows for each participant to have a known and equal chance of being selected for the research. This sampling method is favoured as it is easy to carry out and can be done at a relatively low cost when compared to alternatives. The participants comprised middle to higher income individuals who all have access to mobile devices and Wi-Fi, allowing them to browse social media platforms. The questionnaire was designed using Google Forms and once participants has completed the survey their data was automatically captured in the form of an excel sheet. This eliminated the process of capturing data from hard copy surveys. The data collection was conducted between July 2022 and September 2022. Once the data was checked and cleaned, the statistical analysis was conducted using SPSS28. The statistical analysis comprised testing scale reliability (Cronbach Coefficient Alpha and Composite Reliability), and scale validity (Construct Validity, Convergent Validity and Discriminant Validity). A Goodness of fit test was conducted as well as a Correlation Analysis. To test the hypotheses, a multiple regression analysis was done, after which the researchers test the mediation effects using bootstrapping. The study underwent a comprehensive ethical procedure and had to meet the university's protocol. Participation was voluntary and participants were free to discontinue at any time. Table 1 presents the demographic profile of the study participants.

TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENTS

<i>Variables</i>	<i>Frequency (n = 500)</i>	<i>Valid Percent (100%)</i>
Gender		
Male	187	37.4
Female	313	62.6
Age group		
18 - 24	333	66.6
25 - 29	43	8.6
30 - 34	29	5.8
35 - 39	22	4.4
40 - 44	18	3.6
45 - 50	30	6.0
51 - 56	25	5.0
Education		
High School	170	34.0
Diploma	77	15.4
Degree	171	34.2
Post Graduate or Higher	82	16.4
Income		
R10 000 p.m. or below	254	50.8
R10 001 - R20 000 p.m.	52	10.4
R20 001 - R40 000 p.m.	46	9.2
R40 001 - R80 000 p.m.	26	5.2
R80 001 p.m. or above	22	4.4
Prefer not to Say	100	20.0

Source: Own construction, based on analysis

4.2. MEASUREMENT SCALE DEVELOPMENT

The questionnaire had 30 questions and took approximately 10 minutes to complete. The scales of the questionnaire were extracted from previous literature and adapted to suit the context of this study. To measure the various constructs, the following scales were used: augmented reality (AR) (Matera 2018), virtual reality (VR) (Matera 2018), smart screens (SS) and smart mirrors (SM) (Finstad 2006), customer loyalty (CL) and word-of-mouth (WOM) (Roy, Balaji, Nguyen & Melewar 2017), and in-store experience (Helin, Kuula, Vizzi, Karjalainen & Vovk 2018). Thus, all the scales in the measurement instrument were tested using a five-point Likert scale (1 = strongly disagree, 5 = strongly agree).

A large portion of the South African population have not been exposed to SRT. The questionnaire was therefore created and structured with visual aids to assist survey participants in understanding what SRT is and how it can benefit them. Such visual aids include videos of brands that have used SRT in-store as well as images of SRT in the retail environment. This would ultimately keep the participants engaged in the survey and assist the researchers with answers that are as accurate as possible. Whilst keeping in mind that there may be a high possibility that a portion of the participants that answered the survey may have never experienced SRT, the questions were constructed with the purpose of educating and assisting in the adoption of future SRT that retailers implement.

5. RESULTS OF THE STUDY

The results of the study are discussed in two sections. Firstly, the descriptive statistics are presented. This includes the reliability and validity of the scales, while the second section presents the hypotheses results.

5.1. DISCUSSION OF ACCURACY SCALE ANALYSIS

For the assessment of scale reliability, the Cronbach alpha (CA) for each scale was calculated, and as shown in Table 2, all seven constructs are reliable with a Cronbach alpha that exceeds the expected value of 0.70 as proposed by Nunally and Bernstein (1994) (AR: $\alpha = 0.888$; VR: $\alpha = 0.838$; SS: $\alpha = 0.853$, SM: $\alpha = 0.843$, OISCX: $\alpha = 0.870$, CL: $\alpha = 0.894$, WOM: $\alpha = 0.827$).

The validity of the scales was measured by testing the convergent validity (CV) and discriminant validity. Exploring CV requires running an exploratory factor analysis (EFA), analysing standardised factor loadings, composite reliability (CR) and average variance extracted (AVE). Generally, factor-loadings above ($>$) 0.6 are acceptable (Analysis INN 2020). The accepted composite reliability values for each underlying be 0.60, or to Alarcón and AVE values above ($>$) 0.4 are acceptable (Ab Hamid, Sami & Sidek 2017). Convergent validity examines the occurrence of cross items and is appropriate Table 2 explores the results obtained from the convergent validity.

When conducting EFA, OISCX1 produced a factor-loading value of 0.299. As mentioned, factor-loadings with a value smaller than ($<$) 0.30 cannot be accepted. Thus, 0.299 is less than ($<$) the minimum required factor-loading threshold of 0.30. Therefore, the study removed OISCX1 and adjusts OISCX2 – 6 to OISCX1 – 5. Based on convergent validity, CL and OISCX are loading together. To eradicate the potential for cross loadings, discriminant validity was conducted. The results show no potential of cross loadings. The communalities refer to the proportion of each variables variance that is explained through the factors (de Bruin & de Bruin 2011). In this case, all 28 variable (AR1 – OISCX6). The extraction values are a proportion of the variance of each variable (Yong & Pearce 2013).

TABLE 2: RESULTS FROM EFA SHOWING CONVERGENT VALIDITY, COMMUNALITIES EXTRACTIONS, COMPOSITE RELIABILITY, AND AVE FOR ALL 28 ITEMS

Constructs	EFA		Communalities		AVE	Constructs	EFA		Communalities		AVE	
	Items	Factor-Loading (λ)	extraction	CR			Items	Factor-Loading (λ)	extraction	CR		
AR	AR1	0,792	,752			CL	CL1	0,672	,633			
	AR2	0,808	,785				CL2	0,717	,731			
	AR3	0,75	,682				CL3	0,77	,763			
	AR4	0,761	,749				CL4	0,739	,682			
					0,859	0,605						
VR	VR1	0,714	,731			WOM	WOM1	0,818	,801			
	VR2	0,806	,832				WOM2	0,477	,691			
	VR3	0,778	,744				WOM3	0,771	,776			
							0,810	0,588				
SS	SS1	0,744	,688			OISCX	OISCX1	0,496	,604			
	SS2	0,766	,701				OISCX2	0,632	,704			
	SS3	0,782	,761				OISCX3	0,499	,608			
	SS4	0,761	,662				OISCX4	0,712	,744			
					0,848		0,582					
SM	SM1	0,749	,681			Communalities Extraction method: Principal component matrix.						
	SM2	0,75	,745			Extraction > 0.3						
	SM3	0,767	,748			Communalities initial = 1.000						
	SM4	0,77	,689									
	SM5	0,582	,513									
						0,847	0,528					
						Notes**						

Source: Own construction, based on analysis

All extraction values > .40 and therefore accepted (Wold, Esbensen & Geladi 1987) The lowest extraction value belongs to SM5 (0.517) and the highest belonging to VR2 (0.836). Factor-loadings are above the required threshold of 0.40. All factor-loading are significant at $P < 0.001$

Six (6) of the seven (7) constructs have an AVE > 0.4, indicating a good AVE amongst the constructs.

5.2. INTER-CONSTRUCT CORRELATION MATRIX

To test discriminant validity, researchers conducted inter-construct correlation analysis (Sürücü & Maslakci 2020). The inter-construct correlation analysis showed that there is no potential for cross-loadings. Correlation values must be smaller (< 0.8). The discriminant validity revealed there is no potential for cross loadings as discriminant validity not being present. Therefore, there is no need to revise the PCA and there is no issue with CL and OISCX loading in the same column. The correlation analysis above shows that all correlations are significant (**) and all values have a 95% confidence level. Discriminant validity shows whether the measures of constructs are highly related or not, which statistically should not (Hubley 2014).

TABLE 3: THE CORRELATIONS BETWEEN CONSTRUCTS OBTAINED AFTER RUNNING DISCRIMINANT VALIDITY

Correlations							
	AR	VR	SS	SM	CL	WOM	OISCX
AR	--						
VR	.537**	--					
SS	.421**	.414**	--				
SM	.393**	.398**	.493**	--			
CL	.578**	.528**	.533**	.569**	--		
WOM	.514**	.491**	.407**	.513**	.648**	--	
OISCX	.611**	.573**	.537**	.596**	.778**	.689**	--

** Correlation is significant at the 0.01 level (2-tailed).

Source: Own construction, based on analysis

5.3. REGRESSION ANALYSIS

A regression analysis was done to test the direct and indirect relationships between the variables in the conceptual model. Table 4 presents the results of all 12 hypotheses. The results are discussed in the sections below.

TABLE 4: HYPOTHESES RESULTS

Hypothesis type	Hypothesis	P value	T - value	Hypothesis outcome
Regression	H1 - Augmented reality (AR) has a positive and significant relationship and influence on a consumers overall in-store customer experience (OISCX).	<0.001	8.459	Statistically sig. and accepted
	H2 - Virtual reality (VR) has a positive and significant relationship and influence on a consumers overall in-store customer experience (OISCX)	<0.001	5.901	Statistically sig. and accepted
	H3 - Smart mirrors (SM) have a positive and significant relationship and influence on a consumers overall in-store customer experience (OISCX).	<0.001	8.713	Statistically sig. and accepted
	H4 - Smarts screens (SS) have a positive and significant relationship and influence on a consumers overall in-store customer experience (OISCX).	<0.001	5.416	Statistically sig. and accepted
Hypothesis type	Hypothesis	P value	Indirect effect	Hypothesis outcome
Mediation	H5 - The overall in-store customer experience (OISCX) mediates the relationship between AR and customer loyalty (CL)	0.0000	.3841	Statistically sig. and accepted
	H6 - The overall in-store customer experience (OISCX) mediates the relationship between VR and customer loyalty (CL)	0.0000	.3518	Statistically sig. and accepted
	H7 - The overall in-store customer experience (OISCX) mediates the relationship between SM and customer loyalty (CL)	0.0000	.4433	Statistically sig. and accepted
	H8 - The overall in-store customer experience (OISCX) mediates the relationship between SS and customer loyalty (CL)	0.0000	.3836	Statistically sig. and accepted
	H9 - The overall in-store customer experience (OISCX) mediates the relationship between AR and word-of-mouth (WOM)	0.0000	.3182	Statistically sig. and accepted
	H10 - The overall in-store customer experience (OISCX) mediates the relationship between VR and word-of-mouth (WOM)	0.0000	.2827	Statistically sig. and accepted
	H11 - The overall in-store customer experience (OISCX) mediates the relationship between SM and word-of-mouth (WOM)	0.0000	.3630	Statistically sig. and accepted
	H12 - The overall in-store customer experience (OISCX) mediates the relationship between SS and word-of-mouth (WOM)	0.0000	.3438	statistically sig. and accepted

Source: Own construction, based on analysis

5.3.1. Direct relationships

The first four hypotheses (H₁ – H₄), tested the direct relationships between the independent variables (AR, VR, SM, SS) and the dependent variable, overall in-store customer experience (OISCX).

H₁: Augmented reality (AR) has a positive and significant relationship and influence on a consumers overall in-store customer experience (OISCX).

The first hypothesis, AR and OISCX indicated a positive relationship ($\beta = 0.302$), thus supporting the proposed hypothesis showing a significant relationship ($p < 0.001 < 0.05$) between the variables. This indicates that AR has a positive effective on the customer's overall in-store experience, and AR is an effective tool that retailers can use when combating the rapid growth in e-commerce and preventing the decline of brick-and-mortar stores. This finding is consistent with previous literature conducted by Romano, Sands, and Pallent (2021) who suggest that AR assists retailers in creating a pleasant in-store experience by providing hedonic value through playfulness. This finding was also supported by Harms et al. (2022) who found that stores who implemented AR to overlay a personalised brand experience over physical products, will allow consumers to interact and experience that brands products in a more memorable and personalised manner.

H₂: Virtual reality (VR) has a positive and significant relationship and influence on a consumer's overall in-store experience (OISCX).

Hypothesis 2 tested the relationship between VR and OISCX. The results supported the hypothesis that proposed a significant and positive relationship between the two variables. The p-value was significant ($p < 0.001 < 0.05$), with path coefficient of 0.219 ($\beta = 0.219$). It is therefore evident that the use of VR in retail will positively contribute to the customers overall in-store experience. VR is therefore an effective tool to use in Smart Retail. This finding is consistent with a study conducted by Caboni and Hagberg (2019) who found that VR provides consumers in brick-and-mortar stores with a positive in-store experience. Orús, Ibáñez-Sánchez and Flavián (2021) have highlight the positive influence that VR in-store technology has on a consumers visual and immersive in-store experience.

H₃: Smart mirrors (SM) have a positive and significant relationship and influence on a consumer's overall in-store experience (OISCX).

SM has a positive ($\beta = 0.300$) and significant influence ($p < 0.001 < 0.05$) on OISCX. Thus, H₃ is accepted. The study concludes that smart mirrors will have a positive impact on customer experience when implemented correctly. Similar studies such as Savastano, Bellini, D'Ascenzo and De Marco (2019) suggests the need for SM as a method of connect with the modern consumer as it improves brand image, reputation, loyalty, and perceived innovation through the unique in-store experience they provide.

H₄: Smart screens (SS) have a positive and significant relationship and influence on a consumer's overall in-store experience (OISCX).

Hypothesis 4 tested the relationship between smart screens (SS) and consumer's overall in-store experience (OISCX). The results indicated a significant and positive relationship ($\beta = 0.161$; $p < 0.001 < 0.05$). This study found a relationship between SS and OISCX, which is consistent with Kim and Forsythe's (2008) study that showed how valuable smart mirrors are

as they increase store efficiency, reduce product return rate, increase customer satisfaction, and increase OISCX. Retailers in South Africa should therefore use smart screens to create a pleasant in-store experience for customers.

TABLE 5: FURTHER HYPOTHESES OUTCOMES

Coefficients ^a					
Model	standardized Coefficients			Hypothesis Outcome	
	B	t	p		
1	AR	.302	8.399	<.001	Accepted
	VR	.219	6.102	<.001	Accepted
	SS	.167	4.744	<.001	Accepted
	SM	.307	8.818	<.001	Accepted

Source: Own construction, based on analysis

The strongest relationships were found to be H₃ and H₁, which indicated a significant relationship between SM and OISCX ($p < 0.001$; $\beta = 0.307$), and AR and OISCX ($p < 0.001$; $\beta = 0.302$) respectively. This means that the more advanced the SM and AR in-store technology is, the more influence it would have on a consumer's overall in-store customer experience. H₂ and H₄ indicated significant relationships between VR and OISCX ($p < 0.001$; $\beta = 0.219$), and SS and OISCX ($p < 0.001$; $\beta = 0.167$) respectively. This indicates that the more advanced the VR and SS in-store technology is, the more influence it would have on a consumer's overall in-store experience.

It can therefore be concluded that all four hypotheses are significant and supported. The following section tested the mediation analysis of overall in-store customer experience (OISCX) on customer loyalty (CL) and word-of-mouth (WOM) respectively.

5.3.2. Mediation analysis

Individual computed construct regression analyses were conducted to determine significance of individual relationships when analysed through regression and mediations. This study conducted these analyses with the constructs being isolated from the other computed constructs. The below values were derived through linear regression analyses and mediation analyses. After conducting both a brief and detailed analysis on the proposed hypotheses, it is most certainly clear when retailers integrate with SRT effectively, it has a positive effect on the in-store experience they provide rippling into increased positive word-of-mouth and customer loyalty.

(a) Mediation analysis with CL as dependent variable

Four mediation hypotheses were tested with CL as the dependent variable. The results are presented in this section.

H₅: The overall in-store customer experience (OISCX) mediates the relationship between augmented reality (AR) and customer loyalty (CL).

The results indicated that H₅ is accepted and supported, thus showing that OISCX mediates the relationship between AR and CL. This means that if a customer has a pleasant in-store experience the use of augmented reality will increase customer loyalty. This is consistent with a study conducted by Caboni and Hagberg (2019), who found that AR provides both retailers and consumers with an immersive, connected, memorable experience. Retailers can

successfully create immersive in-store experiences using AR technology and reap the benefits of customer loyalty. An example is Zara's AR window displays as it increases user-brand, user-user and user - bystander engagement. The use of SRT therefore positively affects customer loyalty (Molinillo, Aguilar-Illescas, Anaya-Sanchez & Carvajal-Trujillo 2022).

H₆: The overall in-store customer experience (OISCX) mediates the relationship between virtual reality (VR) and customer loyalty (CL).

Hypothesis 6 was supported. This indicated that if a customer has a pleasant in-store experience, the effectiveness of virtual reality will increase customer loyalty. Hollebeek, Clark, Andreassen, Sigurdsson and Smith (2020) found that providing VR experiences assist retailers in maintaining relationships with their loyal customers, as it strengthens their emotional engagement with the brand. Additionally, Hoyer et al. (2020) found that increase a customer's in-store experience increases their CL towards a brand. This study suggests that retailers that market to South African youth consumers should invest in VR in-store tech.

H₇: The overall in-store customer experience (OISCX) mediates the relationship between smart mirrors (SS) and customer loyalty (CL).

Hypothesis 7 tested the mediating role of OISCX between SM and CL. The results indicate that by using SM to improve the in-store experience that a retailer provides, a retailer indirectly improve their CL. Both this study and research by Craik (2018) found that the use of SM reduce long in-store queues and reduce levels of purchase returns by ensuring that the clothing provides the right fit and is of the right shape and size for the customers. SM improve customer convenience and enhance a customer's in-store experience (Schultz & Gorlas 2023).

H₈: The overall in-store customer experience (OISCX) mediates the relationship between smart screens (SS) and customer loyalty CL).

Hypothesis 8 was supported and indicate a significant, positive relationship between SS and CL, when moderated by OISCX. The results indicate that by using SS to improve the in-store experience that a retailer provides, a retailer indirectly improve their CL. Similarly, it was found by using interactive smart screens to improve a customers in-store experience, consumers are more likely to repurchase from the same retailer, thus improving customer loyalty (Roy et al. 2017).

Hypotheses five to eight tested the direct and indirect relationships between AR, VR, SM and SS, and CL, with OISCX as the mediator. The analysis was conducted using PROCESS V4.1 to test for mediation. The results indicated that all the direct and indirect relationships were significant ($p < 0.001$). Therefore, indicating that AR, VR, SM and SS significantly influence CL, both directly and indirectly (through OISCX). The mediation effect of OISCX was found to be the strongest between SM and CL ($a*b = 0.4433$) (H₇), while the remaining three indirect relationships were all relatively on par ($a*b$ between 0.3518 and 0.3841). It is therefore evident that the OISCX partially mediates the relationship between SRT and CL.

(b) Mediation analysis with WOM as dependent variable

Four hypotheses (H₉, H₁₀, H₁₁ and H₁₂) were tested to determine the mediation effect of OISCX on WOM. The analysis was conducted using PROCESS V4.1 and the results are discussed in the following section. The following hypotheses were tested:

H₉: The overall in-store customer experience (OISCX) mediates the relationship between augmented reality (AR) and word-of-mouth (WOM).

Hypothesis 9 tested the mediating role of OISCX between AR and WOM. The results indicated a significant and positive relationship, which means that if AR is effective in creating a pleasant OISCX, consumers are likely to become loyal to the retailer. This finding supports Park and Yoo (2020) study that measured the dimensions of perceived interactivity post – shopping experience where customer interacted with AR in-store technology. The findings revealed that AR assists in creating immersive and memorable in-store experiences as it improves mental imagery thus favourably increasing the consumers attitudes towards the brand and an increase in WOM (Park & Yoo 2020).

H₁₀: The overall in-store customer experience (OISCX) mediates the relationship between virtual reality (VR) and word of mouth (WOM).

The tenth hypothesis tested the mediating role of OISCX between VR and WOM. Based upon the findings, it is evident that VR brings a connected experience that is memorable and unique and simulates word of mouth. Brands like Adidas, Superdry and Hugo Boss are planning to incorporate virtual reality fittings room into their store to enhance the in-store customer experience. In a study conducted by Xi and Hamari (2021), it was found that consumers who interact with VR technology have an increased loyalty towards the brands and find themselves discussing their in-store experience with others, thus increasing brand WOM (Xi & Hamari 2021).

H₁₁: The overall in-store customer experience (OISCX) mediates the relationships between smart mirrors (SM) and word of mouth (WOM).

Hypothesis 11 was supported and indicated a significant and positive relationship between SM and WOM, if mediated by OISCX. This means that if retailers use smart mirrors in their stores, consumers are more likely to portray loyalty given they have a pleasant in-store experience. In South Africa, retailers like Adidas have implemented smart mirrors to enhance the customer's in-store experience. Obermeier and Auinger (2019) also found that through the use of interactive digital mirrors in-store, retailers are able to improve customer loyalty through the interactive experience the digital mirrors provide.

H₁₂: The overall in-store customer experience (OISCX) mediates the relationship between smart screens (SS) and word- of-mouth (WOM)

The last hypotheses, H₁₂, tested the mediating role of OISCX between SS and WOM. It is evident from the findings that this hypothesis is supported, therefore confirming that OISCX mediates the relationship between SS and WOM. Abebaw and Matukuta (2018) found that consumers like to speak to those around them about new and unique experiences they had.

The results indicated that all four hypotheses (H₉ – H₁₂) are significant, therefore emphasising the importance and relevance of customer in-store experience as a mediator for WOM.

Hypotheses nine to twelve tested the direct and indirect relationships between AR, VR, SM and SS, and WOM, with OISCX as the mediator. The results indicated that all the direct and indirect relationships were significant ($p < 0.001$). It is therefore evident that AR, VR, SM and SS significantly influence WOM, both directly and indirectly (through OISCX). The mediation effect of OISCX on WOM was found to be the strongest between SM and WOM ($a*b = 0.3802$)

(H₁₁), with SS and AR, on WOM also being relatively strong ($a*b = 0.3438$; $a*b = 0.3182$), with VR having the weakest yet significant effect on WOM if mediated by OISCX. It is therefore evident that the OISCX partially mediates the relationship between all the SRT and WOM.

6. MANAGERIAL IMPLICATIONS

It is evident from the results that the use of SRT is effective in an emerging market economy. The use and implementation of SRT contributes greatly towards creating a seamless and memorable in-store experience, which leads to customer loyalty and positive word-of-mouth. Through a paced, flexible, and sustained implementation plan, retailers could almost immediately reap the benefits and rewards that SRT provides. As a whole, the new world of ecommerce and online shopping has made competing in the retail environment difficult and almost impossible to stand out in. Using VR technology assists all types in creating a differentiated shopping experience.

- Augmented reality

An example of a brand that is on the forefront with AR is Adidas. Adidas partnered with Eyecandy, a company that specialises in interactive video-triggered augmented reality experiences, to raise awareness around the sustainable efforts of Adidas. By simply holding a smartphone in front of the screen in the store, customers find themselves in an AR Ocean World. A giant whale orbits the user but is surrounded by plastic waste floating in the water. The user is then asked to help collect the ocean garbage and experience how it turns into small plastic particles, spins into a thread and transforms into the latest shoe in the collection (Thukwana 2021) With sustainable fashion becoming an ever-increasing trend, retailers can use AR to tell their sustainable story to their customers in such unique and differentiated ways. In South Africa, Woolworths stimulate shoppers by providing them with an immersive beauty experience. Shoppers can virtually try on a variety of different shades of lipstick, eye shadows and mascaras by using interactive screens. Using AR software to create realistic applications of these products that can be tested on any skin tone and allows customers to assess textures, colours and looks, Woolworths aims to provide their customers with an immersive and connected experience that is memorable. AR offers brands a multitude of opportunities to enhance their in-store experience. For example, Nike can use interactive screens in stores to assist their customers in customising their own shoes for customers to see how the final product will look.

- Virtual reality

Nike, for example, uses VR headsets in their innovation store in New York City. Customers can use VR headsets to try sneakers on before making a purchase. This has been integrated with their online channels. Customers that have VR headsets can try on Nike products without ever having to leave their couches. This ultimately enables Nike to reach more customers globally who may not be able to get away from their jobs or homes and make it out into the physical world where stores are located. This new approach could change how companies like Nike sell products online, making it easier for them to understand what customers want (mytaverse 2022). Another example is North Face, an apparel brand, who uses virtual reality to enhance the social experience of their consumers. North Face uses virtual reality glasses that allow customers to experience places around the world, for example, hiking through the Andes (Grewal et al. 2020).

- Smart screens

The global cosmetic brand MAC has used digital signage technology to create immersive experiences for its customers through smart screens that allow customers to try on different shades of make-up by looking and interacting with the AI-based screens. Smart screens are becoming increasingly popular in retail landscapes where customers are not well versed with SRT and may still be uncomfortable with such technology. According to the results from the survey, this study would recommend basic forms of SRT to the South African retail landscape. Smart screens are on the lower end of SRT and would be deemed to be an easily adoptable SRT. For the lower LSM retailers such as PEP or Ackermans, using smart screens as opposed to VR would be much more beneficial. For example, using a smart screen that provides an interactive video of all the materials used to make a specific item of clothing will enhance their store atmosphere and provide added value to the items of clothing.

- Smart mirrors

H and M have implemented smart mirrors in their flagship stores. Their fitting rooms are equipped with smart mirrors that recognise items of clothing brought into the room (e.g. item, size, and colour), whilst shoppers can use the smart mirrors on the store to virtually try on items of clothing (Wright 2022). Adidas South Africa have implemented smart mirrors in their retail stores as an effort to drive the implementation of SRT within the South African landscape. Their flagship store in Sandton City prides themselves on the integration of technology at the essential touchpoints of the South African consumers shopping journey. Their flagship store features RFID embedded smart mirrors which automatically detects product information to provide consumers with real-time colour and style options (Jadezweni 2021)

With Adidas being the first to implement SR within the South African retail landscape, noticeably, more and more South African retailers are investing in SRT. For instance, the revamped Zara store in Sandton City is a good example of a fashion retailer that has taken in-store innovation to a next level. To provide customers with a seamless and convenient experience, they offer self-check-out pay points, and use smart screens to scan products when you enter the fitting rooms. Customers can even check the Zara app to see the exact location of a certain product in the store, and which store has the item and size they are looking for. There is no need for the customer to visit the store or call the store to check product availability. Once the customer visits the store and have located their item, they can proceed to the fitting rooms where they scan the products they want to try on after which it will direct them to a fitting room number, automatically directly you to a vacant fitting room. The hassle of queuing, waiting for a staff member to count your items that you want to try on, directing you to a fitting are eliminated.

RFID self-checkouts and smart screens in changing rooms will be amongst the first SRT to be widely used by South African retailers within the mid-high end South African retail landscape as self-checkouts and interactive screens are easily adoptable and create an impactful experience at a relatively low installation cost compared to other SRT.

7. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This study investigated the impact of SRT's on customer loyalty and word-of-mouth respectively, with the overall in-store customer experience as the moderator. The results from this study is of significant importance to South African retailers who are still in the infant stages of adopting smart retail technology. The evidence indicates that South African retailers will

benefit from implementing SRT, which will positively influence their in-store experience. This paper makes a theoretical, practical and contextual contribution. It sheds light on the effectiveness of implementing SRT in a South African retail context. The findings reiterate that retailers in emerging markets can reap significant benefits if they invest in in-store technology such as augmented reality, virtual reality, smart screens and smart mirrors. Theoretically, few studies have investigated the effects of SRT on customer's in-store experience, and its mediating role on customer loyalty and word-of-mouth. The study provides theoretical literature to the smart retail fashion industry and theoretical insights on the modern South Africans in-store shopping behaviours. Academically, this study covers a wide variety of concepts and topics that are popular at the moment. The theoretical foundation of this study is built upon three theories. These theories being the Pleasure Arousal Dominance theory (PAD), the Stimulus Organism Response theory (SOR) and the Theory of Planned Behaviour (TPB). This study conceptualizes the SOR theory to examine whether SRT impacts a consumers in-store experience and whether this affects WOM and CL. The study uses the theory of planned behaviour to understand and measure the readiness of consumers towards using specific SRT's and observe how overcome behaviours are created with the SRT. This study uses the PAD theory to determine the emotions of consumers as they interact with SRT's to determine the effectiveness of these technologies, the degree of control and comfort an individual has when using the SRT as well as the type of emotion and type of perception it is embedded towards smart retailers. Future studies can explore the role of SRT in e-commerce and investigate the effectiveness of using smart retail in an online shopping context when consumers buy products and clothes using store applications. Future studies can also look at how online retailers can utilise the concept of personalisation when customers shop online for fashion products.

This study is not without its limitations. Given the fact that South African consumers are not regularly exposed to SRT, they might still have mistrust in technology and its abilities. This raises the importance of informing and educating customers on how to use such technology. Although we are an emerging economy who is quickly adapting to innovative technologies, there might be a resistance from more mature consumers who are not that tech savvy. Additionally, the 'loadshedding' crisis in South Africa has an adverse effect on the smart retail landscape of South Africa as the constant power cuts tend to damage SRT. Retailers are constantly having to replace screens, smart mirrors and other SRT which is expensive and timely. It would therefore be beneficial to explore ways and methods that retailers can interact with consumers without the need for SRT. Within a South African context, retailers should focus less on having a technological approach to experiences but rather focus on using technology to assist in creating multifunctional spaces where consumers find themselves immersed in the interactions they have with each touchpoint. For example, Adidas has made use of magnifying glasses that are centred around their products to show off the claims of their products. South Africa has an unemployment rate of 32.7% as of the last quarter of 2022 (Stats SA 2023). Although SRT is extremely beneficial for a retailer, it also creates job loss. For example, if consumers can pay for items by themselves using self-checkout systems, retailers do not need to employ cashiers to assist in checkout. Considering the high unemployment rate in South Africa and the strength of South Africa's trade unions and workers associations, there may be a riot and turbulence when the South African retail landscape starts to become noticeably different as more advanced SRT are implemented. Therefore, turbulence created from job loss due to the implementation of in-store technologies may hinder the growth of the South African retail landscape and the rate at which South African retailers implement particular SRT. Future research could potentially explore this topic further by considering the practicality and longevity of this technology, and two pertinent questions are raised: Do we have enough electricity in this country to support the future of SRT? Secondly, is the use of

SRT eco-friendly and sustainable? Future research can attempt to explore these problems, which poses a major threat to South African retailers who plan on jumping on the SRT bandwagon.

REFERENCE LIST

- Ab Hamid, M.R., Sami, W. & Mohamad Sidek, M.H. 2017. Discriminant validity assessment: Use of Fornell & Larcker criterion versus HTMT criterion, *Journal of Physics: Conference Series*, 890:012163. doi:10.1088/1742-6596/890/1/012163
- Abebaw, M.K. & Matukuta, W.K. 2018. Technology and Customers' Experiences in Fashion Physical Stores, The Case of Sweden.
- Allmendinger, G. & Lombreglia, R. 2005. Four strategies for the age of smart services. *Harvard Business Review*, 83(10):131.
- Analysis inn. 2020. *Analysis INN*. Available from <https://www.analysisinn.com/> (Date accessed: 30 May 2023).
- Authlink 2021. *How to personalise customer experience with smart tags*. Available from <https://authlink.com/news/how-to-personalize-customer-experience-with-smart-tags/> (Date accessed: 16 November 2023).
- Aziz, S., Bahadur, W., Zulfiqar, S., Sarwar, B., Chandia, K.E. & Iqbal, M.B. 2018. Do emotions bring customers to an environment: Evidence from Pakistani shoppers? *Cogent Business & Management*, 5(1):1536305. Available from <https://doi.org/10.1080/23311975.2018.1536305>
- Bardi, J. 2019. *Marxent: What is virtual reality: Definitions, devices, and examples*. Available from <https://www.marxentlabs.com/what-is-virtual-reality/> (Date accessed: 4 June 2022).
- Beekman, J. 2021. *Smart retailing: The need for retailers to embrace the retail revolution*. LinkedIn.com. Available from <https://www.linkedin.com/pulse/smart-retailing-need-retailers-embrace-retail-johannes-beekman> (Date accessed: 7 April 2022).
- Blázquez, M. 2014. Fashion shopping in multichannel retail: The role of technology in enhancing the customer experience. *International Journal of Electronic Commerce*, 18(4):97-116.
- Bloemer, J. & De Ruyter, K. 1998. On the relationship between store image, store satisfaction and store loyalty. *European Journal of Marketing*, 32(5/6):499-513.
- Buder, F., Dieckmann, A., Dietrich, H. & Wieting, J. 2019. *Technologies turning future brick-and-mortar stores into data-rich environments*. NIM - Nuremberg Institute for Market Decisions. Available from <https://www.nim.org/en/publications/gfk-marketing-intelligence-review/all-issues/future-retailing/technologies-turning-future-brick-and-mortar-stores-data-rich-environments> (Date accessed: 1 October 2022).
- Caboni, F. & Hagberg, J. 2019. Augmented reality in retailing: a review of features, applications and value. *International Journal of Retail & Distribution Management*, 47(11):1125-1140.

- Chepur, J. & Bellamkonda, R.S. 2022. The role of customer experience in the formation of customer engagement in the retail banking industry: mediation and moderation analysis. *International Journal of Electronic Customer Relationship Management*, 13(4):357-387.
- Chylinski, M. & Heller, J. 2022. The customer loyalty journey - technology enabled loyalty touchpoints. *Handbook of research on customer loyalty*, pp.42-54.
- Cooper, B. 2017. *Digital signage today: South African retailer delivers digital journey with digital signage*. Available from <https://www.digitalsignagetoday.com/articles/south-african-retailer-delivers-digital-journey-with-digital-signage/> (Date accessed: 6 June 2022).
- Craik, D. 2018. *Virtual reality shop assistants will serve high street shoppers in 5 years*. Available from <https://businessadvice.co.uk/high-streets-initiative/virtual-reality-shop-assistants-high-street-artificial-intelligence/> (Date accessed: 29 November 2023).
- Customer loyalty. 2022. *Send pulse: Definitions, examples, and tips*. Available from <https://sendpulse.com/support/glossary/customer-loyalty%22%20/1%20%22:~:text=Customer%20loyalty%20is%20a%20measure,customer%20receives%20from%20a%20business> (Date accessed: 4 June 2022).
- De Bruin, K. & De Bruin, G.P. 2011. Development of the learner self-directedness in the workplace scale. *SA Journal of Industrial Psychology*, 37(1). doi:10.4102/sajip.v37i1.926
- Finnigan, M. 2022. *Retail revolution: A look at the merchant benefits of smart retail*. *Retail Insight Network*. Available from <https://www.retail-insight-network.com/sponsored/retail-revolution-a-look-at-the-merchant-benefits-of-smart-retail/> (Date accessed: 10 April 2022).
- Finstad, K. 2010. The usability metric for user experience. *Interacting with Computers*, 22(5):323-327. doi:10.1016/j.intcom.2010.04.004
- Future of winning in the digital era. 2022. *Future of winning in the digital era: This compendium explores the breadth of change and risk throughout the modern retail industry*. 1-104. Available from https://www.mckinsey.com/~media/McKinsey/Industries/Retail/Our%20Insights/Future%20of%20retail%20operations%20Winning%20in%20a%20digital%20era/McK_Retail-Ops-2020_FullIssue-RGB-hyperlinks-011620.pdf (Date accessed: 10 April 2022).
- Ginsburg, R. 2022. *Augmented reality in retail: How retailers are using AR for better shopping experiences*. Shopify. Available from <https://www.shopify.com/za/retail/how-retailers-are-using-ar-technology-to-build-buzz-and-brand-awareness> (Date accessed: 1 October 2022).
- Giovanis, A., Athanasopoulou, P., Assimakopoulos, C. & Sarmaniotis, C. 2019. Adoption of mobile banking services: A comparative analysis of four competing theoretical models. *International Journal of Bank Marketing*, 37(5):1165-1189. Available from DOI 10.1108/IJBM-08-2018-0200

- Godfrey, N. 2018. *Adding value to the retail customer experience*. www.retailcustomerexperience.com. Available from <https://www.retailcustomerexperience.com/blogs/adding-value-to-the-retail-customer-experience/> (Date accessed: 1 October 2022).
- Grewal, D., Noble, S.M., Roggeveen, A.L. & Nordfalt, J. 2020. The future of in-store technology. *Journal of the Academy of Marketing Science*, 48:96-113.
- Hajek, J. 2016. *Illinois Institute of Technology: Smart Mirror*. Available from <https://www.iit.edu/smartlab/projects-and-research/smart-mirror> (Date accessed: 3 June 2022).
- Harms, T., Renz, M., Copestake, J., Oreschell, J., Rindone, S. & Voll, L. 2022. *When experience defines how consumers buy, what will retailers sell?* ey.com. Available from https://www.ey.com/en_eg/consumer-products-retail/the-retail-space-of-the-future (Date accessed 1 October 2022).
- Helin, Kuula, Vizzi, Karjalainen & Vovk. 2018. User experience of augmented reality system for Astronaut's Manual Work Support, *Frontiers in Robotics and AI*, 5. doi:10.3389/frobt.2018.00106.
- Hoffman, D.L. & Novak, T. 2015. *Emergent experience and the connected consumers in the smart home assemblage and the internet of things*. Available from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2648786 (Accessed 29 November 2023).
- Hollebeek, L.D., Clark, M.K., Andreassen, T.W., Sigurdsson, V. & Smith, D. 2020. Virtual reality through the customer journey: Framework and propositions. *Journal of Retailing and Consumer Services*, 55:102056.
- Hoyer, W.D., Kroschke, M., Schmitt, B., Kraume, K. & Shankar, V. 2020. Transforming the customer experience through new technologies. *Journal of Interactive Marketing*, 51(1):57-71.
- Hubley, J. 2014. *Discriminant Validity*. Encyclopedia of quality of life and well-being research. Available from https://doi.org/10.1007/978-94-007-0753-5_751 (Date accessed: 16 November 2023).
- IBM. 2008. *How immersive technology can revitalize the shopping experience. Taking customers inside your brand*. Available from http://www.webcdm.it/uploads/9/2/9/2/9292963/ibm_how_immersive_technologies_can_revitalize_the_shopping_experience_.pdf (Date accessed: 1 October 2022).
- ImageAR. 2021. *10 Ways Augmented Reality (AR) is revolutionizing the retail industry*. Available from <https://imagear.com/blog/ar-transform-retail-industry> (Date accessed: 6 June 2022).
- Isharyani, M., Sopha, B. & Wibisono, M. 2021. Conceptual model of consumers purchase intention towards smart retail: A literature review. *In Proceedings of International Conference on Engineering and Information Technology for Sustainable Industry*, p.6.

- Jadezweni, A. 2021. *Another day, another retail innovation: Adidas SA's new Sandton flagship store to open this month*. Available from <https://www.news24.com/life/archive/another-day-another-retail-innovation-adidas-sas-new-sandton-flagship-store-to-open-this-month-20210618> (Date accessed: 30 May 2023).
- Joakim, L. 2020. *The power of in-store technology: A qualitative study about how in-store technology creates value for Swedish retail companies and their customers*. pp.2-77. Available from <https://www.diva-portal.org/smash/get/diva2:1436617/FULLTEXT01.pdf> (Date accessed: 5 June 2022).
- Kang, J. 2023. *Net guru: Top examples of augmented reality in fashion retail*. Available from <https://www.netguru.com/blog/augmented-reality-fashion-retail-examples> (Date accessed: 26 May 2023).
- Kim, J. & Forsythe, S. 2008. Adoption of virtual try-on technology for online apparel shopping. *Journal of Interactive Marketing*, 22(2):45-59. Available from <https://doi.org/10.1002/dir.20113>
- Kozinets, R., Sherry, J., DeBerry-Spence, B., Duhachek, A., Nuttavuthisit, K. & Storm, D. 2002. Themed flagship brand stores in the new millennium. *Journal of Retailing*, 78(1):17-29.
- Kuppelwieser, V.G., Klaus, P., Manthiou, A. & Hollebeek, L.D. 2022. The role of customer experience in the perceived value–word-of-mouth relationship. *Journal of Services Marketing*, 36(3):364-378.
- Lemon, K. & Verhoef, P. 2016. Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6):69-96.
- Lindecrantz, E., Tjon Pian Gi, M. & Zerbi, S. 2020. *Personalizing the customer experience: Driving differentiation in retail*. McKinsey and company. Available from <https://www.mckinsey.com/industries/retail/our-insights/personalizing-the-customer-experience-driving-differentiation-in-retail> (Date accessed: 10 April 2022).
- Llieva, J., Baron, S. & Healey, N.M. 2002. Online surveys in marketing research: Pros and cons, *International Journal of Marketing Research*, 44(3):361-367.
- Loureiro, S.M.C., Guerreiro, J. & Ali, F. 2020. 20 years of research on virtual reality and augmented reality in tourism context: A text-mining approach. *Tourism management*, 77:104028. Available from <https://doi.org/10.1016/j.tourman.2019.104028>
- Matera, M. 2018. ABBOT: A smart toy motivating children to become outdoor explorers, *Proceedings of the 2018 International Conference on Advanced Visual Interfaces* [Preprint]. doi:10.1145/3206505.3206512
- Mehrabian, A. & Russell, J.A. 1973. A measure of arousal seeking tendency. *Environment and Behavior*, 5(3):315.
- Mixon, E. & Torode, C. 2020. *Tech Target: What is customer experience (CX) and why is it important*. Available from <https://www.techtarget.com/searchcustomerexperience/definition/customer-experience-CX> (Date accessed: 28 October 2022).

- Molinillo, S., Aguilar-Illescas, R., Anaya-Sanchez, R. & Carvajal-Trujillo, E. 2022. The customer retail app experience: Implications for customer loyalty. *Journal of Retailing and Consumer Services*, 65:102842.
- Mytaverse. 2022. *Nike is leveraging VR in a way that has the potential to impact the bottom line*. Available from <https://www.mytaverse.com/post/nike-s-metaverse-vr-experiences-are-paying-off-here-s-why> (Date accessed: 29 May 2023).
- Ng, S.I., Ho, J.A., Lim, X.J., Chong, K.L. & Latiff, K. 2019. Mirror, mirror on the wall, are we ready for Gen-Z in the marketplace? A study of smart retailing technology in Malaysia. *Young Consumers*, 22(1):68-89.
- Obermeier, G. & Auinger, A. 2019. Human-computer interaction in physical retail environments and the impact on customer experience: Systematic literature review and research agenda. In *HCI in Business, Government and Organizations. eCommerce and Consumer Behavior, 6th International Conference, HCIBGO 2019, Held as Part of the 21st HCI International Conference, HCII 2019, Orlando, FL, USA, July 26-31, 2019, Proceedings, Part I 21* (pp. 51-66). Springer International Publishing.
- Ogunjimi, A., Rahman, M., Islam, N. & Hasan, R. 2021. Smart mirror fashion technology for the retail chain transformation. *Technological Forecasting and Social Change*, 173:121118. Available from <https://doi.org/10.1016/j.techfore.2021.121118>
- Orús, C., Ibáñez-Sánchez, S. & Flavián, C. 2021. Enhancing the customer experience with virtual and augmented reality: The impact of content and device type. *International Journal of Hospitality Management*, 98:103019.
- Pantano, E. & Servidio, R. 2012. Modelling innovative points of sales through virtual and immersive technologies. *Journal of Retailing and Consumer Services*, 19(3):279-286. Available from <https://doi.org/10.1016/j.jretconser.2012.02.002>
- Park, M. & Yoo, J. 2020. Effects of perceived interactivity of augmented reality on consumer responses: A mental imagery perspective. *Journal of Retailing and Consumer Services*, 52:101912.
- Patel, N. 2022. *Send Pulse: Word-of-Mouth Marketing. Get to know the benefits of word-of-mouth marketing and check out the examples*. Available from <https://sendpulse.com/support/glossary/word-of-mouth-marketing> (Date accessed: 4 June 2022).
- Priporas, C.V., Stylos, N. & Fotiadis, A.K. 2017. Generation Z consumers' expectations of interactions in smart retailing: A future agenda. *Computers in Human Behavior*, 77:374-381.
- Puthiyamadam, T. & Reyes, J. 2018. *Experience is everything: Here's how to get it right*. PWC: *future of CX*, pp.1-18. Available from <https://www.pwc.com/us/en/zz-test/assets/pwc-consumer-intelligence-series-customer-experience.pdf> (Date accessed: 10 April 2022).
- Ramanathan, A., Govindu, P., Oka, T., Ghai, S., Venkatesan, P., Bagri, A., Talreja, A., K.R., S., K.B., Pardiwalla, P., Kasturirangan, S., Tata, S., Shivappa, B., Surtani, A., Tatak, D. & Gupta, S. 2017. *Disruptions in reaction through digital transformation: reimagining the store of the future*. [Www2.deloitte.com](http://www2.deloitte.com). Available from

- <https://www2.deloitte.com/content/dam/Deloitte/in/Documents/CIP/in-cip-disruptions-in-retail-noexp.pdf> (Date accessed: 11 April 2022).
- Riegger, A., Klein, J., Merfeld, K. & Henkel, S. 2021. Technology-enabled personalization in retail stores: Understanding drivers and barriers. *Journal of Business Research*, (123):140-155.
- Roggeveen, A., Grewal, D., Karsberg, J., Noble, S., Nordfält, J., Patrick, V., Schweiger, E., Soysal, G., Dillard, A., Cooper, N. & Olson, R. 2021. Forging meaningful consumer-brand relationships through creative merchandise offerings and innovative merchandising strategies. *Journal of Retailing*, 97(1):81-98.
- Romano, B., Sands, S. & Pallant, J.I. 2022. Virtual shopping: segmenting consumer attitudes towards augmented reality as a shopping tool. *International Journal of Retail & Distribution Management*, 50(10):1221-1237.
- Roo, J.S. & Hachet, M. 2017. One reality: Augmenting how the physical world is experienced by combining multiple mixed reality modalities. In *Proceedings of the 30th annual ACM symposium on user interface software and technology* (pp. 787-795). Available from https://dl.acm.org/doi/abs/10.1145/3126594.3126638?casa_token=zaePgUME-uUAAAAA:Uff9LD0lv85OpfvxTsKSgPT5Sq4DX2mY_oiFsXn-w8cJCEOikXhIZHBN8gJg_z-SljYbXuj4LE0SQg
- Rowland, T., McCoy, F., Hoffman, M., Renno, R., Richard, B. & Geraghty, S. 2020. *Jabil: The future of retail technology*. Available from <https://www.jabil.com/dam/jcr:a8bc22e4-3995-4b69-ad73-715a081285df/2020-future-of-retail-technology-report.pdf> (Date accessed: 4 June 2022).
- Roy, S.K., Balaji, M.S., Sadeque, S., Nguyen, B. & Melewar, T.C. 2017. Constituents and consequences of smart customer experience in retailing. *Technological Forecasting and Social Change*, 124:257-270. Available from <https://doi.org/10.1016/j.techfore.2016.09.022>
- Savastano, M., Bellini, F., D'Ascenzo, F. & De Marco, M. 2019. Technology adoption for the integration of online–offline purchasing: Omnichannel strategies in the retail environment. *International Journal of Retail & Distribution Management*, 47(5):474-492.
- Schultz, C.D. & Gorlas, B. 2023. Magic mirror on the wall: Cross-buying at the point of sale. *Electronic Commerce Research*, 1-24.
- Sharma, V. 2017. *The retail bubble: How to survive and thrive with digital innovation*. Movableink.com. Available from <https://movableink.com/blog/the-retail-bubble-how-to-survive-and-thrive-with-digital-innovation> (Date accessed: 10 April 2022).
- Silva, E.S. & Bonetti, F. 2021. Digital humans in fashion: Will consumers interact? *Journal of Retailing and Consumer Services*, 60:102430.
- Smart Media. 2022. *Solution-driven, in-store innovation*. Available from <https://www.smartmedia.co.za/in-store-advertising/> (Date accessed: 5 June 2022).

- Stars and Strikes. 2020. *Different types of virtual reality*. Available from <https://www.starsandstrikes.com/blog/different-types-of-virtual-reality/> (Date accessed: 3 June 2022).
- StatsSA. 2023. *Beyond unemployment – time-related unemployment in the SA labour market*. Available from <https://www.statssa.gov.za/?p=16312> (Date accessed: 16 November 2023).
- Sürücü, L. & Maslakçi, A. 2020. Validity and reliability in quantitative research, *Business & Management Studies: An International Journal*, 8(3):2694-2726. doi:10.15295/bmij.v8i3.1540.
- Tan, Y.C., Chandukala, S.R. & Reddy, S.K. 2022. Augmented reality in retail and its impact on sales. *Journal of Marketing*, 86(1):48-66. Available from <https://doi.org/10.1177/0022242921995449>
- Taylor, J. 2018. *Retail customer experience: Creating measurable touchpoints for experiential retail*. Available from <https://www.retailcustomerexperience.com/blogs/creating-measurable-touchpoints-for-experiential-retail/> (Date accessed: 6 June 2022).
- Thukwana, N. 2021. *Take a look: Adidas has a new Sandton City store with digital mirrors and concierge service*, *Businessinsider*. Available from <https://www.businessinsider.co.za/adidas-concept-store-johannesburg-2021-6> (Date accessed: 28 October 2022).
- Vasesi, A.G. 2022. *Five key technologies set to enhance the fashion retail sector apparel Resources*. Available from <https://apparelresources.com/business-news/retail/five-key-technologies-set-enhance-fashion-retail-sector/> (Date accessed: 26 May 2023).
- Venkatesh, V., Thong, J.Y. & Xu, X. 2012. Consumer acceptance and use of information technology: Extending the unified theory of acceptance and use of technology. *MIS Quarterly*, 157-178. Available from <https://doi.org/10.2307/41410412>
- Walwyn, D. & Cloete, L. 2020. *South Africa has failed to harness the digital revolution: How it can fix the problem*. *The Conversation*. Available from <https://theconversation.com/south-africa-has-failed-to-harness-the-digital-revolution-how-it-can-fix-the-problem-147799> (Date accessed: 4 August 2022).
- Wold, S., Esbensen, K. & Geladi, P. 1987. Principal component analysis, *Chemometrics and Intelligent Laboratory Systems*, 2(1-3):37-52. doi:10.1016/0169-7439(87)80084-9.
- Wright, B. 2022. *H&M Group pilots smart mirrors in Cos US stores*. Available from <https://www.just-style.com/news/hm-group-pilots-smart-mirrors-in-cos-us-stores/> (Date accessed: 30 May 2023).
- Wunderlich, N.V., Heinonen, K., Ostrom, A.L., Patricio, L., Sousa, R., Voss, C. & Lemmink, J.G. 2015. “Futurizing” smart service: Implications for service researchers and managers. *Journal of Services Marketing*, 29(6/7):442-447.
- Xi, N. & Hamari, J. 2021. Shopping in virtual reality: A literature review and future agenda. *Journal of Business Research*, 134:37-58.

Yong, A.G. & Pearce, S. 2013. A beginner's guide to factor analysis: Focusing on exploratory factor analysis, *Tutorials in Quantitative Methods for Psychology*, 9(2):79-94. doi:10.20982/tqmp.09.2.p079.

FACTORS INFLUENCING CUSTOMER SATISFACTION IN ONLINE RETAILING: A MODERATION OF RELATIONSHIP LENGTH

Thabang Mofokeng

ABSTRACT

Satisfying customers is a primary goal in the field of marketing, which online retailers have sought to maximise over decades. The objective of this study is to measure relationship length as a moderator of customer satisfaction with the perceived ease of use, information quality, privacy, security, and delivery time in online retailing in South Africa. The study's objective merges the TAM, D&M success model, and Expectancy Disconfirmation Theory (EDT). About 285 online shoppers were recruited in the online survey through a non-probability convenient sample method. Abiding with the research ethics, the questionnaire was granted access to the respondents who gave consent for voluntary or exit participation. Data were tabulated and analysed using SPSS 28 and AMOS 28. The results of the structural equation modelling validated the significant positive effects of delivery time, information quality, and perceived security on customer satisfaction in online retailing. Fulfilment of delivery time and information quality is significant for satisfaction of customers with short relationship length. Online retailers can maximise satisfaction of newer customers via strategic coordination of delivery time and information quality their websites present as these people have a short relationship length. Theoretical and practical implications are presented.

Keywords/phrases: customer satisfaction, delivery time, information quality, relationship length security.

1. INTRODUCTION

Customer satisfaction is the primary goal in marketing, which is more dominant in competitive environments (Garepasha, Aali, Zendehe & Iranzadeh 2021). Customer satisfaction influences loyalty positively (Bolton et al. 2000) and is an antecedent of loyalty (Oliver 1993; Reynolds & Beatty 1999). Satisfaction is crucial in online business, strongly building consumer loyalty towards a specific website (Garcia, Freire, Santos & Andrade 2020). Customer satisfaction has long been considered as an essential determiner of many favourable intentions and long-term consumer behaviour (Oliver 1999) related to increased customer loyalty and profitability, reduced operating expenditures, and enduring business success, thereby constituting the main area of business operations (Shaikh, Karjaluo & Häkkinen 2018).

For firms operating in retail e-commerce, e-Marketer (2017) projected that the worldwide retail e-commerce sales would have reached USD 2.290 trillion in 2017, making up 10.1% of the total retail sales. This share was expected to surpass 16% by 2021 when e-commerce sales reach USD 4.479 trillion. Lately, Statista (2023) projected that the revenue in the e-commerce market will reach US\$6.36bn in 2023. This revenue is expected to show an annual growth rate (CAGR 2023-2027) of 11.89%, generating an anticipated market volume of US\$9.97bn by 2027. Compound annual growth rate (CAGR 2023-2027) in retail e-commerce sales in South Africa is estimated at 12.52% compared to 14.63% in Brazil. This signals that online retailers in emerging market like South Africa need a strategic tactic to implement online retailing qualities fulfilling customer satisfaction in the length of relationship, which shows why this area of study is important in online retailing.

Of interest, this study examines the indirect effect of moderator variable (relationship length) on the relationships between online retailing attributes (i.e. perceived ease of use, information quality, privacy, security, and delivery time) and customer satisfaction in online retailing. Length of relationship is the process of prediction and the calculative process that explain why trust of the selling firm increases with the length of the buyer-supplier relationship (Doney & Cannon 1997).

Specifically focusing on the retail industry, only limited research (e.g., Dorai, Balasubramanian & Sivakumaran 2021; Shaikh et al. 2018) has considered the moderating effects on the online retailer-customer satisfaction relationship length. Research measured the effects of relationship length on customer profitability after a service recovery (Béal, Sabadie & Grégoire 2019). Bolton (1998) measured the relationship duration in telecommunications applying a longitudinal study in the contractual service arena. Xu (2022) reports the antecedents of service trust, the effect of service trust on loyalty through commitment factors, and the moderating effect of length of relationship in China's hotel services.

In view of these research scarcities, the goal of this study is to first extend the knowledge of the relationships between customer perceptions of online retailing attributes and customer satisfaction in the online retailing context. Second, this research aims to contribute to the empirical literature about online retailers. It will achieve this by examining why customers shop in online retail stores and by formally examining the indirect effect of relationship length on the relationships between online retailing attributes and customer satisfaction. There are no scholarly works looking explicitly at the moderating effect of customer relationship length and perceptions of ease of use, information quality, privacy, security, and delivery time in online retailing firms. It is, therefore, beneficial to examine how different degrees to which customer relationship length and online retailing attributes adopted may influence the satisfaction in the emerging market of South Africa.

This paper proceeds as follows: Next, the research problem statement will be discussed. The research objectives will be stated thereafter. Subsequently, the research model and the hypotheses related to objectives will be presented, followed by the presentation of the research method and the results. A discussion of the findings, the contributions of this study, the limitations, and the recommendations for future research will conclude this study.

2. PROBLEM STATEMENT

According to Doney and Cannon (1997), the length of a buyer's relationship with a salesperson should enhance trust because it provides assurance that the salesperson's future behaviour will mirror past behaviour. Empirical results indicate that length of prior experience enhances the positive association between satisfaction and subsequent relationship duration (Bolton 1998). Prior research (e.g., Dorai et al. 2021; Shaikh et al. 2018) has measured the moderating effects on the online retailer-customer satisfaction relationship length. Dorai et al. (2021) found that relationship duration dampens the effect of antecedents on relationship quality (RQ), while it strengthens the relationship between relationship quality and self-brand connection, loyalty. This point to the role of relationship duration in moderating self-brand connect, loyalty after relationship quality is experienced. Relationship quality's effect on self-brand connection is hastened for longer duration customer relationships compared to new customers. Shaikh et al. (2018) reveal that relationship length exerts a positive effect on the relationship between SAT and eWOM. Therefore, the longer a customer has made purchases from a store, the stronger the relationship between satisfaction and eWOM about this discount retailer in Finland. Nevertheless, Menidjel, Bilgihan and Benhabib (2020) suggested that future studies could

explore the potential moderating role of constructs, such as relationship length and familiarity in the retail industry.

In electronic retailing, customers evaluate online shopping in terms of many factors. These include easy site navigation, information, services offered, product perception and risk, privacy, security, product variety, personalisation, visual attractiveness, entertainment, payment methods, quick checkout, delivery terms, etc. (Brusch, Schwarz & Schmitt 2019; Garcia et al. 2020; Haridasan & Fernando 2018). Therefore, it becomes necessary for this study to investigate the relationship length as a moderator of customer satisfaction with the perceived ease of use, information quality, privacy, security, and delivery time in online retailing South Africa. Prior studies have not examined this conceptualisation, which points out why existing studies are insufficient. In other words, these arise important questions in the existing literature, which remain unresolved, that the current study seeks to answer. Customers increasingly demand delivery timelines, security, reliable e-commerce experience, etc. (Garcia et al. 2020). This study addresses this research gap explicit in the online retailing literature by measuring how customer satisfaction is influenced by online retailing attributes (i.e. perceived ease of use, information quality, privacy, security, and delivery time) when probing the customer relationship length as a moderator in online retailing setting.

Research has shown the importance of measuring satisfaction's significant role in stimulating online shopping behaviour (Ahmad, Rahman & Khan 2017; Anderson & Srinivasan 2011; Mofokeng 2021). However, these studies have not assessed the role of relationship length in moderating the relationships between specific dimensions such as ease of use, information quality, privacy, security, delivery time, and customer satisfaction in online retailing. Due to these research deficiencies, this study seeks to pursue the following research questions: How can online retailers maximise customer satisfaction in online retailing via strategic implementation and professional management of these factors? How could this differ based on customers' relationship length?

3. RESEARCH OBJECTIVES

Despite benefits like ease of navigation, convenience, and delivery, consumers' privacy concerns and security remain considerable obstacles to the growth of e-commerce (Khan, Zubair & Malik 2019). In the literature, Garcia et al. (2020) recommend more studies to examine the factors that lead to customer dissatisfaction and analyse the weakening of the brand that may exist after collective purchasing campaigns are over.

- The primary objective of this study is to investigate the effect of perceived ease of use, information quality, privacy, security, and delivery time on customer satisfaction.
- The study also examines the relationship length as a moderator between these online retailing attributes and customer satisfaction in the South African online retailing context.

4. LITERATURE

4.1. THEORETICAL FRAMEWORK

Customers' online shopping satisfaction, trust, and repurchase intention is comprised of their cognitive (i.e., driven by customer-perceived telepresence and challenge when using shopping websites) as well as their affective online experience (i.e., driven by customer-perceived ease-of-use, customisation, connectedness, and perceived benefits of shopping websites) (Steinhoff, Arli, Weaven & Kozlenkova 2018). Considering e-service quality, the website attributes of

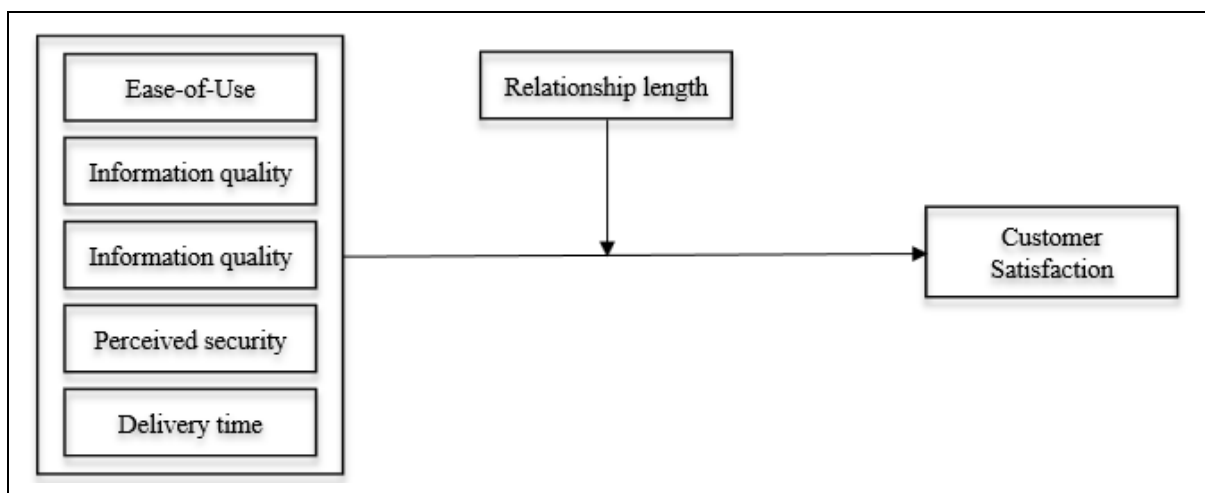
ease of use, security protection, efficiency and privacy are essential (Al-dweeri, Moreno, Montes, Obeidat & Al-dwairi 2019). Research shows that the greater the e-service quality, the greater the e-customer satisfaction (Al-dweeri et al. 2019; Garcia et al. 2020). Jewellery retailers, for instance, include product variety, transaction safety, verification, packaging, value for money, and delivery time as primary attributes driving consumers towards online purchases (Haridasan & Fernando, 2018). These factors help to increase the firm's financial performance and build a competitive advantage through superior electronic commerce services (Al-dweeri et al. 2019).

This study aims to measure how customer satisfaction, from the Expectancy Disconfirmation Theory (EDT) perspective (Oliver 1980), is influenced in an online environment by the Technology Acceptance Model (TAM) dimension of perceived ease of use (Davis 1989) and the D&M IS success model factor of information quality (DeLone & McLean 1992, 2003). By merging these theories in the literature, this study's approach offers a multi-dimensional view of the theoretical framework that will grow business-to-consumer (B2C) e-commerce success. First, Davis (1989) developed TAM; it suggests that users' decision to adopt an information technology (IT) is primarily determined by their attitudes toward the two vital elements: (1) usefulness and (2) ease of use. In TAM, the behavioural intention to use is jointly influenced by attitude and usefulness, where the latter directly affects the former. Moreover, ease of use directly influences usefulness and attitude. Generally, TAM explains and predicts individual acceptance of IT. The ease of use dimension is essential to customer usage of computer technologies (Davis 1989). Therefore, this study focuses on perceived ease of use as a vital element in the acceptance of IT influencing customer satisfaction. Prior studies measured TAM to confirm that PEOU will positively affect online customer PU of technologies in many contexts such as social media marketing (Elareshi, Habes, Safori, Attar, Al adwan & Al-Rahmi 2023), and online shopping (Ijaz & Rhee 2018). In addition, perceived usefulness and ease of use positively affect the attitude of social customers to use Instagram (Nedra, Hadhri & Mezrani 2019). Second, the D&M IS success model measures system quality, service quality, and information quality as the three main predictors of user satisfaction with the information system (DeLone & McLean, 1992, 2003). This model has been adopted in many studies in the information systems literature (Hsiao, Lin, Wang, Lee & Zhang 2019; Hsieh, Lee & Tseng 2021; Sharma & Aggarwal 2019; Tzeng, Ertz, Jo & Sarigollu 2020). Lastly, Oliver (1980), who built the EDT, argued that if the service experience greatly exceeds the expectation clients had of the service, satisfaction will be high. Kim, Ferrin and Rao (2009) admitted that Oliver's (1980) definition of expectation is rather broader to include two aspects such as a predictive expectation (i.e., a probability of occurrence) and an evaluative expectation (an evaluation of the occurrence), which are in line with the "should expectation" and "will expectation." According to the expectations-disconfirmation theory, customers are satisfied when they believe a website delivered what they expected (Chang & Chen 2009). In Oliver's (1999:34) theory, confirmation is a state when consumer evaluations of transaction performance are greater than or equal to their expectations (i.e., perceived performance is more excellent than expectations, or perceived performance equals or exceeds expectations). At the same time, disconfirmation is a state when performance evaluations are not good enough to fulfil the expectations. A positive confirmation leads to a relatively higher level of satisfaction (Oliver 1980). Yen and Lu (2008) agree that a moderate satisfaction level will be maintained by confirmation, enhanced by the delight of positive disconfirmation, and decreased by the disappointment of negative disconfirmation. McKinney, Yoon and Zahedi (2002) show that satisfaction with information quality and service quality is affected by customers' prior expectations formed from prior experiences and exposure to retailers' marketing efforts, the possible discrepancies (e.g., disconfirmation) between expectations, and the perceived

performance of the website. Oliver and Balakrishnan (1994) measured the EDT perspective as determinant of customer satisfaction. Drawing on the EDT-based model, Yen and Lu (2008) measured the determinants of buyer loyalty intention in online auctions. The results showed that e-service quality dimensions, i.e. efficiency, privacy protection, contact, fulfillment, and responsiveness, affect buyer's disconfirmation. Bhattacharjee (2001) shows how information systems affect user continuance behaviour from the perspective of an expectation-confirmation model. Despite a considerable amount of research applying EDT to IS usage or e-commerce, it remains unknown how the unified role of the dimensions of the TAM and D&M IS success model, including security and privacy, affect customer satisfaction when assessing the moderating effect of relationship length in online retailing. Figure 1 presents the theoretical framework examining the relationships between these factors measured in this study, as discussed in the next section.

5. DEVELOPMENT OF THE HYPOTHESES

FIGURE 1: THEORETICAL FRAMEWORK



Source: Own construction

5.1. PERCEIVED EASE OF USE (PEOU)

Perceived ease of use refers to the degree to which users perceive the ease of interactions with the online retailer's website and can complete the shopping activity with less effort (Davis 1989). Perceived ease of use, relative to usefulness, positively influences consumers' trust in online shopping (Mofokeng 2023), social media for e-retailers services (Alzaidi & Agag 2022), and online travel websites (Agag & El-Masry 2016). Faqih (2016) found that there was a strong positive relationship between perceived ease of use and consumer's behavioural intention to adopt Internet shopping technology. Sreeram, Kesharwani and Desai (2017) examined the factors affecting satisfaction and loyalty in an integrated model following TAM. They found that PEOU has a positive impact on behavioural intention to use online grocery shopping. Trivedi and Yadav (2020) report that e-satisfaction mediates significantly the effect of PEOU on repurchase intention. Therefore,

H₁: Perceived ease of use has a significant positive effect on customer satisfaction in online retailing.

5.2. INFORMATION QUALITY (IQ)

Delone and McLean (2003) defined information quality as users' perception of information accuracy, relevance, and timeliness. Ageeva, Foroudi, Melewar, Nguyen and Dennis (2020) showed that the more favourable consumers perceive the information design or content, the more favourable attitude consumers will have towards the corporate website favourability. In the field of marketing, Chandrashakaran, Rotte, Tax and Grewal (2007) show that favourable service quality attributes increase satisfaction levels and strength, which supports the empirical evidence that leans on the effect of information quality on customer attitudes. Favourable information develops attitudinal favourability and strength, but unfavourable information destroys attitudinal favourability and increases users' uncertainty. The literature shows that perceived product/service information quality directly affects customer satisfaction behaviour (Tzeng et al. 2020). Research shows that information quality positively affects user satisfaction of mobile applications (Hsiao et al. 2019), user satisfaction of m-payment (Franque, Oliveira & Tam 2021), and user satisfaction of online brand community participation (Hsieh et al. 2022). Tzeng et al. (2020) report that the disconfirmation of information quality expectations on Singles' Day (SD) specials is positively linked to overall satisfaction of SD shopping. Therefore,

H₂: Information quality has a significant positive effect on customer satisfaction in online retailing.

5.3. PERCEIVED PRIVACY

Refers to the perceptions that legal requirements and good practices exist to manage personal data (Casalo, Flavián & Guinalú 2008). Though some of the customers may be willing to provide their personal information to some extent, based on which the firms track their preferences, knowingly or unknowingly, most of them may not be willing to do so due to privacy concerns (Sharma & Aggarwal 2019). Privacy positively affects purchase intention (Goutam, Ganguli & Gopalakrishna 2021). Trivedi and Yadav (2020) report that for the relationship between privacy concerns and e-satisfaction, the coefficients showed positive results. Sharma and Aggarwal (2019) found that there is a significant relationship between WSQ (i.e. privacy) and e-commerce success such as customer satisfaction. Using the eTailQ scale, Ahmad et al. (2017) confirmed that privacy positively influences e-satisfaction. Therefore,

H₃: Privacy has a significant positive effect on customer satisfaction in online retailing.

5.4. PERCEIVED SECURITY

Perceived security refers to the perception that technical guarantees involving legal requirements and good practices related to privacy will be met (Casalo et al. 2008). The emerging stories of security failure and privacy breaches have led to an increased fear among customers about the leakage of their personal financial information to an unknown party (Raman 2019). As such, security of online shopping has a positive effect on customer satisfaction (Vasić Kilibarda & Kaurin 2019). E-satisfaction was also found to mediate the effect of security concerns on repurchase intention significantly (Trivedi & Yadav 2020). Therefore,

H₄: Perceived security has a significant positive effect on customer satisfaction in online retailing.

5.5. DELIVERY TIME

Delivery is the amount of time necessary for the package to go from the distribution centre to the customer's door. From the view of customers, timely delivery is another crucial factor that may trigger a perception of unreliability towards a retailer's website if delivery schedules are repetitively delayed (Al-Adwan & Al-Horani 2019; Mofokeng 2021). Tzeng et al. (2020) note that delivery constitutes an essential part of service quality to the point that it can affect all main components of the value proposition, and reliable and timely delivery is a basic expectation for online shoppers. These scholars found that the disconfirmation of delivery service expectations on the Singles' Day (SD) special is positively related to overall satisfaction on SD in China. Mofokeng (2021) found a significant positive effect of delivery time on online shopping customer satisfaction. Vakulenko, Shams, Hellström and Hjort (2019) show a significant effect of the last mile delivery on customer satisfaction. Xiao, Wang and Liu (2018) report that the number of delivery stations have a significant positive effect on the level of satisfaction with delivery services. Therefore,

H₅: Delivery time has a significant positive impact on customer satisfaction in online retailing.

5.6. CUSTOMER SATISFACTION

Customer satisfaction is an affective response to a purchase and an important goal in consumer marketing (Chang & Chen 2009:412). In traditional marketing theory, Oliver (1997:23) defines customer satisfaction as "the summary psychological state that occurs when the customer's emotion surrounding disconfirmed expectations is coupled with his or her prior feelings about the consumption experience". From his view, "satisfaction may be best understood as an ongoing evaluation of the surprise inherent in a product acquisition and consumption experience." Anderson and Srinivasan (2003:125) examined the impact of customer satisfaction in the context of e-commerce and defined e-satisfaction as "the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm". Generally, higher perceived performance than a customer's expected level (i.e., a positive confirmation) will lead to a relatively higher level of satisfaction (Oliver 1980). When adopting Oliver's conceptual definition of expectation, Kim et al. (2009:242) define expectation as "what consumers predict they should and will receive from the e-tailer through a specific current e-commerce transaction". These authors argued that expectations are not only an essential source of information considered (along with confirmation) to arrive at one's level of satisfaction but also that individuals are biased toward adjusting their satisfaction level to be consistent with prior expectations. Anderson and Srinivasan (2003) note that while satisfaction measures seem to be an important barometer of how customers are likely to behave in the future, there are two issues to be considered: First, satisfaction measures are likely to be positively biased, and second, establishing the relationship between satisfaction and repurchase behaviour has been elusive for many firms. It must be recognised that satisfaction is not a direct indicator of attitudinal loyalty, as some satisfied customers still defect. For example, more than half of the satisfied customers can switch to another retailer and "only satisfying customers is insufficient to keep them loyal (Kassim & Abdullah 2008). When identifying customers who are vulnerable to defect despite their stated high levels of satisfaction, Chandrashekar et al. (2007) report that satisfaction may translate into customer loyalty when it is strongly held (i.e., low uncertainty), the translation is significantly lowered, on average, by almost 60% when the same satisfaction is more weakly held (i.e., high uncertainty).

5.7. MODERATING VARIABLE: RELATIONSHIP LENGTH

Notwithstanding the prior studies examining online shopping experience in terms of number of years (e.g., >1 year, 1–2 year, 3–4 year, etc.) (Mofokeng 2021), this study examines relationship length (how long have you been using website) as a moderating variable. The length of the relationship is an important variable to investigate as it implies that a consumer has had sufficient service encounters with the service provider to acquire more information about the retailer over a period (Shaikh et al. 2018). Duration provides consumers and firms with more behavioural information which allows for better prediction and strengthened relationships. Compared to new customers, those having longer relationships are familiar with the service levels, derive greater benefits and are in a better position to experience relationship quality (Dorai et al. 2021). This creates a logical relationship dynamic between the consumer and the retailer such that more encounters the consumer has with the retailer, the more he or she accumulates information about and experience with the partner. As the relationship extends, two important changes occur: customers become more experienced with both the service provider with which they are transacting and the market in which the provider competes (Shaikh et al. 2018). In addition, relationship quality, such as trust and commitment that strengthens the relationship between two parties, can vary depending on the length of relationship, which is a very important factor in the relationship-building process (Xu 2022). Prior studies have validated this posture by elucidating that an increasing, as well as a sustainable relationship length, positively affect satisfaction and perceived value. Along the same lines, both Bolton (1998) and Verhoef (2003) argue that the longer the relationship, the higher tends satisfaction to be. Indeed, relationship length (i.e., the duration in years of a firm-customer relationship according to Verhoef, Franses & Hoekstra 2001) is an important relationship variable to consider, as managers in many service industries (e.g., banks, insurance companies, internet service providers, and most contractual services) seek to develop long-term relationships over decades (Béal et al. 2019). The question of how relationship length moderates the relationship between online retailing attributes and the satisfaction has not been widely articulated in studies within the emerging market context, and therefore, the answer remains elusive. Therefore,

H₆: Relationship length significantly moderates the effect of online retailing attributes (a, perceived ease of use; b, information quality; c, privacy; d, security; and e, delivery time) on customer satisfaction.

6. METHODOLOGY

6.1. MEASUREMENT SCALES

The measurement scale items (Table 2) measuring multi-dimensions of Perceived ease of use (PEoU) (Hartono, Holsapple, Kim, Na & Simpson 2014), Information quality (Park & Kim 2003), Perceived security (PS) (Brusch et al. 2019), Privacy (Chen, Ling, Ying & Meng 2012), On-time delivery (OD) (Liu, He, Gao & Xie 2008), and Customer satisfaction (Chen et al. 2012) were adapted in this study. These scale items were validated by literature studies and adapted to suit the objective of this research. Each item scale measured responses on a five-point Likert scale distribution from “strongly disagree” (5) to “strongly agree” (1), and (3) “neutral anchor”.

6.2. SAMPLING AND DATA COLLECTION

Consumers in online retailing seek satisfaction while shopping from websites. Figure 1 shows quality dimensions determining consumer satisfaction in online shopping. The target participants for this study were customers of major South African online retailers. Participants were recruited using convenience sampling method. Data was collected from an online survey. The questionnaire link was accessed through the research firm's website. The questionnaire was self-administered. Only the respondents who provided consent for voluntary participation accessed the link of this study. Hair, Black, Babin and Anderson (2009) recommend the study to target a sample based on two criteria: accessible respondents (1) must be over 18 years old but not exceed 65 years old, and (2) have used online retailing website/s services to purchase a product or a service recently. A pilot study pre-test the questionnaire on a smaller sample of 50 respondents. Minor adjustments were made to improve the quality and clarity of the questionnaire. A total of 285 complete responses were collected from May to July 2020. The research ethics (e.g., rights to participate, anonymity, data privacy, etc.) were maintained. The study was approved by the institutional ethical committee.

7. RESULTS

Data analysis on the respondent's demographic traits and the moderation analyses were conducted using SPSS 28. Structural equation modelling, which is a two-step analysis method, was conducted using AMOS 28. Table 1 shows the sample data profile in the form of percentages. 38.6% of the respondents were males, and the 61.4% majority were females. 63.5% of them were in the age group between 18 – 24 years old. 37.9% of the respondents shop at Takealot.com, 29.1% indicate monthly spending over R6 000, and 28.8% less than 3 years of the relationship length.

TABLE 1: DEMOGRAPHIC DATA (N = 285)

Variable	Category	Frequency	%
Gender	Male	110	38.6
	Female	175	61.4
Age	18-24	181	63.5
	25-29	57	20.0
	30-34	21	7.4
	35-49	21	7.4
	50-65	5	1.8
Spending	< R1 000	49	17.2
	> R1 000 to R2 000	77	27.0
	> R2 000 to R3 000	43	15.1
	> R3 000 to R4 000	15	5.3
	> R4 000 to R5 000	18	6.3
	> R6 000	83	29.1
Experience	< 6 months	86	30.2
	< 1 year	76	26.7
	< 3 years	82	28.8
	< 5 years	29	10.2
	< 10 years	10	3.5
	> 10 years	2	0.7

Source: Own construction, based on analysis

7.1. COMMON METHOD OF BIAS

Common method bias (e.g., variance or bias that is attributable to the measurement method rather than to the constructs the measures represent) (Podsakoff, MacKenzie, Lee & Podsakoff 2003), was assessed using Herman' single-factor test on the SPSS 28. The results of the one factor-model that combined all scale items of multiple constructs in the study into one factor showed 35.27% of the variance, which is below 40% threshold (Babin, Griffin & Hair 2015). To validate the amount of variance explained by one factor, the study used AMOS 28. The aim was to examine the extent to which each of the scale items loading into a single factor can be contaminated with the common method variance. The fit of this one-factor model ($\chi^2 = 484.355 / 250, p < 0.001, \chi^2/df = 21.937$; RMR = 0.04; CFI = 0.93; TLI = 0.92; IFI = 0.93; and RMSEA = 0.05) is significantly worse ($\Delta\chi^2 = 252.272, \Delta df = 95, p < 0.001$) than that of the hypothesised CFA model ($\chi^2 = 232.083 / 155, p < 0.001, \chi^2/df = 1.497$; CFI = 0.97; TLI = 0.96; IFI = 0.97; and RMSEA = 0.04). With 35.27% of the variance, which is below 40% threshold; it means common method variance does not inflict the effect on observed relationships measured in this study.

7.2. MEASUREMENT MODEL

The analysis of the measurement model, followed by the structural model, was conducted using AMOS 28. In step one, a confirmatory factor analysis (CFA), which magnets the interrelationships of constructs in the model to evaluate the maximum likelihood estimates, and its psychometric properties (Anderson & Gerbing 1988) was conducted. Covariance-based matrix measured the 25 items of the following constructs: perceived ease of use, perceived security, delivery time, privacy, information quality, and customer satisfaction to assess measurement properties in Table 2. The results showed that the first CFA had the standardised factor loadings above 0.5, considered significantly reliable (Hair et al. 2009). As seen in Table 2, all the items met this requirement. Nevertheless, it is important to realise that a standardised factor loading above 0.7 indicates good internal consistency reliability (Hair, Risher, Sarstedt & Ringle 2019). The study examined the symmetric matrix of each residual covariance divided by an estimate of its standard error. When a large sample is used, these standardised residual covariances should provide a standard normal distribution if most of them have less than two absolute values, thus showing the model correctness (Jöreskog & Sörbom 1984). The Cronbach alpha (α) of each construct exceeded the threshold of 0.7 (Hair et al. 2019), ranging from the lowest 0.747 on privacy to the highest 0.906 on customer satisfaction. All the constructs showed good reliability of the scales.

While the first measurement model had adequate fit indices ($[\chi^2 = 504.370 / 260, p < 0.001, \chi^2/df = 1.940$; CFI = 0.93; TLI = 0.92; IFI = 0.93; and RMSEA = 0.05), however, after the series of rotations, the second CFA presented in Table 2 showed that some of the weak standardised factor loadings were deleted. Then, discriminant validity of the measurement model was assessed. Table 3 shows the results of the discriminant validity. The composite reliability (CR) > 0.7 , and the average variance extracted (AVE) > 0.5 , together showed good convergent validity (Fornell & Larcker 1981; Hair et al. 2019). The square root of the AVE (\sqrt{AVE}) – diagonal bold values – showed estimates exceeding the interaction of each construct with the others in the scale, thus verifying discriminant validity (Fornell & Larcker, 1981). The second measurement model had more significant adequate fit indices ($[\chi^2 = 232.083 / 155, p < 0.001, \chi^2/df = 1.497$; CFI = 0.97; TLI = 0.96; IFI = 0.97; RFI = 0.90; NFI = 0.92]; and RMSEA = 0.04).

TABLE 2: CONFIRMATORY FACTOR ANALYSIS

Codes	Items	CFA1		CFA2		α
		β	t	β	t	
EOU ₁	It is easy to place an order on this website.	0.723	12.051	0.721	11.852	0.809
EOU ₂	It is easy to shop on this website.	0.564	9.192	-	-	
EOU ₃	It is easy to learn the shopping procedure on the website.	0.813	13.406	0.812	12.823	
EOU ₄	Everyone can easily master the shopping procedure on this website.	0.805	Fixed	0.823	Fixed	
IQ ₁	This site provides up-to-date information.	0.649	9.365	-	-	0.827
IQ ₂	This site provides sufficient information.	0.694	9.908	-	-	
IQ ₃	This site presents information easy to understand.	0.613	8.927	-	-	
IQ ₄	The information on the website is consistent.	0.687	9.821	0.680	Fixed	
IQ ₅	The information on the website is playful.	0.688	9.837	0.774	10.473	
IQ ₆	The information on the website is relevant.	0.658	Fixed	0.696	9.748	
PRV ₁	The website clearly explains how user information is used.	0.737	Fixed	0.732	Fixed	0.747
PRV ₂	Only the personal information necessary for the transaction to be completed needs to be provided.	0.595	8.468	0.594	8.444	
PRV ₃	Information regarding the privacy policy is clearly presented.	0.790	9.632	0.795	9.565	
SEC ₁	The website provides security precautions to ensure secure payments.	0.779	14.320	0.782	14.489	0.889
SEC ₂	The website has the contents of the data protection declaration.	0.807	Fixed	0.812	Fixed	
SEC ₃	The website displays guarantees offered.	0.848	15.944	0.846	16.034	
SEC ₄	The website obeys data protection rules.	0.851	16.006	0.847	16.056	
DEL ₁	The product is delivered by the time promised by the company.	0.699	11.536	0.697	11.527	0.839
DEL ₂	I get what I ordered from this website.	0.761	12.642	0.761	12.659	
DEL ₃	The items sent by the website are well packaged and perfectly sound.	0.831	13.762	0.831	13.798	
DEL ₄	I am satisfied with the delivery mode of the website (post, express delivery, home delivery).	0.767	Fixed	0.768	Fixed	
SAT ₁	I like to buy products from this website.	0.769	16.075	-	-	0.906
SAT ₂	I am pleased with the experience of purchasing products from this website.	0.889	20.776	0.885	20.244	
SAT ₃	I think buying products from this website is a good idea.	0.828	18.273	0.822	17.954	
SAT ₄	I am satisfied with the experience of purchasing products from this website.	0.885	Fixed	0.895	Fixed	

Source: Own construction, based on analysis

TABLE 3: DISCRIMINANT VALIDITY

	CR	AVE	SAT	SEC	PRIV	EOU	DEL	IQ
SAT	0.901	0.753	0.868					
SEC	0.893	0.676	0.509	0.822				
PRIV	0.753	0.507	0.390	0.422	0.712			
EOU	0.829	0.619	0.364	0.316	0.252	0.787		
DEL	0.850	0.586	0.677	0.410	0.389	0.311	0.766	
IQ	0.761	0.515	0.630	0.632	0.464	0.494	0.600	0.718

Note: Composite Reliability (CR), Average Variance Extracted (AVE), the bold values ($\sqrt{\text{AVE}}$)

Source: Own construction, based on analysis

7.3. STRUCTURAL MODEL

The direct and indirect effects of the exogenous and indigenous variables were tested and validated using structural model on AMOS 28. In the second step, the model specified the hypotheses to assess the maximum likelihood estimations of the theorised paths (Anderson & Gerbing 1988). Structural model hypothesised that perceived ease of use (H₁), Information quality (H₂), Privacy (H₃), Perceived security (H₄), and On-time delivery (H₅) have positive significant impact on Customer satisfaction, moderated by relationship length (H₆). The fit indices show an adequate model fit ($[\chi^2 = 232.083 / 155, p < 0.001, \chi^2/df = 1.497; CFI = 0.97; TLI = 0.96; IFI = 0.97; RFI = 0.90; NFI = 0.92];$ and RMSEA = 0.04). Table 4 shows that on-time delivery ($\beta = 0.453, p < 0.001$) has a positive significant effect on customer satisfaction. This was followed by information quality which has a positive significant effect on customer satisfaction ($\beta = 0.215, p < 0.05$). Perceived security also has a positive significant effect on customer satisfaction ($\beta = 0.153, p < 0.05$). Thus, H₅, H₂, and H₄ were accepted, respectively. Perceived ease of use ($\beta = 0.060, p > 0.330$) and privacy ($\beta = 0.035, p > 0.587$) did not have a positive significant impact on customer satisfaction. Thus, H₁ and H₃ were rejected. These results allow the continuation of the analysis to examine the moderating effect of relationship length (H₆) in the next section.

TABLE 4: SUMMARY RESULTS OF THE STRUCTURAL MODEL

	Dep. Variable	Indep. Variable	B	t	p	Results
H ₁	SAT	EOU	0.060	0.974	0.330	Reject
H ₂	SAT	IQ	0.215	2.100	0.036	Accept
H ₃	SAT	PRIV	0.035	0.543	0.587	Reject
H ₄	SAT	SEC	0.153	2.155	0.031	Accept
H ₅	SAT	DEL	0.453	6.147	0.001	Accept

Note: $p < 0.001$ ***; 0.01 **; 0.05 *

Source: Own construction, based on analysis

7.4. MODERATION ANALYSIS: RELATIONSHIP LENGTH

The study was aimed to measure relationship length as a moderator of customer satisfaction when customers perceive ease of use, information quality, privacy, security, and delivery time in online retailing South Africa. The study used the PROCESS Procedure for SPSS Release 2.041, enabling to assess the Johnson-Neyman conditioning method regarding the relationship length (Hayes 2013), at 95% level of confidence intervals. Number of bootstrap samples for percentile bootstrap confidence intervals was 5000. Table 5 shows the results of the moderation of relationship length.

TABLE 5: THE RESULTS OF THE MODERATION OF RELATIONSHIP LENGTH

Model 1: The impact of product delivery on customer satisfaction							
	coeff	t	p	BootMean	BootSE	BootLLCI	BootULCI
Constant	-0.1986	-0.4175	0.6767	-0.1748	0.5260	-1.1614	0.8661
Delivery	0.9869	8.6699	0.0000	0.9816	0.1198	0.7457	1.2023
Length	0.5298	2.7075	0.0074	0.5248	0.2017	0.1470	0.9249
Int_1	-0.1053	-2.2304	0.0268	-0.1041	0.0463	-0.1947	-0.0153

Model 2: The impact of information quality on customer satisfaction							
	coeff	t	p	BootMean	BootSE	BootLLCI	BootULCI
Constant	-0.5045	-0.6644	0.5072	-0.4880	0.9074	-2.2582	1.3461
Information	1.0783	5.8322	0.0000	1.0747	0.2152	0.6407	1.4871
Length	0.6999	2.2846	0.0234	0.6984	0.2950	0.1213	1.2773
Int_1	-0.1457	-1.9398	0.0538	-0.1454	0.0703	-0.2849	-0.0083
Model 3: The impact of perceived security on customer satisfaction							
	coeff	t	p	BootMean	BootSE	BootLLCI	BootULCI
Constant	2.0862	3.9100	0.0001	2.1094	0.6069	0.9823	3.3318
Security	0.4783	3.4932	0.0006	0.4720	0.1487	0.1653	0.7490
Length	0.2048	0.9232	0.3570	0.1977	0.2137	-0.2248	0.6068
Int_1	-0.0292	-0.5099	0.6107	-0.0272	0.0521	-0.1263	0.0779

Source: Own construction, based on analysis

Table 5 shows Regression Model 1 indicating that, $R^2 = 0.5309$, 53.09% of the effect of product delivery on customer satisfaction is significantly moderated by relationship length ($\beta = -0.1053$; $t = -2.2304$, $p < 0.0268$) (BootLLCI = -0.1947; BootULCI = -0.0153). Regression Model 2 showed that, $R^2 = 0.3428$, 34.28% of the effect of information quality on customer satisfaction is significantly moderated by relationship length ($\beta = -0.1457$; $t = -1.9398$, $p < 0.0538$) (BootLLCI = -0.2849; BootULCI = -0.0083). Lastly, regression Model 3 showed that, $R^2 = 0.2203$, 22.03% of the effect of perceived security on customer satisfaction was not significantly moderated by relationship length ($\beta = -0.0292$; $t = -0.5099$, $p < 0.6107$) (BootLLCI = -0.1263; BootULCI = 0.0779). Thus, H_{6b} and H_{6e} were accepted. The positive significant impact of information quality and product delivery on customer satisfaction is significantly moderated by relationship length.

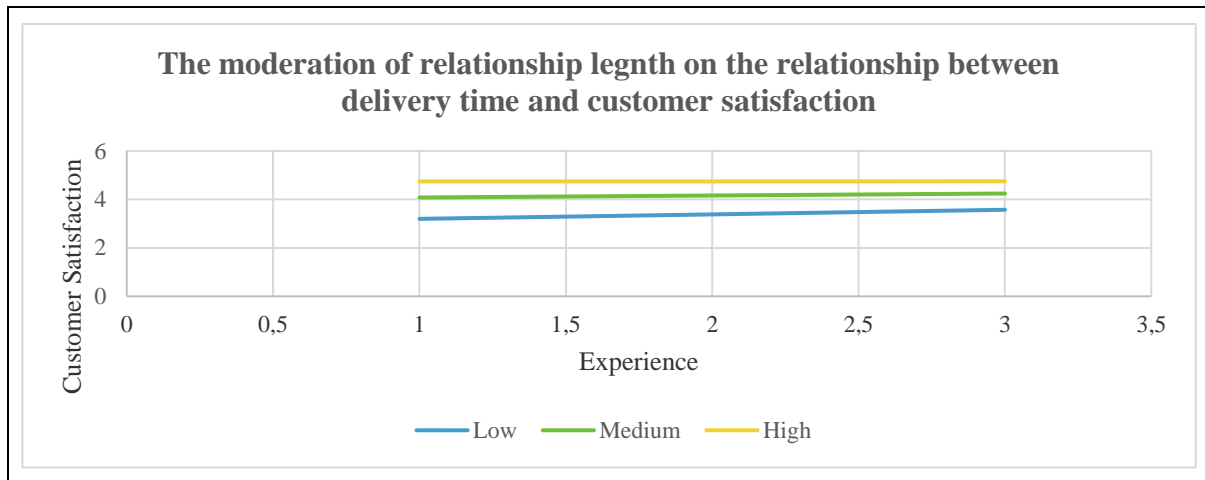
The results of the conditional effects in Figure 2, and Table 6 reveal that the effect of delivery time on customer satisfaction is strongly significant for customers with short relationship length ($\beta = 0.8816$, $t = 11.7380$, $p < 0.0000$) (LLCI = 0.7335; ULCI = 1.0297), than long relationship length ($\beta = 0.6709$, $t = 10.1244$, $p < 0.0000$) (LLCI = 0.5402; ULCI = 0.8016). Fig. 4, and Table 6 show the effect of information quality on customer satisfaction as strongly significant for customers with short relationship length ($\beta = 0.9326$, $t = 7.7165$, $p < 0.0000$) (LLCI = 0.6942; ULCI = 1.1709) than long relationship length ($\beta = 0.6412$, $t = 6.6477$, $p < 0.0000$) (LLCI = 0.4510; ULCI = 0.8314). It shows that the effect of delivery time and information quality on customer satisfaction in online retailing is strongly significant for customers with short relationship length (i.e. new customers).

TABLE 6: CONDITIONAL EFFECTS

Model 1: Delivery time and customer satisfaction						
Length	Effect	Se	t	p	LLCI	ULCI
Low	0.8816	0.0751	11.7380	0.0000	0.7335	1.0297
Medium	0.7762	0.0528	14.7087	0.0000	0.6721	0.8803
High	0.6709	0.0663	10.1244	0.0000	0.5402	0.8016
Model 2: Information quality and customer satisfaction						
Length	Effect	se	t	p	LLCI	ULCI
Low	0.9326	0.1209	7.7165	0.0000	0.6942	1.1709
Medium	0.7869	0.0795	9.9032	0.0000	0.6302	0.9436
High	0.6412	0.0965	6.6477	0.0000	0.4510	0.8314

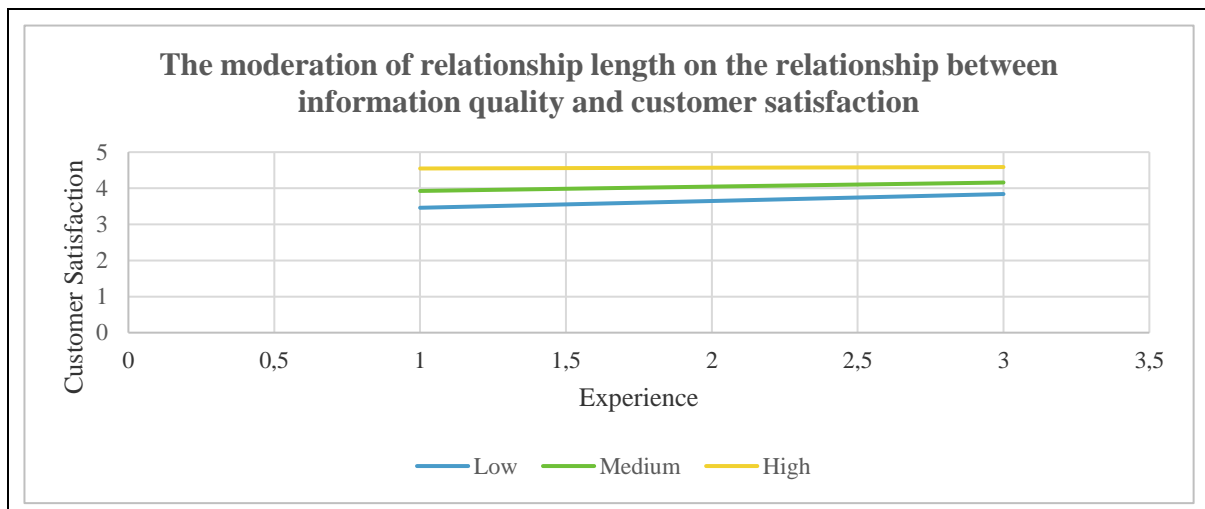
Source: Own construction, based on analysis

FIGURE 2: THE MODERATION OF RELATIONSHIP LENGTH ON THE IMPACT OF DELIVERY TIME ON SATISFACTION



Source: Based on analysis

FIGURE 3: THE MODERATION OF RELATIONSHIP LENGTH ON THE EFFECT OF INFORMATION QUALITY ON SATISFACTION



Source: Own construction, based on analysis

8. DISCUSSION

This study's results illustrate that the relationship length moderates the relationship between perceived information quality, and delivery time, and customer satisfaction, i.e. reinforcing the effect of these factors on satisfaction of customer with short relationship length. These results offered knowledge about this study's research question. Regarding the hypotheses, the results showed that delivery time significantly affects customer satisfaction in online retailing in South Africa. This result support an early work by Mofokeng (2021) who report a significant positive effect of deliver time on customer satisfaction in online shopping in South Africa. It shows that customers expect the delivery of the product to be on time, which meet their satisfaction for online shopping. This result complements many studies in literature. Tzeng et al. (2020) showed that the disconfirmation of delivery service expectations on the Singles' Day (SD) special - the world's biggest online shopping event - is positively related to overall satisfaction in China. Chen et al. (2012) confirm that delivery influences online shopping customer

satisfaction in China. Vakulenko et al. (2019) found that the path of last mile delivery to customer satisfaction is also significant. Xiao et al. (2018) found that number of delivery stations have a significant positive effect on the level of satisfaction with delivery services.

Unlike Ahmad et al. (2017), who could not find e-satisfaction as positively influenced by Web info, the results of this study show that information quality is the second most significant factor that positively impacts customer satisfaction in online retailing in South Africa. Correspondingly, information quality positively affects online shopping customer satisfaction in China (Chen et al. 2012). Most importantly, the results show how relevant is the theory of the D&M success model incorporated to underpin the model for this study. The results support previous studies that adopted the D&M success model to strongly advocate the need for consistent and appropriate measures for IS success whereby information quality is a significant determinant of user satisfaction (Hsiao et al. 2019; Hsieh et al. 2021). This shows that website users will be more satisfied when the website presents accurate and reliable information during online shopping.

Furthermore, the results in this study show that perceived security has a significant positive impact on customer satisfaction in online retailing in South Africa, unlike a study by Bruschi et al. (2019) which could not validate the hypothesis that customer satisfaction is expected to increase if the perception of security risk decreases. Maditinos and Theodoridis (2010) also could not find support for a proposed positive relationship between security perception and customer satisfaction in the Greek online shopping context. Nonetheless, the results support empirical evidence by Vasić et al. (2019) who showed that security has a positive effect on customer satisfaction. E-satisfaction was also found to mediate the effect of security concerns on repurchase intention significantly (Trivedi & Yadav 2020). It shows that perceived security is a significant predictor of customer satisfaction. As customers are sensitive to the theft of personal data, credit/debit card, and fraud transactions, protecting online transactions increase customer satisfaction in online retailing in South Africa.

Unexpectedly, this study's results indicate that privacy is not significant predictor of customer satisfaction in online retailing in South Africa. Although this result is surprising, it is similar to the findings reported by Al-dweeri et al. (2019) showing the insignificance of this relationship. Hsiao et al. (2019) also could not confirm that privacy and security significantly affect customer satisfaction. However, when using the eTailQ scale by Wolfinbarger and Gilly (2003), a study by Ahmad et al. (2017) showed that privacy positively affects e-satisfaction. When drawing on EDT to assess e-service quality and the factors affecting an individual's loyalty intention towards online auctions, Yen and Lu (2008) report that privacy significantly influences customer disconfirmation. The relationship between disconfirmation and satisfaction was significant. Trivedi and Yadav (2020) report a positive relationship between privacy concerns and e-satisfaction. The literature indicates that website service quality (i.e. privacy) has a significant relationship with e-commerce success, i.e. customer satisfaction (Sharma & Aggarwal 2019). Therefore, the insignificance of this relationship in this study suggests that customers' satisfaction is not dependent on online retailers' privacy policies effectiveness in online retailing in South Africa; rather customers may have expectation that online retailers will protect data disclosed on their sites. Privacy involves the perceived legal duty and existing good practices regarding the proper management of private information (Kim & Peterson 2017).

Also surprising was the result showing that the perceived ease of use of websites does not influence customer satisfaction in online retailing in South Africa. This result contradicts the results reported by Trivedi and Yadav (2020) showing that e-satisfaction mediates significantly

the effect of PEOU on repurchase intention. They showed positive results for the relationship between PEOU and satisfaction and for the relationship between e-satisfaction and repurchase intention. Zhang, Jun and Palacios (2020) found that ease of use has a significantly positive impact on customer loyalty in M-shopping. Perhaps customers feel that the websites are simple, intuitive, and user-friendly, and they can easily navigate through the websites in online retailing in South Africa. Due to the spread of new technology introduced in online retailing which require less effort, these customers might be friendlier to online shopping websites and view them as simple and easy to use.

In general, the results of this study illustrate that delivery time, information quality, and perceived security are significant positive factors influencing customer satisfaction in online shopping in South Africa, respectively. The findings confirm that the impact of information quality and delivery time on satisfaction is significant for customers with short relationship length. The results expand the literature by showing that satisfaction is relevant for customers with short relationship length. Béal et al. (2019) report that the relationship length moderates the impact of satisfaction with service recovery on change in crossbuying over time; after a dissatisfying (vs. satisfying) service recovery, customers with longer relationships are associated with a greater (vs. lesser) change in crossbuying, compared with customers with shorter relationships. Therefore, this study provides different result showing that the satisfaction of customers with shorter relationships is strengthened by information quality and delivery time. The work by Bolton (1998) and Verhoef (2003) showed that the longer the relationship, the higher tends satisfaction to be. Shaikh et al. (2018) reveal that relationship length exerts a positive effect on the relationship between satisfaction and eWOM. Therefore, the longer a customer has made purchases from a store, the stronger the relationship between satisfaction and eWOM. This study's results showed that many respondents, 28.8% have less than 3 years of the relationship length; hence, it is essential to satisfy the online shopping needs of information quality and delivery time for customers with a shorter relationship length.

8.1. THEORETICAL CONTRIBUTIONS

This study's results show how merging the theories incorporated in this research (e.g., TAM, D&M IS success model, and EDT model) underpin the model for this study. They offer a practical understanding of the impact of the relationship between delivery time, information quality, and perceived security as the online retailing factors influencing customer satisfaction in online retailing in South Africa as an emerging market. Relationship length significantly strengthens the relationships between perceived information quality, and delivery time, and satisfaction of online shopping for customers with short relationship length. Third, the results indicate the role of the D&M IS success model, and EDT model in the long-term success of e-commerce by explaining the role of delivery time, information quality, and perceived security as elements necessary in developing customer satisfaction. As form the D&M success model, information quality contributes significantly to developing user satisfaction with technology and delivery time as positive factors strengthening satisfaction of customers with short relationship length. This contributes to the EDT model explaining customer satisfaction as meeting customers expected levels about a product or a service, which is the main goal in marketing. In essence, the study contributes to designing of an e-retailing strategy that could increase customer satisfaction, thus speed the growth of B2C e-commerce.

Among studies that synthesise IS and marketing theories related to customer satisfaction, McKinney et al. (2002) identified the critical constructs for web-customer satisfaction with a model for Expectation-Disconfirmation Effects on Web-Customer Satisfaction (EDEWS), demonstrating the role these constructs play in the formation of overall web-customer

satisfaction. From the view of EDT, Yen and Lu (2008) report that e-service quality impact individual's loyalty intention towards online auctions. Tzeng et al. (2020) showed that only two main effects (e.g., the disconfirmation of information quality and product quality) significantly affected satisfaction in expected direction. Unlike these studies, the current study shows that improving satisfaction of the delivery time, information quality presented on their websites, and perceive security is important in online retailing. In addition, practitioners can increase satisfaction by improving information quality presented on their websites and delivery time, as an important tactic to satisfy the needs of customers with short relationship length, which is a new contribution to this knowledge. It shows how the theories of D&M success model and EDT model contribute to the model examined in this study. From the EDT understanding (Oliver 1980), it can be stated that a positive confirmation of information quality and delivery time leads to a relatively higher level of satisfaction. In Oliver's (1999:34) theory, confirmation is a state when consumer evaluations of transaction performance related to information quality and delivery time are greater than or equal to their expectations, while disconfirmation is a state when evaluations of the information quality and delivery time are not good enough to fulfil the expectations.

Comparing the findings of this study to those in previous studies, practitioners can concentrate on information quality as a positive element affecting customer satisfaction. From the D&M success model (DeLone & McLean 1992, 2003), this study shows that information quality will positively affect user satisfaction in online shopping. Hsieh et al. (2021) also report that information quality and system quality positively affect user satisfaction with online brand community participation. Literature shows that information quality positively affects user satisfaction of mobile applications (Hsiao et al. 2019), mobile banking in Bangladesh (Shareef, Baabdullah, Dutta, Kumar & Dwivedi 2018), and m-payment (Franque et al. 2021). Gupta, Singh, Suri and Dwivedi (2022) reported the direct effect of information quality on customer satisfaction in Indian logistics service providers. Benchmarking with these studies, this study's results show that information quality is an important factor that positively influences user satisfaction with online retailing websites in the context of South Africa. The disconfirmation of information quality expectations on SD specials is positively related to overall satisfaction on SD shopping in China (Tzeng et al. 2020).

Furthermore, the study suggests that practitioners can improve perceived security of their websites to a level greater than or equal to customers' expectations. Unlike the results reported by Bruschi et al. (2019) showing insignificant relationship between these dimensions, the findings in this study complement those presented in the e-commerce literature showing that security has a positive significant impact on user satisfaction with e-services (Vasić et al. 2019; Trivedi & Yadav 2020). Practitioners can positively increase satisfaction by improving consumers' feeling of security of transactions in South African online shopping setting, e.g., present third-party certificates, security socket layers, authentication, encryption, cryptography, etc., as a strategic method to enhance the completion of website transactions and increase online retail sales. This met the recommendation by Gefen, Rose, Warkentin and Pavlou (2005) for the need to understand how online customers in emerging markets such as South Africa, a culture that is high in uncertainty avoidance (UA), perceive the security of online transactions and credit cards, often regarded as a major barrier of technology adoption. Studies note that customers in emerging markets select cash payments than credit/debit cards due to growing fear of personal data theft or credit card purchases fraudulence (Hossain, Akter & Rahman 2021; Mofokeng 2023; Tandon, Mittal & Manohar 2021).

Surprisingly, the results in this study did not show a significant effect of perceived ease of use on customer satisfaction in online retailing. This result reduces the importance of TAM (Davis 1989); in terms of explaining how users' satisfaction of adopted IT could primarily be determined by ease of use. Results also did not show privacy as a significant predictor of satisfaction of South African online consumers. These results may hinder the knowledge required by online retail practitioners regarding the important role played by these factors in developing customer satisfaction. Perhaps, these results also limit the possibilities to understand how relationship length could moderate the relationship of these factors with customer satisfaction in emerging market of South Africa.

This study's results answer prior research that recommended future research to investigate the role of relationship length in other contexts (Béal et al. 2019) and offer a better understanding of how satisfaction might change (Shaikh et al. 2020; Xu 2022) based on the level of relationship length. By closing these research gaps, this study expands the current literature. The findings confirm the positive influences of information quality and delivery time on customer satisfaction as more significantly moderated by short relationship length. This is a new contribution in e-commerce literature in the emerging market setting. Online retailers providing delivery time, information quality, and secure online transactions increase satisfaction of customers with short relationship length in online retailing in South Africa. The sustainability of this competitive advantage requires proficient management of information quality and delivery time as critical elements influencing satisfaction of customers with short relationship length. This is a valuable contribution of this study in the current literature and online retailing practice.

8.2. PRACTICAL IMPLICATIONS

This study contributes the understanding of the managerial direction incorporating relationship length as an important moderating variable on the relationship between information quality, and delivery time, and consumer satisfaction. First, the study showed the theoretical power of delivery time as a key driver for satisfactory online shopping in South Africa. Online retailers should actively fulfill order delivery time to improve customer satisfaction with e-services. Second, the paper contributes insights showing that information quality follows delivery time in positively affecting customer satisfaction. Third, the relationship between these factors is strengthened by relationship length, especially for new customers, i.e. those with short relationship length – in this case – less than three years. Sales training programmes for practitioners should teach all important skills and competence needed to compete successfully on these factors within the online retailing strategies. For example, information quality involves the website provision of accuracy, detailed, timely, updated, completeness information, etc., and delivery time involves minimising delivery time, making the customer aware of any potential delays in shipping, and enable the customer to track his or her shipment.

Practitioners in this study are encouraged to pay constant attention to the use-by date for home delivery of goods, also see in Faraoni, Rialti, Zollo and Pellicelli (2018) for food retailers. They must ensure the delivery of the right products, in the promised condition, within the expected time frame (Al-Adwan & Al-Horani 2019). In sustaining this competitive advantage, e-retailers must fulfill satisfaction of information quality and delivery time for customers with short relationship length. For this reason, online retailers must offer shoppers information quality on their website, display full names, physical address, adequate description of the goods or services being sold, the price payable, including the terms of the agreement of sale. Should the online retailer not do so, the purchaser has the right to cancel the purchase agreement within 14 days. Further, an online shopper has the right to cancel a purchase within seven days if he

or she has not received the goods or services without reason. In South Africa, if an online shopper cancels the online purchase, the e-retailer must refund all payments, provided the shopper pays the costs of returning the goods and that the goods returned are still in the original packaging and in good condition (ECTA, Sections 55 and 56) (Gillwald, Mothobi & Rademan 2018). To strategically resolve these issues, online retailer's website must display information quality and know that consumers expect a website not to have errors, such as wrong information or incorrect processing of inputs and orders (Bart, Shankar, Sultan & Urban 2005). Such exact information about the products and services without any discrepancies is termed as "preciseness" (Sharma & Aggarwal 2019:457). In addition, customers often expect enjoyment and a feeling of connectedness in searching for information online (Thaichon, Liyanaarachchi, Quach, Weaven & Bu 2019).

However, as consumers are reluctant to conduct businesses based only on the information provided by e-commerce vendors because such information may not be reliable (DeLone & McLean 2003), it is important for an online retailer to differentiate its website by improving perceived security of online transactions and credit cards. This is often viewed as a major barrier of technology adoption for online shoppers in emerging markets. This could help change customers' perception about the use of credit/debit cards spending and overcome the fear of loss of personal data (Hossain et al. 2021; Mofokeng 2023; Tandon et al. 2021).

In general, this study contributes to the knowledge gap regarding the role of information quality and delivery time in enhancing satisfaction of customers with short relationship length (e.g., those with less than three years relationship length). The study reveals practical approaches and methods by which delivery time, information quality, and perceived security would increase satisfaction of customers in online shopping. It is evident from the results that delivery time and information quality play significant roles in increasing satisfaction of customers with short relationship length.

9. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Although there is a considerable amount of research that applied EDT to IS usage or e-commerce, this study offers new insights showing how the D&M IS success model factor of information quality, relative to the TAM's perceived ease of use, can significantly predict customer satisfaction in online retailing in South Africa. The study points out the impact of delivery time, information quality, and perceived security as factors affecting customer satisfaction. Information quality and delivery time impact customer satisfaction, moderated by short relationship length. Surprisingly, perceived ease of use and privacy did not have a significant influence on customer satisfaction. It must be realised that this study was conducted only with a small sample of online shoppers. Future research can conduct longitudinal study including a large sample, and methods of experiments, before generalisation can be made about these observations. Whereas this study contributes to the literature explaining an understanding of the e-retailing attributes, e.g., delivery time, information quality, and security, that emerge as a possible solution for improving online consumers' decision-making processes (Ahmad et al. 2017), there are other more factors that can be examined. Future research can assess the impacts of technology features in computer interactions, the role of trust in the Internet, and newer and less well-known intangible dimensions of online services. Models testing relevant variables as moderators and mediators to shed further light into the satisfaction-loyalty link are also recommended by Menidjel et al. (2020). Besides the length of the relationship been used to measure the relationship stage, the literature shows that using the relationship life cycle to determine the level or stage of the relationship is more solid than the other methods (Jap &

Ganesan 2000). This could be the weakness of the current study, and an important research gap.

REFERENCE LIST

- Agag, G.M. & El-Masry, A.A. 2016. Why do consumers trust online travel websites? Drivers and outcomes of consumer trust toward online travel websites. *Journal of Travel Research*, 1-23.
- Ageeva, E., Foroudi, P., Melewar, T.C., Nguyen, B. & Dennis, C. 2020. A holistic framework of corporate website favourability. *Corporate Reputation Review*, 23:201-214.
- Ahmad, A., Rahman, O. & Khan, M.N. 2017. Exploring the role of website quality and hedonism in the formation of e-satisfaction and e-loyalty: Evidence from internet users in India. *Journal of Research in Interactive Marketing*, 11(3):246-267.
- Al-Adwan, A.S. & Al-Horani, M.A. 2019. Boosting customer e-loyalty: An extended scale of online service quality. *Information*, 10:380; doi:10.3390/info10120380
- Al-dweeri, R.M., Moreno, A.R., Montes, F.J.L., Obeidat, Z.M. & Al-dwairi, K.M. 2019. The effect of e-service quality on Jordanian student's e-loyalty: An empirical study in online retailing. *Industrial Management & Data Systems*, 119(4):902-923.
- Alzaidi, M.S. & Agag, G. 2022. The role of trust and privacy concerns in using social media for e-retail services: The moderating role of COVID-19. *Journal of Retailing and Consumer Services*, 68:103042. <https://doi.org/10.1016/j.jretconser.2022.103042>
- Anderson, J.C. & Gerbing, D.W. 1988. Structural equation modelling in practice: A review and recommended twostep approach. *Psychological Bulletin*, 103(3):411-423.
- Anderson, R.E. & Srinivasan, S.S. 2003. E-satisfaction and e-loyalty: A contingency framework. *Psychology & Marketing*, 20(2):123-138.
- Anderson, R.E. & Srinivasan, S.S. 2011. Customer satisfaction and loyalty in e-markets: A PLS path modeling approach. *Journal of Marketing Theory and Practice*, 19(2):221-234.
- Babin, B.J., Griffin, M. & Hair, J.F. 2015. Heresies and sacred cows in scholarly marketing publications. *Journal of Business Research*, 69(8):3133-3138.
- Bart, Y., Shankar, V., Sultan, F. & Urban, G.L. 2005. Are the drivers and role of online trust the same for all web sites and consumers? A large-scale exploratory empirical study. *Journal of Marketing*, 69:133-152.
- Béal, M., Sabadie, W. & Grégoire, Y. 2019. The effects of relationship length on customer profitability after a service recovery. *Marketing Letters*, 30:293-305.
- Bhattacharjee, A. 2001. Understanding information systems continuance: An expectation-confirmation model, *MIS Quarterly*, 25(3):351-370.
- Bolton, R.N. 1998. A dynamic model of the customer's relationship with a continuous service provider: the role of satisfaction. *Marketing Science*, 17(1):45-65.

- Bolton, R.N., Kannan, P.K. & Bramlett, M.D. 2000. Implications of loyalty program membership and service experiences for customer retention and value. *Journal of the Academy of Marketing Science*, 28(1):95-108.
- Brusch, I., Schwarz, B. & Schmitt, R. 2019. David versus Goliath - Service quality factors for niche providers in online retailing. *Journal of Retailing and Consumer Services*, 50:266-276.
- Casalo, L.V., Flavian, C. & Guinaliu, M. 2008. The role of satisfaction and website usability in developing customer loyalty and positive word-of-mouth in the e-banking services. *The International Journal of Bank Marketing*, 26(6):399-417.
- Chandrashekar, M., Rotte, K., Tax, S.S. & Grewal, R. 2007. Satisfaction strength and customer loyalty. *Journal of Marketing Research*, XLIV:153-163.
- Chang, H.H. & Chen, S.W. 2008. The impact of customer interface quality, satisfaction and switching costs on e-loyalty: Internet experience as a moderator. *Computers in Human Behavior*, 24:2927-2944.
- Chen, Z., Ling, K.C., Ying, G.X. & Meng, T.C. 2012. Antecedents of online customer satisfaction in China. *International Business Management*, 6(2):168-175.
- Davis, F.D. 1989. Perceived usefulness, perceived ease of use, and user acceptance. *MIS Quarterly*, 13(3):319-340.
- DeLone, W.H. & McLean, E.R. 1992. Information systems success: The quest for the dependent variable. *Information Systems Research*, 3(1):60-95.
- Delone, W.H. & McLean, E.R. 2003. The DeLone and McLean Model of Information Systems Success: A ten-year update. *Journal of Management Information Systems*, 19(4):9-30.
- Doney, P.M. & Cannon, J.P. 1997. An examination of the nature of trust in buyer-seller relationships. *Journal of Marketing*, 61(2):35-51.
- Dorai, S., Balasubramanian, N. & Sivakumaran, B. 2021. Enhancing relationships in e-tail: Role of relationship quality and duration. *Journal of Retailing and Consumer Services*, 58, <https://doi.org/10.1016/j.jretconser.2020.102293>
- Elareshi, M., Habes, M., Safori, A., Attar, R.W., Noor Al Adwan, M. & Al-Rahmi, W.M. 2023. Understanding the effects of social media marketing on customers' bank loyalty: A SEM approach. *Electronics*, 12:1822. <https://doi.org/10.3390/electronics12081822>
- e-Marketer 2017. *Worldwide Retail and Ecommerce Sales: eMarketer's Estimates for 2016-2021*. Available from <https://www.emarketer.com/Report/Worldwide-Retail-Ecommerce-Sales-eMarketers-Estimates-20162021/2002090>.
- Faqih, K. M.S. 2016. An empirical analysis of factors predicting the behavioural intention to adopt Internet shopping technology among on-shoppers in a developing country context: Does gender matter? *Journal of Retailing and Consumer Services*, 30:140-164.

- Faraoni, M., Rialti, R., Zollo, L. & Pellicelli, A.C. 2018. Exploring e-loyalty antecedents in B2C e-commerce: empirical results from Italian grocery retailers. *British Food Journal*, <https://doi.org/10.1108/BFJ-04-2018-0216>
- Fornell, C. & Larcker, D.F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18:39-50.
- Franque, F.B., Oliveira, T. & Tam, C. 2021. Understanding the factors of mobile payment continuance intention: empirical test in an African context. *Heliyon*, 7, e07807. <https://doi.org/10.1016/j.heliyon.2021.e07807>
- Garcia, J.M., Freire, O.B.D., Santos, E.B.A. & Andrade, J. 2020. Factors affecting satisfaction and loyalty to online group buying. *Revista de Gestao*, 27(3):211-228.
- Garepasha, A., Aali, S., Zende, A.R.B. & Iranzadeh, S. 2021. Relationship dynamics in customer loyalty to online banking services. *Journal of Islamic Marketing*, 12(4):830-863.
- Gefen, D., Rose, G.M., Warkentin, M. & Pavlou, P.A. 2005. Cultural diversity and trust in adoption: A comparison of potential e-voters in the USA and South Africa. *Journal of Global Information Management*, 13(1):55-79.
- Gillwald, A., Mothobi, O. & Rademan, B. 2018. *The state of ICT in South Africa. Policy Paper no. 5, Series 5: After access state of ICT in South Africa*. https://researchictafrica.net/after-access-south-africa-state-of-ict-2017-south-africa-report_04/July2018
- Goutam, D., Ganguli, S. & Gopalakrishna, B.V. 2021. Technology readiness and e-service quality – impact on purchase intention and loyalty. *Marketing Intelligence & Planning*, DOI 10.1108/MIP-06-2021-0196
- Gupta, A., Singh, R.K., Suri, P.K. & Dwivedi, Y.K. 2022. Exploring relationships between service quality dimensions and customers satisfaction: empirical study in context to Indian logistics service providers. *The International Journal of Logistics Management*, DOI:10.1108/IJLM-02-2022-0084
- Hair, J.F., Jr., Black, W.C., Babin, B. J. & Anderson, R.E. 2009. *Multivariate data analysis*, 7th edn., Upper Saddle River, NJ: Pearson Prentice Hall.
- Hair, J.F., Risher, J.F., Sarstedt, M. & Ringle, C.M. 2019. When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1):2-24.
- Haridasan, A.C. & Fernando, A.G. 2018. Online or in-store: unravelling consumer's channel choice motives. *Journal of Research in Interactive Marketing*, 12(2):215-230.
- Hartono, E., Holsapple, C.W., Kim, K.Y., Na, K.S. & Simpson, J.T. 2014. Measuring perceived security in B2C electronic commerce website usage: A specification and validation. *Decision Support Systems*, 62:11-21.
- Hayes, A.F. 2013. *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. ISBN 978-1-60918-230-4. <http://www.afhayes.com/>

- Hossain, M.A., Akter, S. & Rahman, S. 2021. Customer behavior of online group buying: An investigation using the transaction cost economics theory perspective. *Electronic Markets*, 12 July. <https://doi.org/10.1007/s12525-021-00479-y>
- Hsiao, K., Lin, K., Wang, Y., Lee, C. & Zhang, Z. 2019. Continued use intention of lifestyle mobile applications: the Starbucks app in Taiwan. *The Electronic Library*, 37(5):893-913.
- Hsieh, S.H., Lee, C.T. & Tseng, T.H. 2021. Psychological empowerment and user satisfaction: Investigating the influences of online brand community participation. *Information & Management*, 59:103570. <https://doi.org/10.1016/j.im.2021.103570>
- Ijaz, M.F. & Rhee, J. 2018. Constituents and consequences of online-shopping in sustainable e-business: an experimental study of online-shopping malls. *Sustainability*, 10:3756. doi:10.3390/su10103756
- Jap, S.D. & Ganesan, S. 2000. Control mechanisms and the relationship life cycle: Implications for safeguarding specific investments and developing commitment. *Journal of Marketing Research*, 37(2):227-245.
- Jöreskog, K.G. & Sörbom, D. 1984. *Advances in Factor Analysis and Structural Equation Models*, Rowman and Littlefield Publishers, Lanham.
- Kassim, N. & Abdullah, N.A. 2008. Customer loyalty in e-commerce settings: An empirical study. *Electronic Markets*, 8(3):276-290.
- Khan, M.A., Zubair, S.S. & Malik, M. 2019. An assessment of e-service quality, e-satisfaction and e-loyalty. Case of online shopping in Pakistan. *South Asian Journal of Business Studies*, 8(3):283-302.
- Kim, D. J., Ferrin, D. L. & Rao, H. R. 2009. Trust and satisfaction, two stepping stones for successful e-commerce relationships: A longitudinal exploration. *Information Systems Research*, 20(2):237-257.
- Kim, Y. & Peterson, R.A. 2017. A meta-analysis of online trust relationships in e-commerce. *Journal of Interactive Marketing*, 38:44-54.
- Liu, X., He, M., Gao, F. & Xie, P. 2008. An empirical study of online shopping customer satisfaction in China: A holistic perspective. *International Journal of Retail & Distribution Management*, 36(11):919-940.
- Maditinos, D.I. & Theodoridis, K. 2010. Satisfaction determinants in the Greek online shopping context. *Information Technology & People*, 23(4):312-329.
- McKinney, V., Yoon, K. & Zahedi, F.M. 2002. The measurement of web-customer satisfaction: An expectation and disconfirmation approach. *Information Systems Research*, 13(3):296-315.
- Menidjel, C., Bilgihan, A. & Benhabib, A. 2020. Exploring the impact of personality traits on perceived relationship investment, relationship quality, and loyalty in the retail industry. *The International Review of Retail, Distribution and Consumer Research*, DOI:10.1080/09593969.2020.1781228

- Mofokeng, T.E. 2021. The impact of online shopping attributes on customer satisfaction and loyalty: Moderating effects of e-commerce experience. *Cogent Business & Management*, 8, 1, 1968206. <https://doi.org/10.1080/23311975.2021.1968206>
- Mofokeng, T.E. 2023. Antecedents of trust and customer loyalty in online shopping: The moderating effects of online shopping experience and e-shopping spending. *Heliyon*, 9, e16182. <https://doi.org/10.1016/j.heliyon.2023.e16182>
- Nedraa, B., Hadhri, W. & Mezrani, M. 2019. Determinants of customers' intentions to use hedonic networks: The case of Instagram. *Journal of Retailing and Consumer Services*, 46:21-32.
- Oliver, R.L. 1980. A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17:460-469.
- Oliver, R.L. 1993. Cognitive, affective, and attribute bases of the satisfaction response. *Journal of Consumer Research*, 20 (December):418-430.
- Oliver, R.L. 1997. *Satisfaction: A behavioral perspective on the consumer*. New York: Irwin/McGraw-Hill.
- Oliver, R.L. 1999. Whence consumer loyalty? *Journal of Marketing*, 63 (Special Issue 1999):33-44.
- Oliver, R.L., Balakrishnan, P.V. & Barry, B. 1994. Outcome satisfaction in negotiation: A test of expectancy disconfirmation. *Organizational Behavior and Human Decision Processes*, 60:252-275.
- Park, C. & Kim, Y. 2003. Identifying key factors affecting consumer purchase behavior in an online shopping context. *International Journal of Retail & Distribution Management*, 31(1):16-29.
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.Y. & Podsakoff, N.P. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5):879-903.
- Raman, P. 2019. Understanding female consumers' intention to shop online. The role of trust, convenience and customer service. *Asia Pacific Journal of Marketing and Logistics*, 31(4):1138-1160.
- Reynolds, K.E. & Beatty, S.E. 1999. Customer benefits and company consequences of customer-salesperson relationships in retailing. *Journal of Retailing*, 75(1):11-32.
- Shaikh, A.A., Karjaluoto, H. & Häkkinen, J. 2018. Understanding moderating effects in increasing share-of-wallet and word-of-mouth: A case study of Lidl grocery retailer. *Journal of Retailing and Consumer Services*, 44:45-53.
- Shareef, M.A., Baabdullah, A., Dutta, S., Kumar, V. & Dwivedi, Y.K. 2018. Consumer adoption of mobile banking services: An empirical examination of factors according to adoption stages. *Journal of Retailing and Consumer Services*, 43:54-67.

- Sharma, H. & Aggarwal, A.G. 2019. Finding determinants of e-commerce success: a PLS-SEM approach. *Journal of Advances in Management Research*, 16(4):453-471.
- Sreeram, A., Kesharwani, A. & Desai, S. 2017. Factors affecting satisfaction and loyalty in online grocery shopping: An integrated model. *Journal of Indian Business Research*, 9(2):107-132.
- Statista. eCommerce - Southern Africa, 2023. <https://www.statista.com/outlook/dmo/ecommerce/southern-africa>.
- Steinhoff, L., Arli, D., Weaven, S. & Kozlenkova, I.V. 2018. Online relationship marketing. *Journal of the Academy of Marketing Science*, <https://doi.org/10.1007/s11747-018-0621-6>
- Tandon, U., Mittal, A. & Manohar, S. 2021. Examining the impact of intangible product features and e-commerce institutional mechanics on consumer trust and repurchase intention. *Electronic Markets*, 31:945-964.
- Thaichon, P., Liyanaarachchi, G., Quach, S., Weaven, S. & Bu, Y. 2019. Online relationship marketing: Evolution and theoretical insights into online relationship marketing. *Marketing Intelligence & Planning*, DOI 10.1108/MIP-04-2019-0232
- Trivedi, S.K. & Yadav, M. 2020. Repurchase intentions in Y generation: Mediation of trust and e-satisfaction. *Marketing Intelligence & Planning*, 38(4):401-415.
- Tzeng, S., Ertz, M., Jo, M. & Sarigollu, E. 2020. Factors affecting customer satisfaction on online shopping holiday. *Marketing Intelligence & Planning*. DOI:10.1108/MIP-08-2020-0346
- Vakulenko, Y., Shams, P., Hellström, D. & Hjort, K. 2019. Online retail experience and customer satisfaction: The mediating role of last mile delivery. *The International Review of Retail, Distribution and Consumer Research*, 29(3):306-320.
- Vasić, N., Kilibarda, M. & Kaurin, T. 2019. The influence of online shopping determinants on customer satisfaction in the Serbian market. *Journal of Theoretical and Applied Electronic Commerce Research*, 14(2):70-89.
- Verhoef, P.C. 2003. Understanding the effect of customer relationship management efforts on customer retention and customer share development. *Journal of Marketing*, 67(4):30-45.
- Verhoef, P.C., Franses, P.H. & Hoekstra, J.C. 2001. The impact of satisfaction and payment equity on cross-buying: A dynamic model for a multi-service provider. *Journal of Retailing*, 77: 359-378.
- Wolfenbarger, M. & Gilly, M.C. 2003. eTailQ: Dimensionalizing, measuring and predicting etail quality. *Journal of Retailing*, 79:183-198.
- Xiao, Z., Wang, J. & Liu, Q. 2018. The impacts of final delivery solutions on e-shopping usage behaviour: The case of Shenzhen, China. *International Journal of Retail & Distribution Management*, 46(1):2-20.

- Xu, J. 2022. Service trust and customer loyalty in China's hotel services: The causal role of commitment. *Sustainability*, 14, 8213. <https://doi.org/10.3390/su14138213>
- Yen, C. & Lu, H. 2008. Effects of e-service quality on loyalty intention: An empirical study in online auction. *Managing Service Quality*, 18(2):127-146.
- Zhang, R., Jun, M. & Palacios, S. 2020. M-shopping service quality dimensions and their effects on customer trust and loyalty: An empirical study. *International Journal of Quality & Reliability Management*, DOI 10.1108/IJQRM-11-2020-0374

ASSESSING THE STRATEGY RESPONSES OF ORGANISATIONS TOWARD SOCIAL AND ENVIRONMENTAL SUSTAINABILITY DURING THE COVID-19 PANDEMIC

Storm Watson

Elroy Smith

ABSTRACT

This paper sets out to assess the social and environmental strategic responses of organisations during the COVID-19 pandemic in an emerging market. Organisational sustainability refers to the meeting of current stakeholder demands without compromising the future ability to do the same. Organisations have had to adjust their environmental and social sustainability strategies due to the outbreak of the Covid-19 virus that started in March 2020 and with the implementation of some hard lockdown measures. Through a literature review, an in-depth desktop and documentary analysis was conducted of 10 organisations in various industries based in South Africa. Various documents, annual and sustainability reports and other sources were analysed. The focus was to assess the social and environmental strategic responses of these organisations during the pandemic. Useful and practical guidelines are provided to organisations regarding the lessons learned during the pandemic to deal with social and environmental aspects.

Keywords/phrases: corporate strategic responses, environmental sustainability, social sustainability, sustainability reporting.

1. INTRODUCTION AND BACKGROUND

Covid-19 was an external business threat that most organisations were not prepared for, and it has taken its toll on many businesses and led to the ultimate closure for many (Fairlie 2020). The pandemic has not only intensified the suffering of humans but has also destabilised the economy, turned the lives of many people upside-down and impacted the health, social and environmental spheres of society as well (Mofijur, Fattah, Alam, Islan, Ong, Rahman, Najafi, Ahmed, Uddin & Mahlia 2021:343). Boiral, Brotherton, Rivaud and Guillaumie (2021:1) concur that the pandemic created an extraordinary crisis in relation to scale and the sustainability implications are often unmeasurable. This ultimately created a lot of uncertainty and confusion regarding employment risks for employees, best practices and measures that organisations should adopt regarding government shutdowns as well as changes to consumer behaviour and habits (Boiral et al. 2021:1).

The Covid-19 pandemic has also forced organisations, especially in emerging markets, to rethink the way in which they operate as they faced new challenges during hard lockdowns. Due to these unprecedented circumstances, organisations had to strategise more carefully with sustainability at the forefront of their strategic plans (Donthu & Gustafsson 2020). Sustainability has become a key issue for organisations and is viewed as not only environmental in nature such as natural resource depletion, water wastage and pollution, but social issues such as poverty, racial injustice, human rights violations and employee well-being as well (Haanaes 2016). Organisations form an important part of modern societies and are affected by the forces and unprecedented conditions that function beyond their boundaries, such as the pandemic, yet at the same time organisations should have the ability to react to their immediate environment (Barreiro-Gen, Lozano & Zafar 2020:2). According to Mahmud, Ding and Hasan (2021:8), organisations have remained committed to supporting their partners,

employees and the communities in which they work and stay in. Different organisations have adopted different tactics to provide relief to their communities, these include support through cash and in-kind aids by making funds available and providing donations to non-profit organisations (Mahmud et al. 2021:9).

The pandemic has therefore had an influential role in organisations' traditional corporate social responsibility initiatives and offered some opportunities to shift towards more genuine and authentic social responsibility and environmental sustainability initiatives, aimed at overcoming sustainability challenges. The main aim of this paper will be to assess what environmental and social strategy changes organisations have made due to the effects of the pandemic in an emerging market. The topics that are covered in this paper include a problem statement, research objectives, literature review, research design and methodology, empirical results and conclusions and recommendations.

2. PROBLEM STATEMENT

The Covid-19 pandemic has been characterised as a major global health tragedy and an emerging economic and social crisis (Mahmud et al. 2021:9). According to United Nations (2021), the pandemic has managed to affect all parts of the population and is predominantly unfavourable to people who are of the social groups that are the most disadvantaged such as people living in poverty, older or people with disabilities, the youth and indigenous people. The pandemic has also caused a major increase in social issues, especially in emerging markets, as the risk of contamination, uncertainty and employment as well as environmental impacts such as environmental destruction and climate change, exposure of organisations to ecosystems disruption and probable effects of air pollution on the spread of the virus (Boiral et al. 2021:2). If the social issues presented by Covid-19 are not addressed properly, it might lead to increased inequality, exclusion, discrimination and global unemployment in the medium and long-term (United Nations 2021). According to Mahmud et al. (2021:1), those who are already in vulnerable situations will face bigger risks and uncertainties when it comes to health, income, shelter and other well-being issues. Organisations have therefore come together to find ways to actively assist families, customers, communities and the environment during the pandemic period (Mahmud et al. 2021:1).

The pandemic is an ongoing health, environmental and social issue and organisations have had to adjust their strategies to continue operations and increase their sustainability awareness and actions for future survival. The organisation is also being held accountable by its stakeholders for its actions towards these external threats and how they go about mitigating these factors (Donthu & Gustafsson 2020). Sustainability has become an increasingly important aspect of how an organisation should go about its operations to create change in society and the environment as it can often reap economic benefits as well as societal good and reputational gains (Chladek 2019). New initiatives and strategies must be used by organisations to ensure sustainability. Although the field of environmental and social organisational reporting is well-covered in literature, the effect that the pandemic had on organisations and their sustainability strategies is limited and thus needs further research (Belitski, Guenther, Kritikos & Thurik 2021). The unique nature of the pandemic and the speed and scope at which it affected organisations created the need for an assessment of the strategic responses that organisations had towards social and environmental sustainability. This study will thus focus on and highlight the strategic responses of organisations towards social and environmental sustainability throughout the COVID-19 pandemic in an emerging market.

It is envisioned that the findings of this study could provide guidelines to organisations in future with regard to how these selected organisations adapted their strategies towards social and environmental sustainability. As this is a new experience for most organisations having to deal with the pandemic and the issues they encountered, useful insights can be gained by assessing how organisations responded towards this global pandemic.

3. RESEARCH OBJECTIVES

3.1. PRIMARY RESEARCH OBJECTIVE

To assess the strategic response of organisations towards social and environmental sustainability aspects during the COVID-19 pandemic and to present guidelines for social and environmental sustainability strategy responses during a pandemic in an emerging market.

3.2. SECONDARY RESEARCH OBJECTIVE

The following secondary objectives have been formulated to achieve the primary objective stated above:

- To provide a theoretical foundation regarding the social and environmental sustainability aspects of organisations.
- To assess the strategic responses of ten organisations towards social and environmental sustainability aspects during the COVID-19 pandemic.
- To provide guidelines to organisations regarding strategy responses towards social and environmental sustainability.

4. LITERATURE REVIEW

4.1. CLARIFICATION OF KEY CONCEPTS

4.1.1. Sustainability

Sustainability can be seen as the positive or negative effect that an organisation has on society or the environment. Sustainability must be interconnected with the core operations of the organisation as the triple-bottom-line principle illustrates that an organisation must care for people and the planet but also be profitable (Chladek 2019). By caring about their own economic interests as well the organisation can do greater good for society and the environment. A clear definition of sustainability can be described as the organisation adopting strategies and operations today that meet the needs of all its stakeholders while ensuring that future generations are able to do the same (World Resources Institute 1992).

4.1.2. Environmental sustainability

This is the responsibility of the organisation to not only make sure that it does not harm the environment but rather protects it in such a way as to allow sustainability for the future (World Resources Institute 1992). Environment as a term in business does not just mean nature but is connected to energy resources, climate change and water availability (Stojanović, Milošević, Arsić, Mihajlović & Đorđević 2018). Organisations have moved past the notion that environmental protection is merely a legal or moral obligation but has realised that there is a production efficiency incentive that comes from cleaner and greener technologies or processes. They might require fewer raw materials and energy, or they could simply use these resources

more efficiently (United Nations Global Compact 2019). An organisation's environmental sustainability strategy consists of its deliberate actions to meet the needs and requirements of all stakeholders while protecting the environment, promoting ecological support and the overall availability of natural resources so future generations can benefit as well (Thompson, Peteraf, Gamble, Strickland, Janes & Sutton 2017).

4.1.3. Social sustainability

Social responsibility is defined as the responsibility the organisation has for the health and well-being of its employees and the social environment it operates in. Social sustainability is supported by the business when all processes, structures and systems work together in the organisation so that a long-run community can be supported where all members feel safe and guarded for generations to come (ADEC Innovations 2021). The United Nations Global Compact (2019) identifies that social sustainability is about managing the impacts of an organisation, both positive and negative, on all stakeholders on aspects such as human rights abuses, gender inequality and forced child or adult labour as some of the social issues that organisations must focus on. Social sustainability tackles issues such as the health of the community and employees, fair labour practices and employment opportunities for society (ADEC Innovation 2021).

4.1.4. Covid-19 pandemic

On 11 March 2020, the World Health Organisation declared a worldwide pandemic in response to the novel coronavirus, SARS-CoV-2. This disease which has the potential to cause serious respiratory illness in humans, was first identified in the Hubei Province of Wuhan in China in December 2019 (Pollard, Morran & Nestor-Kalinoski 2020). Due to the highly infectious nature of this disease and the ease with which it transmits amongst the population of a country, the World Health Organisation gave advice to governments around the world on how to handle this pandemic and slow its spread. Covid-19 as it is now known and its mutations have drastically changed the way people live their lives, have cost millions their livelihoods and sadly have accounted for the deaths of millions of people worldwide. The legal restrictions and social guidelines, such as those of social distancing, have put tremendous strain on many sectors of the economy especially the service industry where the proximity of people is unavoidable. These organisations simply cannot cope merely with the support of government grants and are often self-owned micro to small and medium organisations (Belitski et al. 2021).

4.1.5. Corporate strategic response

Corporate strategic response refers to the decisions about charitable contributions that have become strategic and are aimed not only to benefit recipients but also to fulfil major business objectives (Porter & Kramer 2002). Burnie Group (2016) concurs that a corporate strategy response can be defined as a unique plan or framework that is long-term in nature, designed to consist of an objective to gain competitive advantage over the other participants in the markets while delivering promises made to customers and stakeholders.

4.2. THEORIES RELATING TO SUSTAINABILITY

4.2.1. Triple bottom-line

When dealing with the topic of corporate social responsibility, most theories arise from the idea of a triple bottom line. The triple bottom line means that an organisation has a

responsibility to the three pillars, people (social), planet (environment) and profit (economic). Only through caring for all three pillars can an organisation be truly sustainable as these three pillars are very closely connected and work together (Książak & Fischbach 2018). By going further than traditional accounting and financial reports given to stakeholders by an organisation, the triple bottom line encompasses the total actions of the organisation towards society and the environment, thus focusing on more than simply creating shareholder wealth (Jackson, Boswell & Davis 2011).

4.2.2. *Stakeholder theory*

Stakeholder theory is a business management process that focuses on how the organisation manages its interactions with all its stakeholders and how they can optimise these interactions to the benefit of the organisation and the relevant stakeholders. It addresses business ethics, morals and values when managing stakeholders involved with a project or organisation (Freeman & Mcvea 2001). The classic definition of what a stakeholder entails can be viewed from two perspectives, namely the narrow view and the broad view. The narrow view focuses on the notion that stakeholders have direct relevance to the core economic business of the organisation and its performance as well as them being responsible for the long-term survival of the organisation. The broad view of stakeholders' states that an organisation is indeed affected by and can affect basically anyone – the well-being of more than itself but society and the natural environment they operate (Mitchell, Agle & Wood 1997).

4.3. PREVIOUS RESEARCH RELATED TO SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

A study conducted by Shammi, Bodrud-Doza, Islam and Rahman (2020:18) focused on the public perceptions of comparative lockdown scenarios affecting the sustainable development goals (SDGs) and the strategic management responses of organisations towards the pandemic in Bangladesh. The study found that it was evident that maintaining and implementing some lockdown measures regarding business and economic activities, social distancing and good public health guidelines are the ideal strategy to peruse during a pandemic. Recovery and strengthening of the health sector, economy, industry, agriculture and food security are suggested areas to be focused on under the “new normal standard of life” (Shammi et al. 2020:18). A research study by Sarkis (2021:24) regarding the supply chain sustainability prevailed that the pandemic events and responses were unprecedented to modern operations and supply chains. The purpose of this study was aimed at providing research guidance for investigating sustainability in supply chains in a post-Covid-19 environment.

4.4. SOCIAL SUSTAINABILITY ASPECTS AND RESPONSES OF ORGTANISATIONS

World Bank (2020) argues that during the pandemic, many challenges have undermined poverty reduction, inclusive growth and social justice among societies and in the workplace. The building blocks of social sustainability are inclusive, just, and resilient societies where citizens are recognised and respected and governments respond. Social sustainability works in tandem with economic and environmental sustainability. The emphasis used to be on economic sustainability and then the focus shifted to environmental sustainability, with increasing concerns over climate change and biodiversity issues. Raih, Rai and Sing (2021:12006) postulated that COVID-19 has affected the global economy like no other crisis in the history of mankind. It forced worldwide lockdown and economic shutdown to the point where the recovery process has been very difficult. It has affected demand, supply, production and consumption in such a way that the entire economic development cycle has gone to its lowest

levels. COVID-19 has also affected the social and economic sustainability structure, which has led from one crisis to another, and developing countries have been the worst hit.

Mahmud et al. (2021) concur that citizens and employees worldwide are now struggling and reacting to the global health disaster and financial crisis brought on by the pandemic. The public health awareness campaigns of many organisations constitute a fundamental social engagement dimension that widens corporate social responsibility (CSR) during the COVID-19 pandemic period. It provided an opportunity to re-examine the organisation’s voluntary role. Table 1 provides a brief overview of possible social sustainability aspects or responses of organisations.

TABLE 1: POSSIBLE EXAMPLES OF SOCIAL SUSTAINABILITY ASPECTS OR RESPONSES

Equity	Diversity
Social cohesion	Quality of life
Employment opportunities	Employee health, wellness and safety
Human rights issues	Fair labour practices
Poverty mitigation	Corporate social responsibility (CSR) and Corporate Citizenship (CC)
Community engagement/philanthropy/volunteerism	Stakeholder engagement

Source: Own construction

4.5. ENVIRONMENTAL SUSTAINABILITY ASPECTS AND RESPONSES FROM ORGANISATIONS

Geneva Environment Network (2020) stated that the fight against plastic pollution was hit by the COVID-19 pandemic, as the use of disposable masks, gloves and other protective equipment soared. The lockdown and related measures implemented by countries to stop the spread of the virus have also led to a decrease in economic activities and a drop in road transport, temporarily clearing skies and decreasing levels of certain air pollutants. The spread of the virus is also closely related to water and sanitation, as cleaning hands can reduce the transmission and help people stay healthy, yet many people still lack safe water, sanitation and handwashing and funding is inadequate. Rasmussen (2021) argues that the COVID-19 pandemic and resulting limitations on travel and other economic sectors by countries around the globe drastically decreased air pollution and greenhouse gas emissions within just a few weeks.

Kachaner, Nielsen, Portafaix and Rodzko (2020) concur that economic recovery plans should make environmental issues a priority. Among the top actions people are doing more consistently are reducing household energy consumption, increasing recycling and composting, and buying locally produced goods. Companies should integrate environmental concerns into their products, services, and operations to a greater extent than they have in the past. Personal behaviour can make a difference in addressing environmental action and who expects environmental concerns to be front and center in recovery plans. Table 2 provides a brief overview of possible environmental sustainability aspects or responses of organisations.

TABLE 2: POSSIBLE EXAMPLES OF ENVIRONMENTAL SUSTAINABILITY ASPECTS OR RESPONSES

Air emission and air quality	Energy use and conservation/renewable energy
Water use and conservation	Light and noise pollution
Waste and recycling	Reduce and re-use
Biodiversity and natural resources	Hazardous materials use
Global warming/Climate change	Deforestation
Overfishing	Greenhouse gas mitigation/carbon footprint
Natural resource depletion	Natural disasters
Disposal of medical waste	Environmental regulatory compliance

Source: Own construction

5. RESEARCH DESIGN AND METHODOLOGY

5.1. RESEARCH PARADIGM AND APPROACH

There are two basic research paradigms to be adopted in any study, namely positivistic using quantitative studies and phenomenological research using qualitative studies (Gray 2014). This study adopted a qualitative approach using inductive theory and a small sample through in-depth investigations by means of qualitative methods (Wilson 2010:13). A documentary analysis or archival research was conducted on 10 organisations' responses towards social and environmental sustainability during the pandemic. Bowen (2009) postulates that document analysis is a systematic procedure for reviewing or evaluating documents – both printed and electronic material and requires that data be examined and interpreted in order to elicit meaning, gain understanding, and develop empirical knowledge. Documents that may be used for systematic evaluation as part of a study take a variety of forms. They include advertisements; agendas, attendance registers, and minutes of meetings; manuals; background papers; books and brochures; diaries and journals; event programs (i.e., printed outlines); letters and memoranda; maps and charts; newspapers.

Mohr and Ventreska (2002) regard archival research methods to include a broad range of activities applied to facilitate the investigation of documents and textual materials produced by and about organisations. In its most classic sense, archival methods are those that involve the study of historical documents and the analysis of digital texts including electronic databases, emails, and web pages. This is achieved through a descriptive approach in order to assess the strategic responses of organisations regarding social and environmental sustainability during the pandemic.

5.2. POPULATION AND SAMPLING

Population refers to the total number of cases that can be included as research subjects (Matthews & Ross 2010:154) The population for this study would be all organisations that are based in South Africa having a listed website or annual report regarding sustainability and operated through the Covid-19 pandemic (2020-2022). Sampling can be divided into two techniques: probability and non-probability. According to Etikan, Musa and Alkassim (2016:1), probability sampling is regarded as the distinguishing characteristic that each unit in the population has a known, non-zero chance of being included in the sample whereas, in non-probability sampling, this chance is unknown (Reynolds, Simintiras & Diamantopoulos 2003:88). Convenience and purposive sampling were used to select 10 organisations with listed websites and annual reports regarding social and environmental issues and responses during

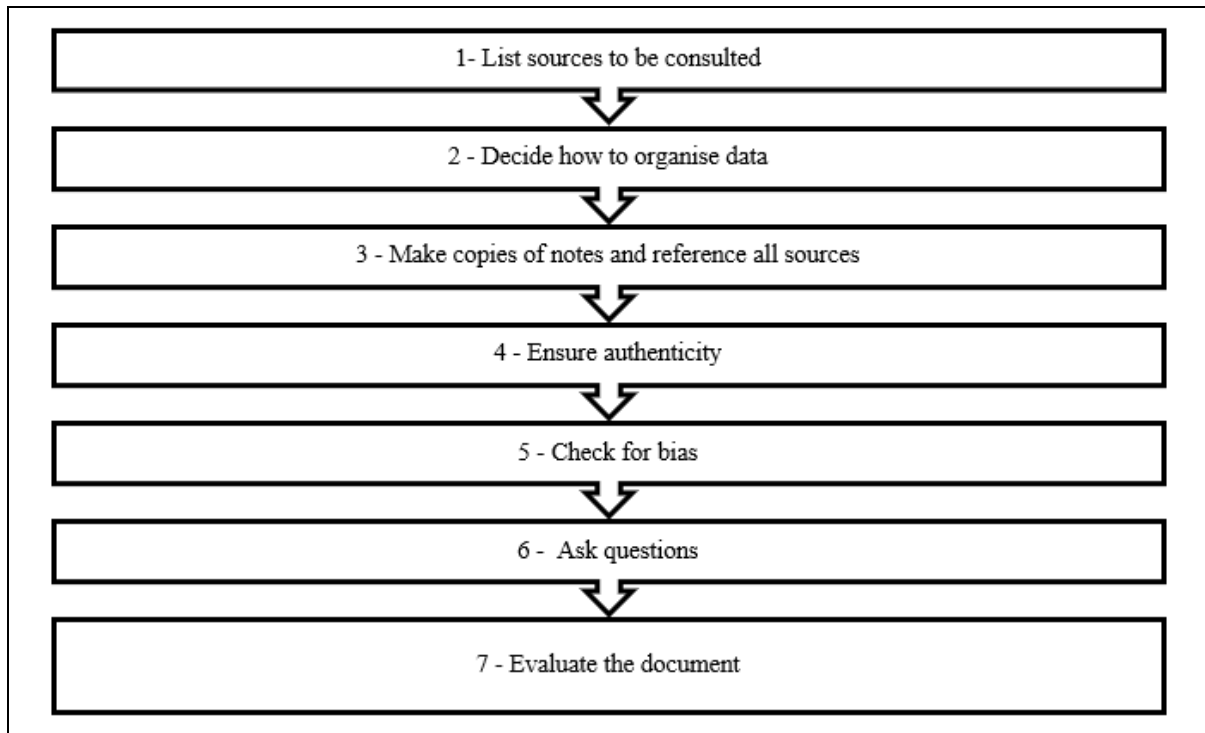
the pandemic period (2020-2021). Organisations were identified based on having a fair amount of information and data regarding sustainability issues and responses during the pandemic.

5.3. DATA COLLECTION

Wilson (2010:134) notes that there are two basic types of data, namely, secondary and primary data. A comprehensive literature study regarding social and environmental sustainability was conducted to collect secondary data by means of journals, books and the Internet. A desktop search was conducted by means of documentary analysis in order to assess the strategy response of 10 organisations toward social and environmental sustainability during the Covid-19 pandemic.

Figure 1 shows the process steps used in this study that guided the documentary analysis.

FIGURE 1: METHODOLOGICAL STEPS USED TO EXECUTE DOCUMENTARY ANALYSIS OF THE STUDY



Source: Adapted from Kenpro (2012) and Own construction

A description of the steps outlined in Figure 1 are tabulated in Table 3.

TABLE 3: METHODOLOGICAL STEPS USED TO EXECUTE DOCUMENTARY ANALYSIS OF THE STUDY

STEP		DESCRIPTION
1	List sources to be consulted	Decide on the types of documents to be used based on factors such as: <ul style="list-style-type: none"> <input type="checkbox"/> Medium – e.g. newspaper, magazine or website <input type="checkbox"/> Genre – e.g. politics, marketing or social issues <input type="checkbox"/> Inclusion criteria – e.g. only certain newspapers or websites <input type="checkbox"/> Parameters – e.g. date range and location
2	Decide how to organise data	Organising the information from a document analysis involves defining two elements: units of meaning and set of categories. <ul style="list-style-type: none"> <input type="checkbox"/> A unit of meaning refers to elements such as words, phrases or images. <input type="checkbox"/> Sets of categories are characteristics of the content – e.g. choose to include objective categories, such as gender or religion, or conceptual categories like corrupt, loyal or trustworthy
3	Make copies of notes and reference all sources	Keep all notes and data collected and reference all sources consulted.
4	Ensure authenticity	Only authoritative sources should be used to ensure their trustworthiness before using data. For example, authoritative sources typically have a listed author and copyright information included in the documentation.
5	Check for bias	It is important to acknowledge possible biases and use them to filter data collected. Types of bias you can inspect for during your document analysis include: <ul style="list-style-type: none"> <input type="checkbox"/> Confirmation bias – using others' opinions to confirm beliefs <input type="checkbox"/> Culture bias – making assumptions based on how someone perceives their own culture or another culture <input type="checkbox"/> Question-order bias – using answers to questions to influence respondents to answer other questions the same way <input type="checkbox"/> Wording bias – elaborating on the answer to a question to make it fit an agenda.
6	Ask questions	To conduct document analysis effectively, ask questions that could assist in determining the background of the document. Ask questions about who, what, when, where and why when assessing information to gather important details. <p>Examples of these types of questions include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Who wrote, researched or created this document? <input type="checkbox"/> What's this document about? <input type="checkbox"/> When was this document written? <input type="checkbox"/> Where did this document come from?
7	Evaluate the document	Identify patterns in the data, extract useful information and determine how it applies to the research question

Source: Own construction

5.4. DATA ANALYSIS

No primary data was collected by means of a survey. Data collected through the documentary analysis were analysed to identify responses of organisations regarding social and environmental sustainability. The process involved evaluating electronic and physical documents to interpret them, gain an understanding of their meaning and develop upon the information they provide. Kenpro (2012) suggests that in documentary analysis, the following aspects should be covered: document type (e.g. report, records, etc.), kind of document (government or institution), dates, where written, author and title, the aim of the document, factual information contained and why the document is a valuable source of information and it can be used.

5.5. FOUR CRITERIA OF TRUSTWORTHINESS OF QUALITATIVE RESEARCH

Internal validity is important to ensure that the study measures or tests what it is intended. When using qualitative research there are four criteria that can be used to ensure rigour in the research process. These four criteria are as follows:

- *Credibility* – it is important to ensure that the results in terms of the matter studied are accurate, credible, and believable. Triangulation can be used, the adoption of well-established and recognised research methods, frequent debriefing sessions and peer scrutiny of data collected and self-reflective commentary (Shenton 2004).
- *Dependability* – the same outcomes must be achieved if the study had to be conducted again. An external inquiry audit can be used where an external person inspects the data analysis and research process and readers of the report should be able to access the operational details of data gathering and evaluating the effectiveness of the process of inquiry undertaken (Ghafouri & Ofoghi 2016).
- *Conformability* – the information presented should be corroborated or backed up by other researchers or provide an audit trail indicating the logical step-by-step data analysis and collection process (Korstjens & Moser 2018).
- *Transferability* – the extent to which the research can be used in other settings and studies. Researchers can use thick descriptions to show that the study's results can be transferred into similar studies (Gomm, Hammersley & Foster 2000).

The study employed rigorous measures to ensure credibility, transferability, dependability, and confirmability, thereby enhancing the overall trustworthiness of the research outcomes.

5.6. ETHICAL CONSIDERATIONS

In this study, care was ensured that the information and data gathered were represented accurately so that no damage will be done to the authors and the organisations featured in the study. Sufficient and adequate referencing acknowledgement was given to all authors and only reliable and credible websites and studies were used as secondary data. This study was done using a literature review followed by a desktop study so no considerations for human test subjects were required. A Turnitin report was obtained to reflect the similarity index and an ethical clearance form was obtained from the relevant department.

6. EMPIRICAL RESULTS

6.1. BIOGRAPHICAL INFORMATION

Table 4 provides an overview of the 10 organisations investigated during the documentary analysis.

TABLE 4: BIOGRAPHICAL INFORMATION OF TEN ORGANISATIONS USED IN THE DOCUMENTARY ANALYSIS

Organisation	Industry type	Established	Estimated number of employees	Type of reporting
Dis-Chem	Pharmaceutical	1978	18 000	Integrated
Discovery	Financial services	1992	12 950	Sustainability
Sun International	Gaming and hospitality	1967	14 000	Sustainability
World Wildlife Fund	Conservation and wilderness preservation	1968	200	Integrated
Checkers	Retailing	1956	144 800	Sustainability
Tiger Brands Limited	Fast-moving consumer goods	1920	20 600	Sustainability
First National Bank	Banking	1838	24 300	Integrated
Distell Group Ltd.	Brewing and beverage	2000	4 400	Sustainability
Woolworths Holding Ltd.	Retailing	1931	45 000	Sustainability
SASOL	Chemicals and energy	1950	30 100	Sustainability

Source: Own construction

These 10 organisations will be analysed in terms of their responses regarding social and environmental sustainability responses during the pandemic.

6.2. DOCUMENTARY ANALYSIS RESULTS

6.2.1. *Dis-Chem*

(a) Social sustainability strategy responses

- *Ensuring employee health and safety* – made it mandatory for all employees to be vaccinated against Covid-19 and those who were unwilling had to show a weekly negative test to gain entrance onto the premises.
- *Unethical trading* – Dis-Chem was found guilty by the Competition Tribunal for “price gouging” and charging excessively high prices for face masks and had to pay a fine.
- *Philanthropy* – made free Covid-19 testing available to people that qualified under certain criteria (e.g. certain age, not part of a medical aid scheme and unemployed) (BusinessInsider 2020).

(b) Environmental sustainability strategy responses

- *Water usage* – emphasised responsible water usage and put in place measures such as: attenuation pond and Jojo tanks installed at stores, recycling rainwater at stores, no hot water supply in restrooms and timers on restroom taps to stop excess usage.
- *Energy usage* – installed automatic sensors in offices so when unoccupied it turns off and the transition to LED lighting in older facilities to save electricity.
- *Waste recycling* – constantly looking for ways to reduce waste and if possible, find ways to reuse packing and containers. Recycling of medical waste such as syringes and needles was done by certified medical waste disposal companies (DisChem Group 2021; DisChem 2022).

6.2.2. *Discovery Limited*

(a) Social sustainability strategy responses

- *Social cohesion and community engagement* – support was given to community centers and schools, the National Department of Health and the National Institute for Communicable Diseases. Regular meetings were held with local health authorities to assist in combating the virus and to learn about the virus and how Discovery can keep communities and stakeholders safe.
- *Ensuring employee health and safety* – attempted to increase awareness of hand sanitising and increased frequency of office sanitisation and cleaning. Work-from-home initiatives were encouraged and allowing self-isolating employees to keep working, if possible. COVID-19 awareness and information courses were provided to educate employees.
- *Fair labour practices* – specific benefits were offered to clients with regards to Covid-19 (e.g. consultations with Discovery network GPs, defined list of x-rays and scans for positive members as well as free Covid-19 PCR screening if advised by Discovery network general practitioner). A dedicated member information hub was made available for queries regarding the pandemic and full cover was given to members of confirmed Covid-19 cases in need of treatment and the vaccine.
- *Stakeholder engagement* – by working closely with key suppliers and manufacturers, some key medications such as chronic medications have been kept on the shelves. Discovery prided itself on the health and needs of its members during the pandemic (Discovery 2020a).

(b) Environmental sustainability strategy responses

Discovery strives and believes that the environment must be protected at all costs. Some of their strategy responses were:

- *Waste recycling* – 72% of the waste generated during the peak of the pandemic on their premises was recycled. Discovery has also reduced its greenhouse emissions in a fight against climate change. This contributed to providing more fresh air for ventilation and air conditioning, especially required during the pandemic.
- *Climate change and environmental protection* – the aim is to be carbon-neutral by 2025. The Covid-19 pandemic and the reductions in carbon emissions due to reductions in human activities have shown how a cleaner future can look and has reinforced the future green economy goals of organisations.
- *Improve water wastage and water use efficiency* – water as a scarce resource was required for hand washing and manufacturing of hand sanitisers during the pandemic (Discovery 2019 and 2020b).

6.2.3. *Sun International*

(a) Social sustainability strategy responses

- *Reduction in payroll costs* – to address short-term liquidity concerns due to lack of customers and demand during the pandemic, Sun International cut payroll costs by 60% across the group. Due to restrictions placed on travelling and tourists not being allowed into the country, Sun International took these drastic steps necessary for the survival of the organisation.

- *Closure of casinos* – Sun International announced the closure of their Naledi and Carousel Casinos to shed non-core assets. During hard lockdowns, visiting casinos was prohibited and thus the casinos were unable to generate revenue.
- *Ensuring employee health and safety* – before the reopening of their casinos and hotels, stringent safety measures were put in place and training on COVID-19 safety was undertaken for staff and patrons.
- *Adjusting working conditions* – Sun International made provisions for certain categories of workers to work remotely when possible. Flexible working hours and working remotely from home, assisted employees in working in a safe controlled working environment (Africa 2020; Chothia 2020).

(b) Environmental sustainability strategy responses

The environmental strategy is integral to Sun International’s business strategy and they are committed to protecting pristine environments and minimising their environmental footprint by managing their natural resources responsibly (Sun International 2021).

- *Water usage* – responsible water usage and minimal wastage are key factors for Sun International (e.g. installed a water treatment system at their Boardwalk property during the pandemic).
- *Electrical usage* – electrical usage was monitored and compared to previous years as to decrease usage. The clean energy focus has become clearer for organisations during the pandemic, as it became evident that human operations are often harmful to the environment.
- *Carbon emissions* – Due to the impact of Covid-19 and its effects on the hours worked by individuals in the group, it was difficult to work out the correct carbon intensity ratios. The organisation reverted back to an absolute reduction target (Sun International 2021 and 2022).

6.2.4. WWF South Africa

(a) Social sustainability strategy responses

- *Community support* – provided rural communities with rainwater tanks to provide clean drinking water and for hand sanitising during the pandemic. Together with these tanks, seeds, including beans, cabbage, spinach and beetroot were supplied together with gardening tools required for subsistence farming as to assist communities to be able to be sustainable during the pandemic.
- *Employment opportunities* – set up a Post Graduate Placement programme for students that have acquired an honours or higher degree, by offering an 18-month fixed contract of employment to develop their skills in environmental conservation. This created some employment opportunities for graduates who struggled to find employment during the pandemic (WWF 2021).

(b) Environmental sustainability strategy responses

- *Natural resource depletion* – The WWF of South Africa have launched a drive for South Africans to “Build Back Better”, to protect the natural environment and show greater respect for wildlife and the ecosystem. During the pandemic and hard lockdowns people could not visit nature reserves and this possibly assisted in preserving and nurturing nature. Through this programme, education is offered as to how humans could affect the

ecosystem and how more diseases are likely to spread, if humans continue to harm the environment.

- *Water security and usage* – WWF SA and food and beverage company, PepsiCo Sub Saharan Africa, announced a partnership to fight for freshwater availability and food security. COVID-19 has had a significant impact on the availability of these necessities and their supply to especially vulnerable communities (WWF 2021).

6.2.5. *Checkers*

(a) Social sustainability strategy responses

- *Employment opportunities* – Shoprite, the holding company of Checkers stores, is the largest private employer in South Africa and has managed to create 3 897 new jobs during the pandemic. Checkers and their Sixty60 delivery system have been incredibly successful as families and individuals can now order groceries online and get it delivered safely to their doorstep.
- *Community support* – Checkers has shown support to the community by supporting the groups' The Community Chest, by delivering food parcels and shopping vouchers to impoverished communities during the pandemic (BusinessTech 2021; Capital Newspapers 2020).

(b) Environmental sustainability strategy responses

- *Recycling and plastic reduction* – Checkers stated that they had recycled thousands of tons of plastic, keeping it from landfills and they plan on meeting their goal of by 2025 having all their packing recycle and reusable. The pandemic exposed just how interconnected people are with the planet and how humans affect the environment. Through reusable packaging and recycling, Checkers is trying to do their part in environmental protection.
- *Energy usage* – In 2021, Checkers had doubled their solar capacity and that equalling 29 280 MWH of clean sustainable energy off the grid. This assisted Checkers to be more sustainable during the pandemic and to be able to provide additional power to stores, especially during times of load shedding. Almost a thousand of Checkers' trucks were cooled by solar power which drastically reduced its carbon emissions (Checkers 2020 and 2022).

6.2.6. *Tiger Brands Limited*

(a) Social sustainability strategy responses

- *Health screening protocols* – for all staff at each of their factories, thermometer heat temperature detection cameras that were installed as part of their screening protocols.
- *Flexible working hours* – staff shifts were staggered where it was possible to ensure there was appropriate physical social distancing between employees to limit the spread of the virus, protecting both employees and their families.
- *Hygiene and safety measures* – ensured that all common areas such as canteens, ablution facilities and change rooms were sanitised seven times a day and all surfaces across the entire facility were disinfected, six times a day. Offices were fogged once a week.
- *Provision of personal protective equipment* – provided employees and their families with masks and hand sanitisers for additional safety and hygiene purposes.

- *Ensuring food security and donations to communities* – Family Food Programme supported around 30 000 individuals with meals every day. The programme provided hampers that are designed with the help of their nutritionist especially to feed families of five. The programme partnered with the Department of Basic Education to provide these meals to communities through schools directly (Tiger Brands 2020 and 2022).

(b) Environmental sustainability strategy responses

- Focused on improving environmental performance in key areas:
 - Optimising energy use and reducing emissions.
 - Optimising water consumption and effluent.
 - Innovating packaging solutions.
 - Minimise waste through a circular economy.
- Their ambition is to send zero waste to landfills and to build a culture of waste segregation. To achieve these goals, they place an increasing emphasis on the reduction, reuse and recycling of waste generated in production processes.
- Furthermore, they have introduced packaging initiatives that focus on:
 - Reduced primary, secondary and tertiary packaging.
 - Using recycled plastics where possible.
 - Carefully investigating the use of biodegradable packaging.
 - Replacing current non-recyclable substrates with recyclable alternatives.
 - Support reduce, reuse and recycle packaging principles and the waste hierarchy (Tiger Brands 2020).

6.2.7. *First National Bank*

(a) Social sustainability strategy responses

FNB took proactive and preventive measures to minimise the risk of the Coronavirus in the workplace while ensuring they continue to provide critical financial functions and support.

- *Limiting large-scale gatherings of people* – postponing on-site meetings with vendors, partners and presenters from outside their markets, prohibiting large employee gatherings, such as group meetings.
- *Mandatory hand sanitising and maintaining social distancing* – required that all employees wash and sanitise their hands throughout the day, avoiding any type of employee contact such as handshakes and other forms of personal contact as well as maintaining social distancing where possible.
- *Provision of personal protective equipment* – ensuring that their employees had the correct and appropriate protective gear to reduce the spread of Covid-19 by providing their staff with masks and hand sanitisers.
- *Financial relief* – focused on ensuring that business and their customers had financial relief which included payment breaks for clients in good standing (FNB 2020a and 2022b).

(b) Environmental sustainability strategy responses

- *Green supply chain* – suppliers to sign a code of conduct to minimise their impact on the environment and comply with all regulations.
- *Mitigating climate change* – aiming to help the communities they serve to improve their resilience against extreme weather events and changing weather patterns.

- Residential mortgage solutions to facilitate energy-efficient homes.
- Innovative grant, equity, partnership and funding structures for end-to-end green agriculture.
- Transitional and renewable energy finance such as green loans and green bond facilitation (FNB 2020b and 2022a).

6.2.8. *Distell Group Limited*

(a) Social sustainability strategy responses

- *Remote work policy* – allowed their employees to work from home and provided them with the necessary tools to work remotely (e.g. desktops and additional 3G data cards).
- *Mandatory health and safety induction* – appropriate measures such as the gradual return of employees to offices and breweries and depots included mandatory health and safety induction for all employees returning to work.
- *Distribution of face masks* – partnered up with The Sunflower Fund and Home-Grown Africa a local SMME in the manufacturing sector by distributing hundreds of face masks for frontline volunteers.
- *Manufacturing of hand sanitisers* – focused mostly on sanitiser production and distribution (Distell 2020a and 2022).

(b) Environmental sustainability strategy responses

- Aim to prevent, mitigate or eliminate practices that could pose a threat to the environment.
- Implement environmental management systems for the benefit of all stakeholders.
- Strive to maintain and improve the environment by providing necessary financial and human resources.
- Focus on zero-harm at all times.
- Reducing the use of natural resources and prevention of pollution of air, land and water and ensuring safe treatment and disposal of waste (Distell 2020b and 2022).

6.2.9. *Woolworths Holding Limited*

(a) Social sustainability strategy responses

- *Provision of handwashing facilities* – through its partnership with UNICEF South Africa, it provided handwashing facilities that have helped improve the hand hygiene for learners and educational staff of more than 50 schools across Gauteng, North West and Mpumalanga provinces.
- *Provision of reusable fabric masks* – Woolworths clothing supplier focused on the production of reusable fabric masks which were distributed to Woolworths frontline employees, stores, distribution centres, call centres, and essential workers at head office.
- *Free hand sanitisers* – frontline employees were given free hand sanitisers and were encouraged to bring their own refillable containers to use in and outside the workplace.
- *Improving food security* – made a total contribution of R2m towards improving food security during the Covid-19 crisis in the form of food packages. Donations of over 23 tons of porridge for emergency food relief were initiated towards NGOs such as the Gift of the Givers and Food Forward SA (Woolworths 2022a and 2022b).

(b) Environmental sustainability strategy responses

- To strive for a net zero carbon impact and all energy to be obtained from renewable sources.
- Green store design through energy-saving elements and solar power.
- Encourage responsible use of water resources through rainwater harvesting and reuse systems.
- Recycling of all plastics – from trolleys to signage are made of recycled materials.
- Reusable shopping bags and recycling of hangers.
- To have a fully traceable and transparent supply chain and responsible sourcing of materials and products
- All private label fashion and home products to be designed to be reused, repaired, resold or recycled (Woolworths 2022a and 2022b).

6.2.10. SASOL

(a) Social sustainability strategy responses

- *Donations to vulnerable groups* – donated 3000 non-medical cloth face masks to the elderly and physically challenged.
- *Provision of protective clothing and medical supplies* – supplied general hygiene and safety kit materials such as masks, gloves, sanitisers, hand soap, linen, blankets, cutlery and medical aprons to support medical and quarantine facilities close to their operations.
- *Continuous supply of chemicals* – the focal point was more related to ensuring that there are enough chemicals to produce and distribute sanitisers and PPE (SASOL 2020a; SASOL 2021a and 2022).

(b) Environmental sustainability strategy responses

- Sasol continued during the pandemic to mitigate the risks related to air quality, water consumption, waste footprint, land use, and the impact on biodiversity through the ongoing investigation of alternative feedstocks, optimised processes, improved efficiency and focused abatement technology retrofits.
- The Net Zero Emissions Ambition and Future Sasol strategy placed them on a trajectory towards a significantly reduced GHG emissions profile.
- Premised on producing sustainable fuels and chemicals, using proprietary technology and expertise to decarbonise.
- Explore ways to improve waste management practices, notably in implementing waste minimisation initiatives and alternative usage solutions.
- Site and catchment-based activities which advance water supply to all catchment users.
- Air quality management system enables them to develop and implement feasible and sustainable emission-reduction strategies to mitigate the atmospheric footprint (SASOL 2020b; 2021b and 2022).

7. CONCLUSIONS AND RECOMMENDATIONS

It is clear that social and environmental sustainability has become an important business imperative. This was also evident during the COVID-19 pandemic when organisations were forced to change their social and environmental strategies in response to the pandemic. The pandemic has not only influenced and impacted households and individuals but also

organisations and the environment alike. An organisation’s environmental sustainability strategy was identified as deliberate actions to meet the needs and requirements of all stakeholders while protecting the environment, promoting ecological support and the overall availability of natural resources for future generations. Social sustainability was regarded as the responsibility the organisation has on the health and wellbeing of its employees and that of the social environment it operates in. Actions towards addressing the complex challenges of the pandemic have required the development of practical guidance and support to societies and the environment. The central approach to achieving effective sustainability throughout the pandemic required an openness for innovation and leveraging of strategic options by introducing new resources or redeploying the existing ones to generate novel outputs.

Based on the empirical investigation and desktop analysis of the 10 selected organisations, Table 5 shows the social sustainability response strategies as most prevalent during the pandemic.

TABLE 5: GUIDELINES FOR SOCIAL SUSTAINABILITY STRATEGY RESPONSES DURING A PANDEMIC

No	Guidelines for social responsibility response strategies during a pandemic ...
1	Always focus on employee health and safety.
2	Engage in philanthropy initiatives by ensuring continuous food security and donations to vulnerable groups.
3	Promote social cohesion and community engagement and support during times of uncertainty because of a crisis or pandemic.
4	Ensure fair labour practices are implemented.
5	Engage with all stakeholders and role players regarding needs and expectations during the pandemic.
6	Consider adjusted working conditions (e.g. work remotely, flexible working hours, etc.).
7	Create as much employment opportunities as possible for all.
8	Provide financial relief and assistance where possible.
9	Support the manufacturing of protective clothing, masks and hand sanitisers.

Source: Own construction

It appears that organisations have used many different strategies to adapt their social sustainability, realising the role that they should play in society and in communities that have struggled during the pandemic. Besides negative aspects such as unethical trading and charging exorbitant prices as well as some job losses and closure of businesses, overall, it appears that organisations have strived to assist employees, communities and other stakeholders during the pandemic.

The empirical investigation further revealed some common best practices regarding environmental sustainability response strategies of organisations during the COVID-19 pandemic, as depicted in Table 6.

TABLE 6: GUIDELINES FOR ENVIRONMENTAL SUSTAINABILITY STRATEGY RESPONSES DURING A PANDEMIC

No	Guidelines for environmental responsibility response strategies during a pandemic ...
1	Ensure responsible water usage efficiency and security.
2	Make use of energy-saving devices and lighting.
3	Engage in responsible waste recycling practices.
4	Promote the fostering of a green economy (environmental protection and lesser carbon footprint).
5	Foster a culture of responsible use of scarce natural resources.
6	Ensure recycling of materials and plastic use reduction.
7	Make use of innovative packaging solutions and initiatives.

No	Guidelines for environmental responsibility response strategies during a pandemic ...
8	Promote green supply chain strategies (make use of green suppliers and responsible sourcing).
9	Make use of or promote renewable energy financing options and solutions.
10	Ensure that air, land and water pollution prevention policies and strategies are in place.
11	Promote green store design (energy-saving elements and solar power solutions) as far as possible.

Source: Own construction

Organisations have also realised that they are responsible for the future of the environment and the role that the environment plays in their own sustainable future. All of the organisations investigated made some concerted efforts to protect the environment during pandemic conditions. These organisations were thus committed to using their resources to try and limit the spread of the virus and following governmental regulations.

The above-mentioned conclusions and recommendations regarding social and environmental responses of organisations towards the pandemic could also serve as possible recommendations for organisations on how to respond during a pandemic or crisis. Further general recommendations and implications are provided below for organisations operating during a pandemic or crisis:

- The vulnerability of the global economy has been starkly exposed by the pandemic, reinforcing the urgent need for longer-term thinking and new approaches to development and prosperity.
- The pandemic represents an opportunity to markedly shift developed trajectories to more sustainable pathways and to address longer-term crises such as climate change and biodiversity loss.
- COVID-19 should have prompted all stakeholders to join efforts in an attempt to find effective ways to mitigate risks and curb the consequences in a dynamic changing business environment.
- Organisations should set out strategies that can be implemented rapidly at global, national and regional levels that could assist in preventing the spread of a virus or responding to crisis.
- Organisations should be agile and flexible in adopting to new strategies and changing based on consumer needs when confronted with a pandemic or crisis so as to be able to be frontiers and industry leaders.
- Organisations should be resilient and come up with innovative solutions and strategies on how to deal with a pandemic or crisis.
- Organisations should show their humane and caring side even more so during pandemic conditions or when confronted with a crisis.
- Listen intently to the needs of all stakeholders and role players when navigating through a pandemic or crisis.
- Implement lessons learned during previous difficult times, hardships and crises when devising coping strategies.
- Do not go alone but take hands with all relevant stakeholders to develop sustainable strategies when fighting a pandemic or crisis.
- View a crisis or pandemic as an opportunity for change and innovation to improve business processes and practices to ensure future sustainability.

The following extract seems appropriate to conclude this paper with:

“The COVID-19 pandemic has revealed the systemic frailty of our global economy and society ... characterised by a health, economic and financial, climate and a crisis in nature ... To

address the sustainability problem we face, social and economic practices must change across different levels and aspects of society ... the way we live our lives and the way we eat, move and power our societies cannot remain the same. Reflecting on the unprecedented mobilisation and impact of responses to COVID-19 can inspire new ways of thinking and help humanity to seize the moment and make a change ... we can make significant societal changes to prevent threats due to climate change and environmental degradation that we will most likely face" (European Environment Agency 2022).

REFERENCE LIST

- ADEC Innovations. 2021. *What is social sustainability?* Available from <https://www.adecesg.com/resources/faq/what-is-social-sustainability/> (Date accessed: 2 October 2022).
- Africa, C.S. 2020. *Sun International positioned for sustainable recovery post Covid-19 lockdown CFO South Africa.* Available from <https://cfo.co.za/articles/sun-international-positioned-for-sustainable-recovery-post-covid19-lockdown/> (Date accessed: 31 August 2022).
- Barreiro-Gen, M., Lozano, R. & Zafar, A. 2020. Changes in sustainability priorities in organisations due to the COVID-19 outbreak: Averting environmental rebound effects on society. *Sustainability*, 12(2):1-13. DOI: <https://doi.org/10.3390/su12125031>.
- Belitski, M., Guenther, C., Kritikos, A.S. & Thurik, R. 2021. Economic effects of the COVID-19 pandemic on entrepreneurship and small businesses. *Small Business Economics*, 58: 593-609. DOI: <https://doi.org/10.1007/s11187-021-00544-y>
- Boiral, O., Brotherton, M., Rivaud, L. & Guillaumie, L. 2021. Organizations' management of the COVID-19 pandemic: A scoping review of business articles. *Sustainability*, 13(7):1-20. DOI: <https://doi.org/10.3390/su13073993>.
- Bowen, G.A. 2009. Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2):27-40. DOI: <https://doi.org/10.3316/QRJ0902027>.
- Burnie Group. 2016. *Good corporate strategy – Everything you need to know.* Available from <https://burniegroup.com/good-corporate-strategy/> (Date accessed: 10 September 2022).
- BusinessInsider. 2020. *Covid-19: Dis-Chem may now test you for free - if you're unemployed or without medical aid.* Available from <https://www.businessinsider.co.za/dischem-and-momentum-are-giving-free-covid-19-tests-to-those-without-jobs-or-medical-aid-2020-6> (Date accessed: 26 August 2022).
- BusinessTech. 2021. *Checkers is building something quite remarkable – and far bigger than its competitors.* Available from <https://businesstech.co.za/news/technology/518878/checkers-is-building-something-quite-remarkable-and-far-bigger-than-its-competitors/>. (Date accessed: 1 September 2022).
- Capital Newspapers. 2020. *Checkers partners with community chest during Covid-19.* Available from <https://capitalnewspapers.co.za/112593/checkers-partners-with-community-chest-during-covid-19/> (Date accessed: 1 September 2022).

- Checkers. 2020. *About Us Checkers ZA site*. Available from <https://www.checkers.co.za/about-us>. (Date accessed: 1 September 2022).
- Checkers. 2022. *Our sustainability journey*. Available from <https://www.checkers.co.za/our-sustainability-journey> (Date accessed: 1 September 2022).
- Chladek, N. 2019. *The importance of business sustainability strategies*. *HBS Online*. Available from <https://online.hbs.edu/blog/post/business-sustainability-strategies> (Date accessed: 23 June 2022).
- Chothia, A. 2020. *Sun International retrenchments could affect over 2 000 employees*. *The South African*. Available from <https://www.thesouthafrican.com/news/sun-international-retrenchments-could-affect-over-2-000-employees/> (Date accessed: 31 August 2022).
- Dischem Group. 2021. *Dischem Group*. Available from <https://dischemgroup.com/> (Date accessed: 25 August 2022).
- Dischem. 2022. *Coronavirus response*. *DisChem*. Available from <https://www.dischem.co.za/coronavirus-response> (Date accessed: 25 August 2022).
- Discovery. 2019. *Corporate sustainability*. Available from <https://www.discovery.co.za/corporate/corporate-sustainability> (Date accessed: 1 September 2022).
- Discovery. 2020a. *Covid-19 A test of sustainability*. Available from <https://www.discovery.co.za/corporate/covid-19-sustainability> (Date accessed: 1 September 2022).
- Discovery. 2020b. *Reports*. Available from <https://www.discovery.co.za/corporate/reports> (Date accessed: 31 August 2022).
- Distell. 2020a. *We dare to care: Our response to COVID-19*. <https://www.distell.co.za/Our-COVID-19-Response/> (Date accessed: 15 July 2022).
- Distell. 2020b. *Distell to supply sanitisers to vulnerable communities*. Available from <https://www.distell.co.za/newsroom/Distell-to-Supply-Sanitisers-to-Vulnerable-Communities/> (Date accessed: 27 September 2022).
- Distell. 2022. *We dare to care - Our response to COVID-19*. Available from <https://www.distell.co.za/Our-COVID-19-Response/> (Date accessed: 15 July 2022).
- Donthu, N. & Gustafsson, A. 2020. Effects of COVID-19 on business and research. *Journal of Business Research*, 117(1):284-289. DOI: 10.1016/j.jbusres.2020.06.008.
- Etikan, I., Musa, S.A. & Alkassim, R.S. 2016. Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1):1-4. DOI: <http://dx.doi.org/10.11648/j.ajtas.20160501.11>.
- European Environment Agency. 2022. *COVID-19: Lessons learnt for sustainability*. *Denmark, Copenhagen*. Available: <https://www.eea.europa.eu/publications/covid-19-lessons-for-sustainability> (Date accessed: 3 June 2023).

- Fairlie, R. 2020. The impact of COVID-19 on small business owners: Evidence from the first 3 months after widespread social-distancing restrictions. *Journal of Economics & Management Strategy*, 29(4):727-740. DOI: <https://doi.org/10.1111%2Fjems.12400>.
- First National Bank (FNB). 2020a. *Response to the Coronavirus Situation*. Available from <https://www.1stnatbk.com/covid-19-update-1> (Date accessed: 15 July 2022).
- First National Bank. 2020b. *FNB Media release: FNB confirms measures to help customers impacted by COVID-19*. Available from https://www.fnb.co.za/downloads/pressOffice/2020/FNBMediaRelease_Covid19_30M_arch2020_FINALforsocial.pdf (Date accessed: 27 September 2022).
- First National Bank. 2022a. *Covid-19 relief solutions*. Available from <https://www.fnb.co.za/realhelp/for-my-business/cash-flow-relief.html> (Date accessed: 27 September 2022).
- First National Bank. 2022b. *FNB: Ensuring that health and medical care are available for Covid-19*. Available from <https://www.google.com/search?q=Ensuring+that+health+and+medical+care+resources+are+available+for+covid+by+fnb&safe=active&rlz> (Date accessed: 15 September 2022).
- Freeman, R. & Mcvea, J. 2001. A Stakeholder approach to strategic management. *SSRN Electronic Journal*, 1-33. DOI: <https://dx.doi.org/10.2139/ssrn.263511>.
- Geneva Environment Network. 2020. *COVID-19 and the environment*. Available from <https://www.genevaenvironmentnetwork.org/resources/updates/updates-on-covid-19-and-the-environment/> (Date accessed: 3 June 2023).
- Ghafouri, R. & Ofoghi, S. 2016. Trustworthiness and rigor in qualitative research. *International Journal of Advanced Biotechnology and Research*, 7(4):1914-1922.
- Gomm, R., Hammersley, M. & Foster, P. 2000. *Case study and generalization: Case study method*. London: Sage.
- Gray, D.E. 2014. *Doing research in the real world*. London: Sage.
- Haanaes, K. 2016. *Why all businesses should embrace sustainability*. Lausanne, Switzerland: IMD Business School. Available from <https://www.imd.org/research-knowledge/articles/why-all-businesses-should-embrace-sustainability/> (Date accessed: 23 June 2022).
- Jackson, A., Boswell, K. & Davis, D. 2011. Sustainability and triple bottom line reporting – What is it all about? *International Journal of Business, Humanities and Technology*, 1(3):55-59.
- Kachaner, N., Nielsen, J., Portafaix, A. & Rodzko, F. 2020. *The pandemic is heightening environmental awareness*. Available from <https://www.bcg.com/publications/2020/pandemic-is-heightening-environmental-awareness> (Date accessed: 23 June 2022).

- Kenpro. 2012. *Document analysis method of data collection*. Available: <http://www.kenpro.org/document-analysis-method-of-data-collection/> (Date accessed: 6 June 2022).
- Korstjens, I. & Moser, A. 2018. Practical guidance to qualitative research: Part 4: Trustworthiness and publishing. *European Journal of General Practice*, 24(1):120-124.
- Książak, P. & Fischbach, B. 2018. Triple bottom line: The pillars of CSR. *Journal of Corporate Responsibility and Leadership*, 4(3):95-110. DOI: 10.12775/jcrl.2017.018.
- Mahmud, A., Ding, D. & Hasan, M. 2021. *Corporate social responsibility: Business responses to Coronavirus (COVID-19) Pandemic*. SAGE Open, January-March 2021:1-17.
- Matthews, B. & Ross, L. 2010. *Research methods: A practical guide for the social sciences*. Essex, England: Longman-Pearson.
- Mitchell, R.K., Agle, B.R. & Wood, D.J. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *The Academy of Management Review*, 22(4):853-886. DOI: <https://doi.org/10.2307/259247>.
- Mofijur, M., Fattah, I.M., Alam, A., Islam, A.B.M., Ong, H.C., Rahman, S.M., Najafi, G., Ahmed, S.F., Uddin, A & Mahlia, T.M.I. 2021. Impact of COVID-19 on the social, economic, environmental and energy domains: Lessons learnt from a global pandemic. *Sustainable Production and Consumption*, 26(2021):343-359. DOI: <https://doi.org/10.1016/j.spc.2020.10.016>.
- Mohr, J.W. & Ventreska, M. 2002. *Archival research methods, Companion to organizations*. Oxford: Blackwell Publishers. 805-828.
- Pollard, C.A., Morran, M.P. & Nestor-Kalinoski, A.L. 2020. The COVID-19 pandemic: A global health crisis. *Physiological Genomics*, 52(11):549-557. DOI:10.1152/physiolgenomics.00089.2020.
- Porter, M.E. & Kramer, M.R. 2002. The competitive advantage of corporate philanthropy. *Harvard Business Review*. December 2002, Brighton, Massachusetts.
- Rai, S.S., Rai, S. & Sing, N.K. 2021. Organizational resilience and social-economic sustainability: COVID-19 perspective. *Environment, Development & Sustainability*, 23: 12006-12023. DOI: 10.1007/s10668-020-01154-6.
- Rasmussen, C. 2021. Emission reductions from pandemic had unexpected effects on atmosphere. Available from <https://climate.nasa.gov/news/3129/emission-reductions-from-pandemic-had-unexpected-effects-on-atmosphere/> (Date accessed: 15 July 2022).
- Reynolds, N.L., Simintiras, A.C. & Diamantopoulos, A. 2003. Theoretical justification of sampling choices in international marketing research: Key issues and guidelines for researchers. *Journal of International Business Studies*, 34(1):80-89. DOI: 10.1057/palgrave.jibs.8400000.
- Sarkis, J. 2021. Supply chain sustainability: Learning from the COVID-19 pandemic. *International Journal of Operations & Production Management*, 41(1):63-73. DOI: <https://doi.org/10.1108/IJOPM-08-2020-0568>.

- SASOL. 2020a. *SASOL responds to increased demand for alcohol used in sanitisers and disinfectants in South Africa. 29 March*. Available from <https://www.sasol.com/media-centre/media-releases/sasol-responds-increased-demand-alcohols-used-sanitisers-and-3> (Date accessed: 15 July 2022).
- SASOL. 2020b. *Supporting the fight against COVID-19*. Available from <https://www.sasol.com/supporting-fight-against-covid-19>. (Date accessed: 15 July 2022).
- SASOL. 2021a. *SASOL in society: Responding to the needs of our communities*. Available from <https://www.google.com/search?q=sasol+south+africa+demographics&safe=active&rlz=> (Date accessed: 18 July 2022).
- SASOL. 2021b. *Sustainability – Environment*. Available from <https://www.sasol.com/sustainability/environment> (Date accessed: 6 June 2023).
- SASOL. 2022. *Supporting the fight against Covid-19*. Available from <https://www.sasol.com/supporting-fight-against-covid-19> [Date accessed: 27 September 2022].
- Shammi, M., Bodrud-Doza, M., Islam, A.R.M.T. & Rahman, M.M. 2020. Strategic assessment of COVID-19 pandemic in Bangladesh: Comparative lockdown scenario analysis, public perception, and management for sustainability. *Environment, Development and Sustainability*, 23(4):6148-6191. DOI: 10.1007/s10668-020-00867-y.
- Shenton, A.K. 2004. Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information*, 22(2):63–75. DOI: 10.3233/EFI-2004-22201.
- Stojanović, A., Milošević, I., Arsić, S., Mihajlović, I. & Đorđević, P. 2018. Importance of environmental sustainability for business sustainability. *8th International Conference on Environmental and Material Flow Management*. Zencia, Columbia. 14-16 November 2018.
- Sun International. 2021. *Sun International - 2021 Integrated reporting suite downloads*. Available from <https://suninternational.onlinereport.co.za/2021/> (Date accessed: 31 August 2022).
- Sun International. 2022. *About Us*. Available from <https://corporate.suninternational.com/about/> (Date accessed: 1 September 2022).
- Thompson, A.A., Peteraf, M.A., Gamble, J., Strickland, A.J., Janes, A. & Sutton, C. 2017. *Crafting and executing strategy: the quest for competitive advantage*. 2nd edn., London; Boston: McGraw-Hill.
- Tiger Brands. 2020. *Our Approach to Waste Reduction*. Available: <https://www.tigerbrands.com/sustainability/environment/waste> (Date accessed: 6 June 2023).
- Tiger Brands. 2022. *Responding to the President's economic and social package*. Available from <https://www.tigerbrands.com/Global/Articles/Responding-to-the-Presidents-Economic-and-Social-Package> (Date accessed: 27 September 2022).

- United Nations Global Compact. 2019. *Social sustainability. UN global compact*. Available from <https://www.unglobalcompact.org/what-is-gc/our-work/social> (Date accessed: 23 June 2022).
- United Nations. 2021. *The Sustainable Development Goals Report*. Available from <https://unstats.un.org/sdgs/report/2021/The-Sustainable-Development-Goals-Report-2021.pdf>
- Wilson, J. 2010. *Essentials of business research: A guide to doing your research project*. London: Sage.
- Woolworths. 2022a. *10 Ways we are working with tomorrow in mind*. Available from https://www.woolworths.co.za/content/article/w-today/10-ways-we-re-working/_/A-cmp207978 (Date accessed: 27 September 2022).
- Woolworths. 2022b. *Our History*. Available from <https://www.woolworthsholdings.co.za/overview/our-history/> (Date accessed: 18 July 2022).
- World Bank. 2020. *Five Things About Social Sustainability and Inclusion*. Available from <https://www.worldbank.org/en/news/feature/2020/09/02/five-things-about-social-sustainability-and-inclusion>
- World Resources Institute. 1992. *World Resources 1992-93: A report*. New York: Oxford University Press.
- WWF. 2021. *WWF South Africa launches drive to encourage South Africans to build back better, as we emerge*. Available from <https://www.wwf.org.za/?34422/WWF-South-Africa-launches-drive-to-encourage-South-Africans-to-build-back-better-as-we-emerge-from-Covid-19> (Date accessed: 1 September 2022).

(Recognition is hereby given to Mr B du Toit and Mr L Ntombela for conducting the empirical study)

A PROPOSED HYPOTHETICAL MODEL ASSESSING THE IMPACT OF CONTEMPORARY CORPORATE SOCIAL RESPONSIBILITY TRENDS ON BUSINESS PERFORMANCE IN THE RETAIL INDUSTRY

Vusumzi Msuthwana

Elroy Smith

ABSTRACT

The purpose of this study is to develop a hypothetical model exploring contemporary CSR trends and their influence on retail business performance in the emerging markets. The model identified six contemporary CSR trends that have a direct influence on business reputation, sustainability, competitive advantage all of which may lead to positive business performance. The study focused on the retail industry because the retail sector has a great opportunity for CSR due to its closeness to end users, social harmony with the communities in which it operates, its important role in the value chain and its broad geographical presence. The study found that there exists a correlation between the identified contemporary CSR trends and business performance. It is therefore envisaged that this study may assist retail firms to understand the contemporary CSR trends so that they are able to respond to the progress of CSR modern business practices.

Keywords/phrases: business performance, business reputation, competitive advantage, corporate social responsibility, sustainability.

1. INTRODUCTION

The 21st century is defined by the globalisation of commercial and financial relations implying constant economic, social and environmental progress (McLellan 2005). These are areas in which businesses integrate their values, decision-making, culture, strategy, and operations in a transparent and accountable manner, thereby establishing better practices in the business, creating wealth and improving society (Deepa & Chitramani 2015). Corporate social responsibility (CSR) as a business model (Raczkowski, Sułkowski, Fijałkowska 2016), has achieved popularity over the years and continues to be popular in modern business practices (IvyPanda 2019) and there is often reference to the concept as “responsive competitiveness” or “corporate sustainability” (Deepa & Chitramani 2015). Hohnen (2019:9) states that citizens in many countries are making it clear that businesses ought to meet the same high standards of social and environmental care, no matter where they operate, in the context of CSR, businesses can thus help build a sense of community and a shared approach to common social problems.

As the focus in this study is on the retail sector, Low (2016) argue that the retail sector has a great opportunity for CSR because of its closeness to end users, social harmony with the communities in which it operates, its important role in the value chain and its broad geographical presence. Van Heerden (2013:10) also show that a significant number of consumers consider CSR when making purchasing decisions and are likely to switch brands to one that is affiliated with a “good cause”. Therefore, by implementing CSR into its business activities, a business can ensure that its success is in line with moral principles and social expectations (Tran & Nguyen 2020:1). CSR thus requires retailers to govern the economic, social, and environmental impact of their operations to maximise the benefits and minimise the drawbacks of their overall development (Market Business Review 2022).

2. PROBLEM INVESTIGATED

Milano (2021) indicates that trends are continuing occurrences that can change a field of study, business or industry, in a positive or negative manner. A trend could also be regarded as “a pattern of gradual change in a process, output, or condition”. Elalfy, Palaschuk, El-Bassiouny, Wilson and Weber (2020:1) highlight that within a paradigm characterised by unprecedented levels of transparency and visibility, public stakeholders and disclosure standards have gained considerable power in their ability to drive trends toward more sustainable business practices.

However, the challenges that have been seen in CSR initiatives are that it is often considered as an act of charity rather than a strategy to improve the business’s competitive context, although there has been a paradigm shift for many businesses towards CSR initiatives in recent years (Narayan, Lal, Dutta & Mehta 2012). Against this background, Yang, Ngai and Lu (2020) reveals the importance of CSR as a sustainable business practice, yet often businesses do not place sufficient effort in green reporting and their use of energy and natural resources with some drawbacks such as low credibility and lack of consistency in many reporting processes. Although consumers are also looking to make responsible choices and put limitations on the usage of natural resources, CSR is still often viewed as a practice of only giving significant financial donations (Laughland, Bansal & Bansal 2011). Despite some research on the impact of CSR on business performance (Kaufmann & Olaru 2012; Martos-Pedrero, Cortés-García & Jiménez-Castillo 2019; Turyakira 2012) limited research has been done on the impact of contemporary CSR trends in relation to business performance, especially in the emerging markets. As CSR is a developing concept, it is for this reason that there are continuous new trends or developments evolving and thus necessitating further investigation. This led to the following main research question to be addressed in this study:

What is the impact of contemporary CSR trends on business reputation and retail business performance?

3. RESEARCH OBJECTIVES

Taking into consideration the above problem statement and purpose of the study, the primary and secondary objectives are provided in the following sections.

3.1. PRIMARY OBJECTIVE

The primary objective of this study is to develop a hypothetical model to assess the impact of contemporary CSR trends on retail business performance in the emerging markets.

3.2. SECONDARY OBJECTIVES

In order to achieve the primary objective of this study, the following secondary research objectives are identified:

- To provide a comprehensive literature overview regarding contemporary CSR trends.
- To highlight the suggested recommendations for further empirical study of the hypothetical model.

4. LITERATURE REVIEW

As mentioned, one of the secondary objectives of this paper, was to provide a comprehensive literature overview regarding contemporary CSR trends. Therefore, this section will focus on

CSR literature. Visser (2012) defines CSR trends as the approach to looking to the future, what is needed, and what is just starting to emerge. Strandberg (2002) says that CSR trends are often viewed as an approach to understanding the developments in social and environmental issues and to understand their impact on stakeholder demands, potential partnerships, and consumer attitudes in the years to come. Carroll (1999) developed a framework of CSR and divided it into four levels: namely, economic, legal, ethical, and philanthropic responsibility. It was stated that economic responsibility refers to the profitability of the business, whereas legal responsibility refers to complying with the laws and regulations of business practice. Ethical responsibility refers to the business's operations going beyond just the law and being expected to act with honesty and integrity, while philanthropic responsibility refers to voluntary giving and service to society (Tripathi & Bains 2013:790). Piasecki and Gudowski (2017) postulate that through CSR, businesses have become integral actors in social development, in which consumers are viewed not only as a market but also as a community. Furthermore, through CSR, businesses have been noted to follow the rules that assist in maintaining the socio-economic order, following shared values, and doing no harm to society while pursuing profitability.

Azman and Mustapha (2018) argue that the high cost involved in conducting CSR activities is the main challenge to businesses and therefore, businesses tend to pay more attention to short-term programmes rather than those initiatives which will have long-term advantages and provide profits in the long run. Businesses also tend to concentrate on the competitive advantage they would gain rather than the health, security, and ecological development of the societies in which they operate. Azman and Mustapha (2018) further contend that cultural diversity requires a need for change in organisational culture because people from different cultures with different beliefs and values had to work together in a business and could potentially affecting productivity and teamwork. To clearly define CSR trends, Hopkins (2011) explored some of the CSR trends to assist stakeholders in identifying and monitoring the progress of CSR practices. Some of these trends include transparency, "going green initiatives", diversity and inclusion, and social innovation. Other contemporary CSR trends include, among others, local community and employee engagement, increased transparency, diversity and inclusion initiatives and investment in green technologies (Cohen, Taylor & Muller-Camen 2020; Hamidu, Haron & Amran 2018).

Postma (2011) also reveals that the subject of CSR trends had been emphasised by the discourse to have sustainability among businesses, corporate accountability, and transparent reporting, yet not involving employees in CSR activities. However, in 2020, COVID-19 completely derailed plans for further improving CSR. Businesses have spent huge amounts of their allocated CSR budget on unforeseen costs due to the pandemic and their attention was also diverted away from achieving CSR objectives (Institute of Supply Chain Management 2021). This study and others like Johannes (2016) as well as Penn and Thomas (2017) have brought about an interest in tracking the development of new contemporary CSR trends that could change the way businesses are conducted in the near future, hence the following sections discusses the specific contemporary CSR trends that have developed in recent years.

4.1. TRANSPARENCY

Fourie and Naudè (2011) define transparency as the ease with which an outsider is able to make a meaningful analysis of a company's actions, its economic fundamentals and the non-financial aspects related to that business. This definition is further supported by Foscht, Lin and Eisingerich (2018), who define transparency as the offering of critical information about the pros and cons of a business' products/services that are easily accessible to and easily

understood by customers. Transparency therefore means that decisions taken by a business and the enforcement of those decisions are performed in a manner that follows rules and regulations, meaning information is freely available and directly accessible to those affected by such decisions and their enforcement, in an easily understandable form and through the media (Weiss & Steiner 2006:1553).

Transparency encourages openness, it increases concerns about secrecy and privacy and encourages a business to act alongside accountability, efficiency, and effectiveness (Ball 2014:1). Increased transparency as a CSR trend is possibly in response to the ever-increasing demand for disclosure by consumers on businesses – yet this trend may still need some years to develop further (Tran & Nguyen 2020:2).

This study recognises transparency as part of CSR and explains it in accordance with the South African perspective where the Johannesburg Securities Exchange (JSE) promotes the link between transparency and corporate responsibility through its Social Responsible Index (SRI). Despite the available broad theory about transparency in relation to CSR, there is limited literature that tests transparency against business performance. Against this background, the following is hypothesised:

H₁: There exists a relationship between transparency and business reputation in the retail sector.

4.2. EMPLOYEE ENGAGEMENT

Employee engagement is defined as the extent to which employees commit to something or someone in their business, how hard they work and how long they stay because of that commitment (Storey, Welbourne, Wright, Ulrich & 2008). Mirvis (2012) outlines that, over the past few years, CSR has been adopted as a “tool” to recruit and retain employees because most employees desire to work for a business that cares about how it impacts and contributes to society. Furthermore, among those already in the workforce, the majority of the employees may be aware of their employer’s commitment to social and environmental activities and these activities make them feel loyal and committed to their employer. Employee engagement can also be seen as the emotional commitment employees feel towards their business and the actions, and how they respond to the business’s success (Allen 2014:1). Tsourvakas and Yfantidou (2018) show that employees are proud to identify themselves with companies that have a caring image. Moreover, when CSR is embedded, it will more positively affect employees and enables them to show more of their whole selves at work (Glavas 2016).

Chaudhary (2017) attempted to build a better business case for CSR by exploring its impact on employee engagement which subsequently influences business performance and found that CSR activities of the organisation directed towards customers had significant influence on employee engagement at work. While Bapat and Upadhyay (2021) investigated the implications of CSR initiatives on employee engagement and concluded that “CSR can be viewed as an upcoming driver of employee engagement.” It can therefore be presumed that there is a connection between CSR and employee engagement (Gross & Holland 2011). Seemingly, businesses recognise the importance of employee relations for their overall reputation and license to operate. Based on this discussion, the following is hypothesised:

H₂: There exists a relationship between employee engagement and business reputation in the retail sector.

4.3. GREEN TECHNOLOGY INVESTMENT

Green technology refers to a type of technology that is considered environmentally friendly based on its production process or its supply chain (Kenton 2020:1). Green technology investment refers to the investment necessary to reduce greenhouse gas and air pollutant emissions, without significantly reducing the production and consumption of non-energy goods (Eyraud, Wane, Zhang & Clements 2011:5). Green technology is also a growing trend for businesses seeking to enhance their CSR image, as available natural resources are easily depleted, and global warming temperatures are constantly rising. Furthermore, the challenge with green technology is that many businesses may show resistance towards this trend as they may not be aware of its importance (Tran & Nguyen 2020:3). In the context of sustainable development, a growing number of manufacturers are integrating green technology innovations into their businesses to implement sustainable production and better reduce carbon emissions from production activities (Liu, Wang & Zhang 2021).

Indriastuti and Chariri (2021) cites that studies on the dynamics of sustainable performance involving green investment and CSR investment can create an interesting contribution to improving financial performance on sustainable performance. Consequently Othman, Darus and Arshad (2011) realised that the growing evidence that CSR initiatives play an important role in enhancing corporate reputation. Against this background, it can be hypothesised that:

H₃: There exists a relationship between green technology investment and business reputation in the retail sector.

4.4. DIVERSITY AND INCLUSION

Diversity means understanding that everyone is unique and recognising everyone's differences in terms of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, and other ideologies (Tripathi & Bains 2013:790). Diversity also represents a multitude of individual differences and similarities that exist among people (Washington 2008:3). On the other hand, inclusion focuses beyond the concept of "some" and shifts the group effort to "all." Furthermore, inclusion requires a fundamental change in the business's structure, human resource policies, operational procedures, style of leadership, and all together the culture of the business (Itam & Bagali 2018:150). Hence, the concept of inclusion needs to be examined along with diversity so that important questions about leveraging the potential of diverse workforce can be answered (Garg & Sangwan 2021). Therefore, diversity and inclusion are concepts whereby a business acknowledges that its stakeholders are unique and different and should act in a manner that includes, caters for, and appreciates all stakeholders alongside their differences and similarities. Syed (2006) further argues that the participation of culturally diverse employees, especially those from different backgrounds in corporate social responsibility is important to achieve environmental as well as economic sustainability. Globalisation of businesses and diversity and inclusion are also trends aimed to address the recognition of the value of local markets and supply chain, local talent and recognition of inequalities in pay and economic burdens of employees (McClimon 2020). Based on this discussion, the following is hypothesised:

H₄: There exists a relationship between employee diversity and inclusion, and business reputation in the retail sector.

4.5. PHILANTHROPY

Philanthropy is defined as the universal goodwill, desire, and readiness to do good to all mankind (Sulek 2010:198). “A philanthropist is anyone who gives time, money, experience, skills, networks, in any amount to create a better world” (Hopkins 2011:10). Philanthropy is therefore exhibited by a business that has a desire and readiness to give its time, money, and other resources to better the societies in which it operates. Furthermore, their study postulates that CSR has been recognised much more in a bid to implement philanthropy as businesses contribute some of their profits into social activities or charitable donations. Adrian, Phelps and Gatte (2013) state that philanthropy can be strategic so that charitable efforts improve the competitive context. Corporate reputation can be enhanced by corporate philanthropy (Peterson 2018). Philanthropy can also align social and economic goals and improve a company’s long-term business prospects (Porter & Kramer 2006).

Brammer and Millington (2005) conducted an empirical analysis of corporate reputation and philanthropy and found that companies which make higher levels of philanthropic expenditures have better reputations. Again, Hogarth, Hutchinson and Scaife (2018) investigated corporate philanthropy, reputation risk management and shareholder value, and the results of their study demonstrate the business case for corporate philanthropy and hence encourage corporate philanthropy by showing increasing firms’ investment in corporate giving as a percentage of profit before tax, increases the likelihood of an increase in shareholder value. While Daromes and Gunawan (2020) investigates the effect of philanthropy on firm value with company reputation as a moderating variable and found that indicate that corporate reputation is able to moderate the influence of philanthropy on firm value. Against this background, it can be hypothesised that:

H₅: There exists a relationship between philanthropy and business reputation in the retail sector.

4.6. SOCIAL INNOVATION

Social innovation can be seen as new ideas that are introduced to address unmet social needs. Furthermore, social innovations can take the form of specific ideas, actions, frames, models, systems, processes, services, rules, and regulations as well as organisational forms (Nicholls, Simon & Gabriel 2015:2). Social innovation includes the development of new products, services and programmes, social entrepreneurship and the activity of social enterprises, the reconfiguration of social relations and power structures, workplace innovation, new models of local economic development, societal transformation, and system change (Hopkins 2011:8). Social innovation is therefore a concept whereby a business introduces new ideas, services, products, systems, processes, models, rules, and other components that work to solve and meet social needs in the environment and societies in which it operates. Corporate social innovation has been cited as the latest and definitive alternative for companies to help solve social problems through innovative procedures and strategies while reaching economic results (Dionisio & de Vargas 2020).

Recently, Zaghlol (2023) investigated the relationship between university social innovation and corporate reputation, and the results showed that there is a significant effect of university social innovation on sustainable corporate reputation. Based on this discussion, the following can be hypothesised:

H₆: There exists a relationship between social innovation and business reputation in the retail sector.

4.7. BUSINESS REPUTATION

The concept of business reputation or often called corporate reputation is described as the extent to which a business is widely recognised among stakeholders in its organisational field, and the extent to which the business stands out relative to its competitors (Lange & Lee 2011:155). Business reputation can be defined as the collective perception of the business's past actions and expectations regarding its future actions, in view of its efficiency compared to the main competitors (Pires & Trez 2018:4). In a literature review on the causality between sustainability and corporate reputation, Gomez-Trujillo, Velez-Ocampo and Gonzalez-Perez (2020) found that sustainability appears to be an antecedent of corporate reputation and a tool to enhance stakeholders' acceptance and perceptions on companies' activities. Lee (2012) conducted a literature review in corporate sustainability, stakeholder management, social marketing, corporate communication, and reputation management in order to build a new framework. The study suggests that building and managing stakeholder relationships solidly can assist business organisations to become more sustainable and solidifying a strong corporate reputation by utilising corporate communications, public relations, and social marketing as practices and as discipline that can also contribute to corporate sustainability. Consequently, the study provided a new approach to link stakeholders and corporate reputation towards corporate sustainability.

Mai, Nguyen and Nguyen (2021) identified the mediating role of firm reputation on the relationships of CSR dimensions and competitive advantage, and how a firm directly gains competitive advantage through CSR implementation, and results show that implementing environmental, ethical, philanthropic and legal CSR activities contribute positively to increase the firm reputation and thus generating competitive advantage. Sihite, Sule, Azis and Kaltum (2016) conducted a study to determine the correlation of company's reputation in increasing competitive advantage, and the result shows that there is a positive relationship and impact of company's reputation in gaining competitive advantage. While Singh and Misra (2021) found a link between business reputation and business performance. Against this background, it can be hypothesised that:

H_{7a}: There exists a relationship between business reputation and business performance in the retail sector.

H_{7b}: There exists a relationship between business reputation and sustainability in the retail sector.

H_{7c}: There exists a relationship between business reputation and competitive advantage in the retail sector.

4.8. SUSTAINABILITY

Sustainability is concerned with the well-being of future generations and in particular with preserving irreplaceable natural resources, as opposed to the satisfaction of present needs (Kuhlman & John 2010:3437). Sustainability is also a process that helps create a vibrant economy and a high quality of life, while respecting the need to sustain natural resources and protect the environment (Hopkins 2011:6). Given the challenge of measuring corporate sustainability in practice, Morioka and Carvalho (2016) implemented sustainability

performance measurement system indicators, as guideline indicators, which are often used in literature, consequently, there are many studies that have investigated a relationship between sustainability, business reputation and competitive advantage. Lee, Pati and Roh (2011) found that there is a relationship between corporate sustainability performance and tangible business performance. Chen (2015) investigated manufacturers' sustainable initiatives, and to explore the relationship between these sustainable practices and companies' performance, including financial performance, operational performance, innovation performance, environmental performance, and social performance. The results showed that several sustainability indicators, such as product responsibility, human rights, and society, displayed a significant and positive correlation with return on equity, which is a measure for business performance. Based on this discussion, the following can be hypothesised:

H₈: There exists a relationship between sustainability and business performance in the retail sector.

4.9. COMPETITIVE ADVANTAGE

Competitive advantage is defined as a significant advantage a business has over its competitors due to the cost of allocation and the results of the operation which depends on the positioning strategy (Işoraitè 2018:1). A competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and services that justify similar or possibly higher prices (Ehmke 2020:51). Majeed (2011) investigated the impact of competitive advantage on organisational performance and found a correlation between competitive advantage and business performance. In addition, Agha, Alrubaiee and Jamhour (2012) indicates that while core competence has a strong and positive impact on competitive advantage and organisational performance, competitive advantage has also significant impact on organisational performance. Against this background, the following can be hypothesised:

H₉: There exists a relationship between competitive advantage and business performance in the retail sector.

4.10. BUSINESS PERFORMANCE

Business performance is a concept which represents the degree to which a business, as a social system with limited resources and means, achieves and manages, its social, economic and political development without an excessive effort from its members, in other words, without too much use of its resources (Taouab & Issor 2019:94). Business performance can also be defined as a set of analytical processes and indicators that enable the management of a business to achieve pre-selected goals and to focus on profitability, growth, or social performance of a business (Brown 2020). Business performance in this study is used as multi-dimensional concept that include elements from business reputation to sustainability and competitive advantage.

5. PROPOSED RESEARCH DESIGN AND METHODOLOGY

One of the secondary objectives of this paper was to highlight suggested recommendations for a further empirical study of the study's developed hypothetical model. Therefore, the sub-sections will discuss the recommendations proposed for a future empirical study. Research methodology is an articulated, theoretical informed approach that is concerned with how a piece of research should be undertaken (Grix 2004). Methods are specific means of collecting

and analysing data which could include interviews, observations, photographs, diaries, newspapers, the internet, secondary sources, and archives (Delmont & Mason 2007).

5.1. RESEARCH PARADIGM

A research paradigm refers to the idea or perspective one has with regard to a specific topic, “a way of looking at something” and provides a framework that directs the way research is conducted (Collis & Hussey 2014). It also refers to the nature of our beliefs about reality. The two main research paradigms are positivistic research and phenomenological research (Blaxter, Hughes & Tight 2010:65). Phenomenological research is usually conducted through qualitative research approaches (aiming to obtain rich in-depth data among other through observations and focus group interviews) and positivistic research through quantitative research approaches (aiming to examine the relationship between variables and extraneous issues) (Elkatawneh 2016:2). It is recommended that a positivistic research paradigm by means of a quantitative research methodology is pursued, using a large sample size and testing hypotheses through a structured measuring instrument.

5.2. RESEARCH APPROACH

A research design approach is the procedure for collecting, analysing, interpreting, and reporting data in a research study. Boru (2018:3) identifies three approaches namely, descriptive, exploratory and explanatory research. For this study, a descriptive and exploratory research design approach will be employed. The purpose of a descriptive study is to provide a vivid picture of a situation or person or show how things are related to each other and thus describing the perceptions of respondents regarding the influence of CSR trends on retail business performance. Exploratory research is conducted when there is not enough information about a phenomenon and exploring a new area of research (Boru 2018:3). The identified six CSR trends have not specifically been explored together within the retail industry, therefore there are not enough information about their influence.

5.3. POPULATION

A population is the entire aggregation of cases in which the researcher is interested (Polit & Beck 2010:306-307). Studying the entire population is usually costly and impossible – hence a subset of the population elements referred to as a sample is used (Burns & Grove 2009:459; Teare, Dimairo, Shephard, Hayman, Whitehead & Walters 2014). It is recommended that the population will include owners or managers within the retail industry in the Eastern Cape. The focus in this study will be more on larger retailers who are more likely to be exposed to and involved in CSR trends.

5.4. SAMPLING

Sampling is a process of selecting a portion of the population to represent the entire population (Polit & Beck 2010:306-307). There are two main types of sampling namely, probability sampling and non-probability sampling. According to Mohsin (2016:12) as well as Taherdoost (2016:22), in non-probability sampling, the probability of any member of the population being chosen is unknown and the selection of sampling units is arbitrary as researchers rely heavily on personal judgement (e.g., convenience sampling, snowball sampling, quota sampling and judgemental sampling). Showkat and Parveen (2017:3) as well as Mohsin (2016:12) states that probability sampling, also known as representative sampling or random sampling, is when every member of the population has a known non-zero probability of being included in the

sample (e.g., stratified random sampling, cluster sampling, systematic sampling, and multi-stage area sampling).

As recommended by Struwig and Stead (2013:116), convenience and snowball sampling should be used to reach about 250 respondents to allow for the consideration of their opinions based on availability, accessibility, referrals and cooperativity. According to Williams, Onsman and Brown (2010:4) as well as Tabachnick and Fidell (2007), a sample size of 300 is usually considered to be good for advanced statistical analysis (e.g., factor analysis) and a minimum of around 150 respondents is required to get a reliable solution. Based on the above information, it is recommended that the follow-up study has a target sample of 250 respondents.

5.5. DATA COLLECTION

Both secondary and primary data should be collected when conducting the follow-up study. Secondary data can be located quickly and inexpensively and can be defined as data that have already been collected for purposes other than the problem at hand (Ajayi 2017:2). Secondary data will be collected through desk research and reading of relevant sources including books, journals articles and internet academic sources. Primary data can be defined as data that is directly collected by the researcher from a source such as surveys, questionnaires, observations, case studies, and interviews according to the researcher's requirements (Ajayi 2017:3). Primary data could be collected though using structured self-administered questionnaires using a web-based survey (e.g., Google Forms platform) or an equivalent.

5.6. QUESTIONNAIRE DESIGN

To collect data and statistically test information gathered, a measuring instrument is to be developed. Existing measuring instruments used in similar studies that have been identified as both valid and reliable and will be used to source the items of the measuring instrument. The questionnaire is to be accompanied by a cover letter that provides a brief introduction of the research topic, the objectives of the research, and a covenant of confidentiality for the respondents. It is recommended that the questionnaires to be used as the basis for data collection consist of three sections:

- Section A to gather the demographical information of respondents, using a nominal scale.
- Section B to contain questions about corporate social responsibility trends, using a five-point Likert-type ordinal scale.
- Section C to contain questions about the influence of these trends on retail business performance using a five-point Likert-type ordinal scale.

5.7. DATA ANALYSIS

Once primary data have been collected it should be analysed using appropriate methods. The data analysis process should include data entry, data cleaning, and describing data (O'Gorman & Macintosh 2016:77). It is recommended that data collected from the questionnaires is captured on a Microsoft Excel spread sheet and analysed through the Statistica computer package. Thereafter the data cleaning process should take place as real-life data is often imperfect and volatile (O'Gorman & Macintosh 2016:78). Data analysis methods could include descriptive and inferential statistics. According to Kaur, Stoltzfus and Yellapu (2018:60), descriptive statistics are used to summarise data in an organised manner through a measure of central tendency (e.g., mean, median and mode) and measure of dispersion (standard deviation). Frequency distributions (percentages) will also be used. Inferential statistics are

calculated with the purpose of generalising results from a sample to the entire population of interest through factor, regression and correlation analysis (Allua 2009:168). It is recommended that the follow-up study use advanced and inferential statistics such as exploratory factor analysis, Cronbach's alpha coefficients, Pearson Product Momentum Correlation and Analysis of Variance (ANOVA).

5.8. VALIDITY OF MEASURING INSTRUMENT

According to Struwig and Stead (2013:271), the instrument's scores and observations are valid if they measure what they are supposed to measure. A validity test can be divided into various types of validity, but this study will employ face, content, and construct validity. Content validity is the extent to which the questions on the instrument and the scores from these questions represent all possible questions that could be asked about the content and face validity refers to the degree to which a test appears to measure what it claims to measure which relies entirely on the expertise and familiarity of the assessor concerning the subject matter (Haradhan 2017:16). To assess face and content validity of the measuring instrument, expert judgement should be obtained from researchers in the field of business management, social responsibility and statistics and a pilot study should be conducted among 10 respondents to pre-test the questionnaire. Construct validity could be assessed using exploratory factor analysis (EFA) to determine which items load onto which factors with a cut-off point of 0.5 (Osborne 2014:3). The factor extraction is the grouping of items within a factor. To ensure construct validity, at least three items must load onto a factor with factor loading being above 0.5, otherwise, the factor will not be regarded as valid (Kasi, Achakzai, Afghan & Ahmed 2014:114)

5.9. RELIABILITY OF MEASURING INSTRUMENT

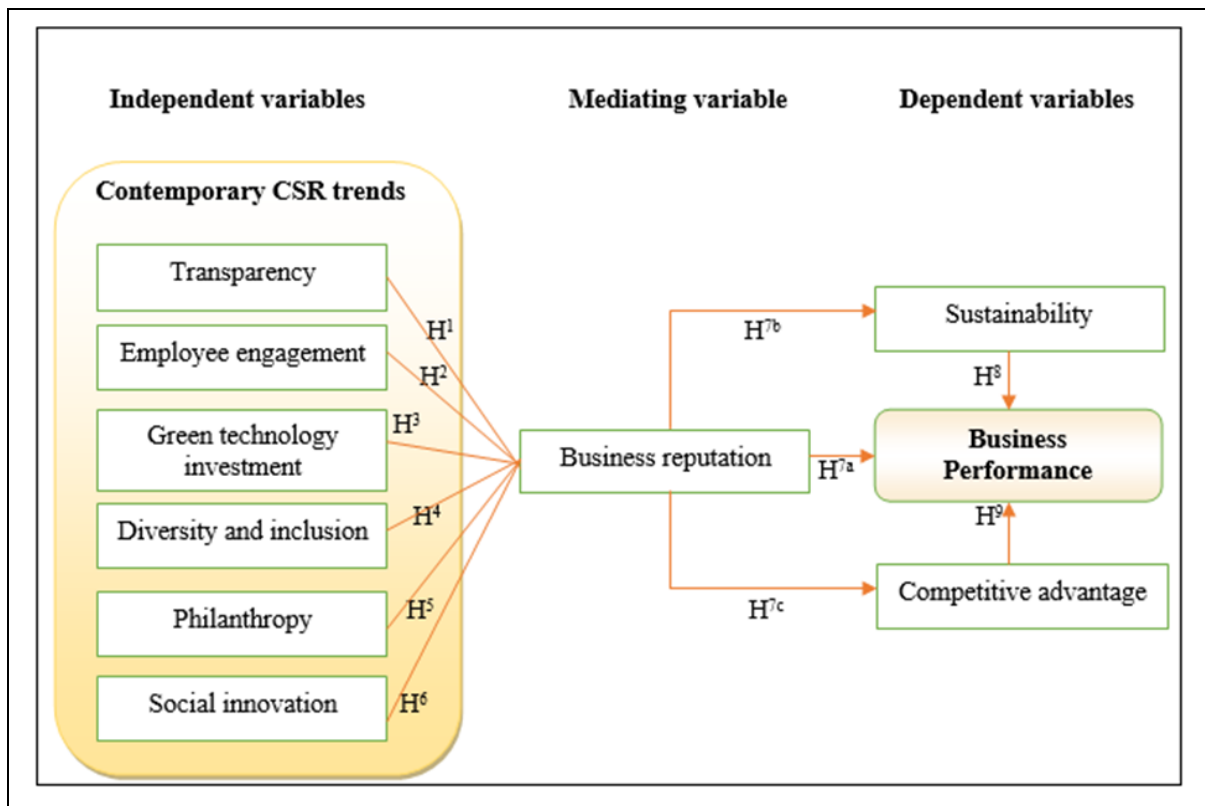
Reliability relates to the consistency, accuracy, or stability of a measure (Heale & Twycross 2015:66). Reliability indicates the extent to which research is without bias and hence ensuring consistent measurement across time and observed scores (Haradhan 2017:10). Internal reliability could be used and is seen as a measure of reliability used to evaluate the degree to which different test items that probe the same construct produce the same result and it can be represented in two forms, namely, inter-item consistency and split-half reliability (Mohajan 2017:13). Cronbach's alpha could be used and values above 0.7 are generally considered acceptable and satisfactory, those above 0.8 are usually considered quite good and those above 0.9 are considered to reflect exceptional internal consistency. Generally, the acceptable alpha value estimates range between 0.7 and 0.8 (Mohajan 2017:13). It is recommended that the follow-up study use a cut-off point of 0.7.

6. PROPOSED HYPOTHETICAL MODEL

For the purpose of this paper, the primary objective was to develop a hypothetical model to assess the impact of contemporary CSR trends on retail business performance in the emerging markets. A study of the literature revealed several CSR trends that may influence business performance of the retail industry, and a conceptual model of contemporary CSR trends has been developed. The model is divided into three parts, namely independent, mediating and dependent variables. Figure 1 illustrates how the independent variables (transparency, employee engagement, green technology, diversity and inclusion, philanthropy, social innovation) impact the mediating variables, namely, business reputation and sustainability. These, in turn, would lead to increased competitive advantage leading to business performance (dependent variables), which is measured by profitability, market share, sales and growth rate.

The various relationships hypothesised between the independent, mediating and dependent variables are summarised in Figure 1.

FIGURE 1: PROPOSED HYPOTHETICAL MODEL



Source: Own construction

7. SIGNIFICANCE AND CONTRIBUTION OF THE STUDY

It has been noted that there are varying expectations from different stakeholders about CSR standards, practices, and trends. CSR trends changes continuously, and the focus of this study highlights contemporary trends that could possibly influence business performance in the retail sector. However, limited research has been conducted on the influence of contemporary CSR trends within the retail industry. Therefore, the significance of the study is to gain an understanding of the impact of these contemporary CSR trends on business performance in the retail industry. Once the impact has been identified and empirically quantified, then useful guidelines could be provided to retailers on how to strategically adopt and deal with these contemporary CSR trends for a sustainable business performance.

Despite the given literature that has been noted, there is still limited research that seeks to test the concepts of diversity, philanthropy, social innovation, and green investments against business performance. These trends should not be viewed as exhaustive but are regarded appropriate for the scope and extent of this study.

REFERENCE LIST

Adrian, M., Phelps, L. & Gatte, A. 2013. Philanthropy and corporate social responsibility: Is giving, enough to truly be ethical?. *International Journal of the Academic Business World*, 7(1):83-90.

- Agha, S., Alrubaiee, L. & Jamhour, M. 2012. Effect of core competence on competitive advantage and organizational performance. *International Journal of Business and management*, 7(1):192.
- Ajayi, V. 2017. *Primary sources of data and secondary sources of data*. Available from <https://www.researchgate.net/publication/320010397> (Date accessed: 17 April 2020).
- Allen, M. 2014. *Employee engagement - A culture change*. Available from <https://www.insights.com/media/1091/employee-engagement-a-culture-change.pdf> (Date accessed: 15 March 2021).
- Allua, S. 2009. Inferential statistics. *Air Medical Journal*, 28(4):168-171.
- Azman, N.A.H. & Mustapha, M. 2018. Benefits and challenges of Corporate Social Responsibility implementations: Evidence from manufacturing sector in Malaysia. *International Journal of Engineering and Technology*, 2(29):215-218.
- Ball, C. 2014. What is Transparency?. *Public Integrity*, 11(4):293-308.
- Bapat, S. & Upadhyay, P. 2021. Implications of CSR initiatives on employee engagement, *Social Responsibility Journal*, 17(2):149-163. <https://doi.org/10.1108/SRJ-05-2018-0120>
- Blaxter, L., Hughes, C. & Tight, M. 2010. *How to Research*. 4th edn., New York: Open University Press.
- Boru, T. 2018. *Chapter Five Research Design and Methodology*. Available from <https://www.researchgate.net/publication/329715052> (Date accessed: 15 March 2021).
- Brammer, S. & Millington, A. 2005. Corporate reputation and philanthropy: An empirical analysis. *Journal of Business Ethics*, 61:29-44.
- Brown, M.A. 2020. *What is Business Performance*. Available at: <https://www.igi-global.com/dictionary/business-performance/3068> (Date accessed: 4 September 2020).
- Burns, N. & Grove, S.K. 2009. *The Practice of Nursing Research: Appraisal, Synthesis and Generation of Evidence*. In Henderson, L. (Ed.) 6th edn., Saunders Elsevier: USA, 403-406.
- Carroll, A.B. 1999. The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4):39-48.
- Chaudhary, R. 2017. Corporate social responsibility and employee engagement: can CSR help in redressing the engagement gap?, *Social Responsibility Journal*, 13(2):323-338. <https://doi.org/10.1108/SRJ-07-2016-0115>
- Chen, L. 2015. *Sustainability and company performance: Evidence from the manufacturing industry* (Vol. 1698). Linköping University Electronic Press.
- Cohen, E., Taylor, S. & Muller-Camen, M. 2020. *HRM's Role in Corporate Social and Environmental Sustainability* Available from <https://www.shrm.org/hr-today/trends->

and-forecasting/special-reports-and-expert-views/Documents/Corporate-Social-Environmental-Sustainability. (Date accessed: 7 September 2021).

- Collis, J. & Hussey, R. 2014. *Business research: A practical guide for undergraduate and postgraduate Students*. 4th edn., London: Red Globe Press.
- Daromes, F.E. & Gunawan, S.R. 2020. Joint impact of philanthropy and corporate reputation on firm value. *Jurnal Dinamika Akuntansi*, 12(1):1-13.
- Deepa, S. & Chitramani, P. 2015. *CSR in Retailing industry – A case of three retail stores*. Available from https://www.researchgate.net/publication/282701370_Csr_in_Retailing_Industry-a_Case_of_Three_Retail_Stores [Date accessed:: 11 March 2021].
- Delmont, S. & Mason, J. 2007. Qualitative Researching. *The British Journal of Sociology*, 48(4):709.
- Dionisio, M. & de Vargas, E.R. 2020. Corporate social innovation: A systematic literature review. *International Business Review*, 29(2):101641.
- Ehmke, C. 2020. Strategies for competitive advantage. Available from <http://valueaddedag.org/nichemarkets/05competitiveadvantage.pdf> (Date accessed: 15 March 2021).
- Elalfy, A., Palaschuk, N., El-Bassiouny, D., Wilson, J. & Weber, O. 2020. *Scoping the evolution of Corporate Social Responsibility (CSR) research in the Sustainable Development Goals (SDGs) era*. Available from https://www.researchgate.net/publication/342862292_Scoping_the_Evolution_of_Corporate_Social_Responsibility_CSR_Research_in_the_Sustainable_Development_Goals_SDGs_Era (Date accessed: 12 March 2021).
- Elkatawneh, H.H. 2016. *Comparing qualitative and quantitative approaches*. Available from https://www.researchgate.net/publication/315029674_Comparing_Qualitative_and_Quantitative_Approaches (Date accessed: 15 March 2021).
- Eyraud, L., Wane, A.A., Zhang, C. & Clements, B. 2011. *Who's Going Green and Why? Trends and Determinants of Green Investment*. Available at: https://www.researchgate.net/publication/228319834_Who's_Going_Green_and_Why_Trends_and_Determinants_of_Green_Investment (Date accessed: 15 March 2021).
- Foscht, T., Lin, Y. & Eisingerich, A.B. 2018. Blinds up or down? The influence of transparency, future orientation, and CSR on sustainable and responsible behavior, *European Journal of Marketing*, 52(3/4):476-498. <https://doi.org/10.1108/EJM-10-2016-0576>.
- Fourie, W. & Naudè, P. 2011. *Transparency and Corporate Social Responsibility: A South African Perspective*. Available from https://www.researchgate.net/publication/236864970_Transparency_and_Corporate_Social_Responsibility_A_South_African_Perspective (Date accessed: 20 April 2021).
- Garg, S. & Sangwan, S. 2021. Literature review on diversity and inclusion at workplace, 2010-2017. *Vision*, 25(1):12-22.

- Glavas, A. 2016. Corporate social responsibility and employee engagement: Enabling employees to employ more of their whole selves at work. *Frontiers in Psychology*, 796.
- Gomez-Trujillo, A.M., Velez-Ocampo, J. & Gonzalez-Perez, M.A. 2020. A literature review on the causality between sustainability and corporate reputation: What goes first?. *Management of Environmental Quality: An International Journal*, 31(2):406-430.
- Grix, J. 2004. *The Foundations of Research*. 3rd edn., New York: Palgrave Macmillan:
- Gross, R. & Holland, B. 2011. *Corporate social responsibility and employee engagement: Making the connection*. Whitepaper. Bill Holland.
- Hamidu, A.A., Haron, H. & Amran, A. 2018. Corporate Social Responsibility: A Review on Definitions, Core Characteristics and Theoretical Perspectives. *Mediterranean Journal of Social Sciences*, 6(4):83-95.
- Haradhan, M. 2017. *Two criteria for good measurements in research: Validity and reliability*. Available from https://mpr.aub.uni-muenchen.de/83458/1/MPRA_paper_83458.pdf (Date accessed: 15 March 2021).
- Heale, R. & Twycross, A. 2015. Validity and reliability in quantitative Studies. *Evidence-Based Nursing*, 18(3):66-67.
- Hogarth, K., Hutchinson, M. & Scaife, W. 2018. Corporate philanthropy, reputation risk management and shareholder value: A study of Australian corporate giving. *Journal of Business Ethics*, 151:375-390.
- Hohnen, P. 2019. *Corporate Social Responsibility: An implementation guide for business*. Available from https://www.iisd.org/system/files?file=publications/csr_guide.pdf (Date accessed: 11 March 2021).
- Hopkins, M. 2011. *What is Corporate Social Responsibility all about*. Available from https://www.researchgate.net/publication/246912286_What_is_corporate_social_responsibility_all_about (Date accessed: 12 March 2021).
- Indriastuti, M. & Chariri, A. 2021. The role of green investment and corporate social responsibility investment on sustainable performance. *Cogent Business & Management*. 8(1):1960120.
- Institute of Supply Chain Management. 2021. *Exploring the Corporate Social Responsibility trends of 2021*. Available from <https://www.ioscm.com/blog/exploring-the-corporate-social-responsibility-trends-of-2021> (Date accessed: 14 September 2021).
- Işoraitè, M. 2018. The competitive advantages theoretical aspects. *Ecoforum*, 7(1):6-14.
- Itam, U. & Bagali, M.M. 2018. Diversity and inclusion management: A focus on employee engagement. *Management Techniques for a Diverse and Cross-Cultural Workforce*: 149-171.
- IvyPanda. 2019. *The contribution of Corporate Social Responsibility*. Available from <https://ivypanada.com/essays/corporate-social-responsibility-23/> (Date accessed: 6 June 2023).

- Johannes, J. 2016. *Corporate Social Responsibility in South Africa: How corporate partnerships can advance the sustainability agenda*. South Africa: University of The Western Cape. Available from https://Johannes_j_ilm_law_2017.pdf (Date accessed: 15 March 2021).
- Kasi, P.M., Achakzai, A.M., Afghan, A.K. & Ahmed, A. 2014. Research: What, why and how? A treatise from researchers to researchers. Available from https://www.researchgate.net/publication/235909003_Research_What_Why_and_How_A_Treatise_from_Researchers_to_Researchers (Date accessed: 15 March 2021).
- Kaufmann, M. & Olaru M. 2012. The impact of corporate social responsibility on business performance – can it be measured, *and if so, how?* *The Berlin International Economics Congress* 2012, 7-10 March 2012. Available from http://www.culturaldiplomacy.org/academy/content/pdf/participant-apers/2012-03biec/The_Impact_of_Corporate_Social_Responsibility_on_Business_Performance_-_Malte_Kaufmann.pdf (Date accessed: on 1 February 2022).
- Kaur, P., Stoltzfus, J. & Yellapu, V. 2018. Descriptive statistics. *International Journal of Academic Medicine*, 4(1):60.
- Kenton, W. 2020. *Green Tech*. Available from https://www.investopedia.com/terms/g/green_tech.asp (Date accessed: 15 March 2021).
- Kuhlman, T. & John, F. 2010. *What is Sustainability*. Available from https://www.researchgate.net/publication/47697344_What_is_Sustainability (Date accessed: 15 March 2021).
- Lange, D., Lee, P.M. & Dai, Y., 2011. Organizational reputation: A review. *Journal of management*, 37(1):153-184.
- Laughland, P. Bansal, T. & Bansal, T. 2011. *The top ten reasons why businesses aren't more sustainable*. Available from <https://iveybusinessjournal.com/publication/the-top-ten-reasons-why-businesses-arent-more-sustainable/> (Date accessed: 1 February 2011).
- Lee, J., Pati, N. & Roh, J.J. 2011. Relationship between corporate sustainability performance and tangible business performance: Evidence from oil and gas industry. *International Journal of Business Insights and Transformation*, 3(3):72-82.
- Lee, K.H. 2012. Linking stakeholders and corporate reputation towards corporate sustainability. *International Journal of Innovation and Sustainable Development*, 6(2):219-235.
- Liu, L., Wang, Z. & Zhang, Z. 2021. Matching-game approach for green technology investment strategies in a supply chain under environmental regulations. *Sustainable Production and Consumption*, 28:371-390.
- Low, M.P. 2016. Corporate Social Responsibility and the evolution of internal Corporate Social Responsibility in 21st Century. *Asian Journal of Social Sciences and Management Studies*, 3(1):56–74.

- Mai, N.K., Nguyen, A.K.T. & Nguyen, T.T. 2021. Implementation of corporate social responsibility strategy to enhance firm reputation and competitive advantage. *Journal of Competitiveness*, 13(4):96.
- Majeed, S. 2011. The impact of competitive advantage on organizational performance. *European Journal of Business and Management*, 3(4):191-196.
- Market Business Review. 2022. *What is a trend? Definition and example*. Available from <https://marketbusinessnews.com/financial-glossary/trend/#:~:text=In%20the%20world%20of%20business,an%20average%20or%20general%20tendency> (Date accessed: 2 February 2022).
- Martos-Pedrero, A., Cortés-García, F.J. & Jiménez-Castillo, D. 2019. The relationship between social responsibility and business performance: An analysis of the agri-food sector of southeast Spain. MDPI. *Sustainability*, 11(6390):1-23.
- McClimon, T.J. 2020. *5 Corporate Social Responsibility trends to follow in 2020*. Available from: <https://www.forbes.com/sites/timothyjmcclimon/2020/01/02/5-corporate-social-responsibility-trends-to-follow-in-2020> (Date accessed: 12 March 2021).
- McLellan, D. 2005. Globalization in the 21st Century. *Theoria: A Journal of Social and Political Theory*, 106:119–127. <http://www.jstor.org/stable/41803819>
- Milano, S. 2021. *What are Industry Trends?* Available from <https://www.sapling.com/5817454/industry-trends> (Date accessed: 2 February 2022).
- Mirvis, P.H. 2012. *Employee engagement and Corporate Social Responsibility*. Available from https://www.researchgate.net/publication/292473688_Employee_engagement_and_corporate_social_responsibility (Date accessed: 20 April 2021).
- Mohajan, H. 2017. *Two criteria for good measurements in research: Validity and reliability*. Available from https://mpra.ub.unimuenchen.de/83458/1/MPRA_paper_83458.pdf (Date accessed: 15 March 2021).
- Mohsin, A. 2016. *A manual for selecting sampling techniques in research* Available from <https://mpra.ub.uni-muenchen.de/70218/1/MPRA> (Date accessed: 15 March 2021).
- Morioka, S.N. & Carvalho, M.M. 2016. Measuring sustainability in practice: Exploring the inclusion of sustainability into corporate performance systems in Brazilian case studies. *Journal of Cleaner Production*, 136:123-133.
- Narayan, P., Lal, N., Dutta, A. & Mehta, T. 2012. *Corporate Social Responsibility: Practice, theory and challenges*. Available from https://www.researchgate.net/publication/318927715_Corporate_Social_Responsibility_Practice_Theory_and_Challenges (Date accessed: 23 March 2020).
- Nicholls, A., Simon, J. & Gabriel, M. 2015. Introduction: Dimensions of social innovation. *New Frontiers in Social Innovation Research*, 1-26.
- O’Gorman, K. & Macintosh, R. 2016. *Research methods for business & management*. 2nd edn., Goodfellow Publishers Ltd: Oxford.

- Osborne, J. 2014. Best practices in Exploratory Factor Analysis. *Practical Assessment, Research and Evaluation*, 17(15):1-28.
- Othman, S., Darus, F. & Arshad, R. 2011. The influence of coercive isomorphism on corporate social responsibility reporting and reputation. *Social Responsibility Journal*, 7(1):119-135.
- Penn, V.C. & Thomas, P.H. 2017. Bank employees' engagement in corporate social responsibility initiatives at a South African retail bank. *ACTA Commercii*, 17(1) Available from <https://doi.org/https://doi.org/10.4102/ac.v17i1.379> (Date accessed: 15 March 2021).
- Peterson, D.K. 2018. Enhancing corporate reputation through corporate philanthropy. *Journal of Strategy and Management*, 11(1):18-32.
- Piasecki, R. & Gudowski, J. 2017. Corporate Social Responsibility: The challenges and constraints. *Comparative Economic Research*, 21(4):144-157.
- Pires, V. & Trez, G. 2018. A discussion on construct definition and measurement and its relation to performance. *Corporate Reputation*, 25(1):47-64.
- Polit, D.F. & Beck, C.T. 2010. *Essentials of nursing research: Appraising evidence of nursing practice*. 7th edn., Philadelphia.: Lippincott Williams and Wilkins.
- Porter, M.E. & Kramer, M.R. 2006. The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12):78-92.
- Postma, J. 2011. *Making business sustainable: Corporate Social Responsibility in South Africa*, Nelson Mandela Metropolitan University. Available from https://essay.utwente.nl/61793/1/BSc_J_Postma.pdf (Date accessed: 15 March 2021).
- Raczkowski, K., Sułkowski, L. & Fijałkowska, J. 2016. Comparative critical review of Corporate Social Responsibility business management models. *International Journal of Contemporary Management*, 2:123-150.
- Showkat, N. & Parveen, H. 2017. *Non-Probability and Probability Sampling*. Available from https://www.researchgate.net/publication/319066480_Non-Probability_and_Probability_Sampling (Date accessed: 15 March 2021).
- Sihite, M., Sule, E.T., Azis, Y. & Kaltum, U. 2016. Gain competitive advantage through reputation. *South East Asia J. Contemp. Business, Econ. Law*, 10(3):22-31.
- Singh, K. & Misra, M. 2021. Linking corporate social responsibility (CSR) and organizational performance: The moderating effect of corporate reputation. *European Research on Management and Business Economics*, 27(1):100139.
- Storey, J., Ulrich, D., Welbourne, T. M. & Wright, P. M. 2009. Employee engagement. *The Routledge Companion to Strategic Human Resource Management*, 126-142.
- Storey, J., Welbourne, T.M., Wright, P. & Ulrich, D. 2008. Employee Engagement. *The Routledge Companion to Strategic Human Resource Management*, 299-315.

- Strandberg, C. 2002. *The future of Corporate Social Responsibility*. Available from <https://corostrandberg.com/wp-content/uploads/2002/12/future-of-csr.pdf> (Date accessed: 7 September 2021).
- Struwig, F. & Stead, G. 2013. *Research: Designing, planning & reporting*. 2nd edn., Cape Town: Pearson.
- Sulek, M. 2010. On the modern meaning of philanthropy. *Nonprofit and Voluntary Sector Quarterly*, 39(2):193-212.
- Syed, J. 2006. *Diversity for sustainability: An interdependent of Corporate Social Responsibility*. Available from https://www.researchgate.net/publication/228687397_Diversity_for_Sustainability_An_Interdependent_Model_of_Corporate_Social_Responsibility (Date accessed: 20 April 2021).
- Tabachnick, B.G. & Fidell, L.S. 2007. *Experimental designs using ANOVA* (Vol. 724). Belmont, CA: Thomson/Brooks/Cole.
- Taherdoost, H. 2016. Sampling methods in research methodology; How to choose a sampling technique for research. *How to choose a sampling technique for research (April 10, 2016)*.
- Taouab, O. & Issor, Z. 2019. Firm performance: Definitions and measurement models. *European Scientific Journal*, 15(1):93-106.
- Teare, M D., Dimairo, M., Shephard, N., Hayman, A., Whitehead, A. & Walters, S. J. 2014. Sample size requirements to estimate key design parameters from external pilot randomised controlled trials: a simulation study. *Trials*, 15:1-13.
- Tran, K.T. & Nguyen, P.V. 2020. *Corporate Social Responsibility: Findings from the Vietnamese paint industry*. Available from <https://www.mdpi.com/2071-1050/12/3/1044/pdf> (Date accessed: 12 March 2021).
- Tripathi, A. & Bains, A. 2013. Evolution of Corporate Social Responsibility: A journey from 1700 BC till 21st Century. *International Journal of Advanced Research*, 1(8):788-796.
- Tsourvakas, G. & Yfantidou, I. 2018. Corporate social responsibility influences employee engagement, *Social Responsibility Journal*, 14(1):123-137. <https://doi.org/10.1108/SRJ-09-2016-0153>
- Turyakira, P. 2012. *Corporate Social Responsibility: A competitive advantage strategy for small and medium-sized enterprises in Uganda*. (Unpublished PhD thesis). NMMU.
- Van Heerden, N. 2013. *Corporate Social Responsibility: A consumer survey at the National Zoological Gardens of South Africa*. Available from https://repository.up.ac.za/bitstream/handle/2263/43269/VanHeerden_Corporate_2014.pdf (Date accessed: 11 March 2021).
- Visser, W. 2012. *CSR 2.0: The evolution and revolution of Corporate Social Responsibility*. Available from https://www.researchgate.net/publication/315722301_CSR_20_The_Evolution_and_Revolution_of_Corporate_Social_Responsibility (Date accessed: 2 March 2020).

- Washington, D. 2008. *The concept of diversity*. Available from http://dWASHINGTONllc.com/images/pdf/publications/the_concept_of_diversity.pdf (Date accessed: 15 March 2021).
- Weiss, F. & Steiner, S. 2006. Transparency as an element of good governance in the practice of the EU and the WTO: Overview and comparison. *Fordham International Law Journal*, 30(5):1545-1585.
- Williams, B., Onsmann, A. & Brown, T. 2010. Exploratory factor analysis: A five-step guide for novices. *Australasian Journal of Paramedicine*, 8:1-13.
- Yang, L., Ngai, C.S.B. & Lu, W. 2020. Changing trends of Corporate Social Responsibility Reporting in the world-leading airlines. Available from <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0234258> (Date accessed: 12 March 2021).
- Zaghlol, D.S. 2023. Investigating the relationship between university social innovation and sustainable corporate reputation: An empirical study on customers of private universities in the Arab Republic of Egypt. *Scientific Journal for Financial and Commercial Studies and Research*, Faculty of Commerce, Damietta University, 4(2)1:99-123.

REWARDING CUSTOMERS FOR GREEN PURCHASE BEHAVIOUR: UNTAPPED POTENTIAL FOR GROCERY RETAILERS?

Christine De Meyer-Heydenrych

ABSTRACT

Customers are more conscious of “green behaviour” (e.g., purchasing environmentally friendly products and recycling). However, retailers’ loyalty programmes do not reward customers for green purchasing behaviour. Therefore, this paper considers whether customers would be more satisfied and loyal towards retail grocery stores if they were offered rewards for green purchase behaviour as part of the reward programme. As South African consumers belong to multiple reward programmes, are known to show lower loyalty levels to grocery stores and deem all loyalty programmes as similar, providing rewards for green purchase behaviour may drive satisfaction and loyalty in this sector. A quantitative, descriptive approach was used to collect data from 491 respondents who are members of a retail grocery loyalty or reward programme. Data was collected using an online survey utilising a scenario for “green rewards” and a snowball method. Findings from Structural Equation Modelling showed that redeeming points was the most significant predictor of satisfaction with the green loyalty reward programme, followed by proactively using the card. Satisfaction with the green loyalty programme significantly predicted loyalty to the grocery retailer. Findings from the study suggest that grocery retailers should consider rewarding customers for green purchase behaviour to drive satisfaction and loyalty.

Keywords/phrases: green purchase behaviour, loyalty reward programmes, retail grocery sector.

1. INTRODUCTION AND PROBLEM STATEMENT

In emerging markets such as South Africa, there has been a growing trend by customers to engage in green purchase behaviour (GPB). According to Dilotsotlhe (2021), this refers to customers purchasing more environmentally friendly products or improving their green purchasing habits. This is particularly true for customers buying groceries, as this retail sector is marred with environmental issues such as drought and high demand. For this reason, many customers are adapting their purchase behaviours to purchasing organic food, products packed with recycled plastic and bringing their reusable bags (Boz, Korhonen & Sand 2020; Jacobsen, Pedersen & Thøgersen 2022:64). By adopting green purchase behaviour, customers contribute to sustainability and social responsibility issues (Makhitha 2021:146).

The retail grocery sector in South Africa significantly contributes to employment and the economy. This sector is forecasted to grow at a CAGR of 5.1% annually till 2025. It is dominated by four major players – Shoprite, Pick n Pay, Spar and Woolworths – making up 98.8% of all sales in this market in 2020 (Euromonitor 2023). However, this sector faces many challenges, including increasing supply chain prices, fuel prices, environmental and sustainability issues, high levels of competition and changing consumer preferences (Hove-Sibanda, Motshidisi & Igwe 2021:230). This sector in South Africa has been tasked to address its environmental and social impacts and consider elements such as food waste, high levels of carbon emissions and food security through various regulations (e.g., the Consumer Protection Act and the Competition Act). This requires more significant consideration of their green impact and is, therefore, challenging customers to consider their green purchase behaviour (Malgas, Sibotshiwe, Anderson, Mutize & Mason 2020).

To remain competitive in this sector, grocery retail stores in South Africa use loyalty and reward programmes as part of their marketing strategy. This aims to entice more customers into the stores and provide more value to customers in difficult economic times. Since 2020, South African shoppers have been engaging even more with loyalty programmes offered by retailers (Business Tech 2021). Customers' benefits with loyalty programmes include discounts on purchases, cash back, points to convert back into cash, giveaways, vouchers, and some even allow customers to donate to charity through the rewards programmes (iLife Insurance 2021). In terms of grocery retailers' loyalty and reward programmes specifically, South Africans rated Pick n Pay's Smart Shopper card as most used with a participation rate of 80%, followed by Checkers Xtra Savings (60%) and Woolworths WRewards (54%) with Spar Rewards (41%) and Makro MCard (37%) falling behind (Thukwana 2021). South Africans are members of multiple grocery rewards programmes mainly because customers deem the benefits of each programme as very similar (Corbishley 2017). In addition, based on the rewards given to loyalty programmes, it can be identified that retailers reward behavioural actions (e.g., more rewards for more purchases), meaning that the behavioural actions of consumers become important to consider in the satisfaction levels of loyalty programmes (Meyer-Waarden 2008; O'Brien & Jones 1995). The question arises whether these loyalty programme behaviours drive the programme's satisfaction levels and loyalty towards the grocery retail store. In addition, with the drive towards green purchase behaviour and reaching environmental and sustainable goals, grocery retailers in South Africa should consider adding "green rewards" as part of their loyalty programmes.

Research into loyalty programmes shows that 75% of South Africans use loyalty programmes and that the benefits offered by the programmes will influence which retailers' customers will choose (Buthelezi 2022). Some of the reasons customers provide for using the loyalty or reward programme include how many rewards or points they will get (i.e., the money they will save), the convenience or ease of use of the programme, personalisation and communication of offers and the social benefit they receive from participating in the programme (Corbishley 2017; Deloitte 2019).

Although many studies have found that loyalty programmes can enhance customer satisfaction, brand engagement and loyalty levels (e.g., Bruneau, Swaen & Zidda 2018; Fernandes & Moreira 2019), from an emerging market perspective, it was found that South Africans do not consider the loyalty rewards programme as valuable and that it does not contribute to customer engagement (Thukwana 2021; Wait 2022). Therefore, the question arises as to how grocery retailers can enhance their loyalty programmes to reap more benefits from customer engagement, positive word of mouth, and increased sales (Alsulami 2021:973). One suggestion is to reward customers for green purchase behaviour as part of the loyalty and rewards programme (Liu & Mattila 2016). From a South African perspective, this may be an untapped marketing strategy. As previous research on loyalty programmes in South Africa suggests that millennials use loyalty programmes the most (Buthelezi 2022) and that these customers are most aware of environmental and social issues (Dilotsotlhe 2021), offering rewards for green purchase behaviour may provide grocery retailers with opportunities for further growth in a highly competitive market. Many studies have been done on loyalty programmes in South Africa (e.g., Corbishley 2017; Harmse 2019) and grocery retailing specifically (e.g., Radder, van Eyk & Swiegelaar 2015; Wait 2022); however, no studies have considered the impact of offering rewards to customers for green purchase behaviour as part of loyalty programmes. Entering this untapped market could increase the loyalty levels of customers towards the grocery retailer. This study, therefore, draws from the previous studies of Bruneau et al. (2018)

as well as Liu and Mattila (2016) but aims to investigate the opportunity for green loyalty rewards from an emerging market perspective.

2. RESEARCH OBJECTIVES

The study aims to determine the influence of customers' green loyalty programme behaviours on customer satisfaction and loyalty within the retail grocery sector of South Africa.

The secondary objectives include:

- To present a demographic profile of respondents
- Determine whether there is a direct and positive relationship between green loyalty programme behaviours (i.e., proactively using loyalty cards; redeeming points; adapting purchase behaviour; sharing information; being receptive to information and searching for information) and customer satisfaction in the grocery retail sector of South Africa.
- To determine whether a direct and positive relationship exists between customer satisfaction levels of the green loyalty reward and loyalty toward the grocery retail brand.

3. LITERATURE REVIEW

The following section of the literature review provides a discussion on the theoretical underpinning of the study, followed by a discussion on the constructs measured for the study.

3.1. THEORIES UNDERPINNING THE STUDY

As this study considers various aspects of marketing – from consumer decision-making to how consumers become aware of green purchase behaviour, multiple theories can support this study. However, for this study, only two were selected. These are the Theory of buyer behaviour and the Agenda-Setting theory.

The Theory of buyer behaviour aims to understand consumer behaviour through various influences, including social, psychological, and marketing. It posits that customers make purchase decisions repetitively and strive to make decisions that can simplify the decision-making process (Dangi, Gupta & Narula, 2020:1517). By utilising loyalty reward programmes that they are familiar with, customers aim to earn rewards while at the same time using the products that are available on special or discount in the reward programme to simplify the decision-making process as to which products to purchase (Arslan 2020:11-12).

The Agenda-Setting theory suggests that consumers can be influenced through public agendas where the media or companies emphasise specific public issues over others (Marvi, Minbashrazgah, Zarei & Baghini 2020). Many companies and marketing campaigns promote the benefits of purchasing green products and try to influence customers to engage in green purchase behaviour (Gupta 2020:12). This is important to consider when designing a loyalty programme to offer rewards for green purchase behaviour.

3.2. LOYALTY PROGRAMME BEHAVIOUR, SATISFACTION AND LOYALTY

As this study focuses explicitly on whether retailers should consider offering rewards to customers for green purchase behaviour, the literature review is based on the constructs from Bruneau et al. (2018) as well as Liu and Mattila (2016). From these studies, the constructs utilised as the basis for this study include i) proactively using the loyalty card, ii) redeeming

points, iii) adapting purchase behaviour, iv) sharing information, v) being receptive to information, and vi) searching for information. This section describes these constructs but focuses on the link between these constructs and customer satisfaction with the loyalty and reward programme. In addition, the link between customer satisfaction and loyalty towards the retailer from a loyalty programme and reward perspective is considered.

3.2.1. Link between proactively using the loyalty card and satisfaction with the loyalty programme

The construct “proactively using the loyalty card” considers how often and actively customers present or use their card at the store (Khairawati 2020:16). This concept of “proactively using” encompasses the elements of customers presenting their card before the cashier has even asked for it and exhibits customer engagement in the loyalty programme and shows the customers familiarity with the programme (Danso & Poku 2018:21062; Issock Issock, Mpinganjira & Roberts-Lombard 2019:406-408; Tezer & Onur Bodur 2019:26). Previous studies, such as Bruneau et al. (2018), have found a positive relationship between proactively using the loyalty card and customer satisfaction with the loyalty programme. Customers who use their rewards or loyalty card proactively are deemed more satisfied with the programme offered by the retailer as they want to use the card to redeem points and obtain the benefits of being a member of the programme (Khairawai 2020:17; Zakaria, Abdul-Rahman, Othman & Azlina 2014:25). Thus, the following hypothesis was developed:

H₁: There is a direct and positive relationship between South African grocery store customers who proactively use their “green” loyalty programme card and their satisfaction levels with the green loyalty programme.

3.2.2. Link between redeeming points and satisfaction with the loyalty programme

One of the main elements of any loyalty or reward programme is the points customers can earn when using their cards. Customers then redeem these points at various times depending on the type of reward programme (Bruneau et al. 2018). In some cases, customers will have to “build up” points before being able to redeem, while with other programmes, customers may be able to redeem the reward immediately. By considering how customers want to redeem their rewards, retailers have the opportunity of customising the programme to suit the customer aiding in higher satisfaction levels (Haverilla, Haverilla, McLaughlin & Tran 2022:66). In South Africa, the loyalty programmes used most by customers are those that offer immediate rewards (Buthelezi 2022). Allowing customers to redeem points can lead to satisfaction, brand engagement and loyalty, specifically if various redemption options are provided (Carluccio, Eizenman & Rothschild 2021). However, as Dziadkowiec (2023) warns, marketers need to balance the benefits and costs when customers redeem points, as making it too difficult for them to redeem the points will decrease satisfaction levels. Therefore:

H₂: There is a direct and positive relationship between South African grocery store customers who redeem their “green” loyalty programme card and their satisfaction levels with the loyalty green programme.

3.2.3. Link between adapting purchase behaviour and satisfaction with the loyalty programme

As customers wish to obtain the most benefits from the loyalty or reward programme, it is necessary to identify whether they would adapt their purchase behaviour to receive more

rewards (Danso & Poku 2018:21063). This would require the customers to change their purchase actions (i.e., purchasing more of a product if they receive more points or an additional discount on the second product). According to Henderson (2023), many factors influence whether customers adapt their purchase behaviour to obtain rewards. These factors include customer needs, availability, price, quality, and rewards. Loyalty and reward programmes can affect how customers perceive and evaluate the need for the purchase and may influence how purchases are made and will therefore influence the satisfaction levels of the programme. For customers to be satisfied with the loyalty or reward programme, they should not have to adapt their purchase behaviour too much that will make them feel that the reward is not beneficial to them (Dlamini & Chinje 2019:236; Fook & Dastane 2021:9). Following this:

H₃: There is a direct and positive relationship between South African grocery store customers who adapt their purchase behaviour with regards to their “green” loyalty programme card and their satisfaction levels with the green loyalty programme.

3.2.4. Link between sharing information and satisfaction with the loyalty programme

This construct for the study focuses on whether customers would share information about the loyalty and reward programme with others. This could mean spreading word of mouth through various platforms, such as face-to-face or social media (Bruneau et al. 2018). The benefit of customers sharing positive information about the loyalty and reward programme is that it shows a high level of brand engagement which can be linked to customer satisfaction. Issock Issock et al. (2019) found that customers are willing to spread positive word of mouth about their green purchase behaviour and be loyal to the brand if the purchase or reward satisfies their needs. According to Leder (2019) as well as Fook and Dastane (2021:10), if customers share positive information about a reward programme, they exhibit satisfaction towards the loyalty and reward programme. The following hypothesis was therefore developed:

H₄: There is a direct and positive relationship between South African grocery store customers who share information about their “green” loyalty programme card and their satisfaction levels with the green loyalty programme.

3.2.5. Link between being receptive to information and satisfaction with the loyalty programme

As Bruneau et al. (2018) describe, for customers to be satisfied with a loyalty or reward programme, they should be willing to respond and receive information about the programme from the retailer. This could include “opting in” for notifications and marketing campaigns (Hollebeek, Das & Shukla 2021:4). In addition, being receptive to information about a loyalty or reward programme means that customers want to find out more about the features and benefits of the programme which can assist them in taking advantage of rewards by being informed (Peacock 2022). Customers “engaging” and being receptive to information from the retailer and brand can be seen as customers wanting to be satisfied with the programme. By being receptive to information about loyalty and reward programmes, customers can experience higher satisfaction levels through enhanced communication and relationship experiences with the brand (Mogale 2019). Consequently:

H₅: There is a direct and positive relationship between South African grocery store customers who are receptive to information about their “green” loyalty programme card and their satisfaction levels with the green loyalty programme.

3.2.6. *Link between searching for information and satisfaction with the loyalty programme*

In conjunction with the previous construct, along with customers being receptive to information about the loyalty programme, customers should also want to find more information about the programme (Bruneau et al. 2018). Providing customers with information about a loyalty programme and, specifically, additional rewards for green purchase behaviour will increase customer awareness and satisfaction levels with the loyalty programme (Lui & Mattila 2016). By searching for more information about the loyalty programme, customers can increase their satisfaction levels because they will learn more about the features and benefits of the programme and discover new products or benefits that could meet their individual needs (Suchánek & Králová 2019:1238). Based on this, the following hypothesis was developed:

H₆: There is a direct and positive relationship between South African grocery store customers who search for information about their “green” loyalty programme card and their satisfaction levels with the green loyalty programme.

3.2.7. *Link between customer satisfaction with the loyalty programme and customer loyalty*

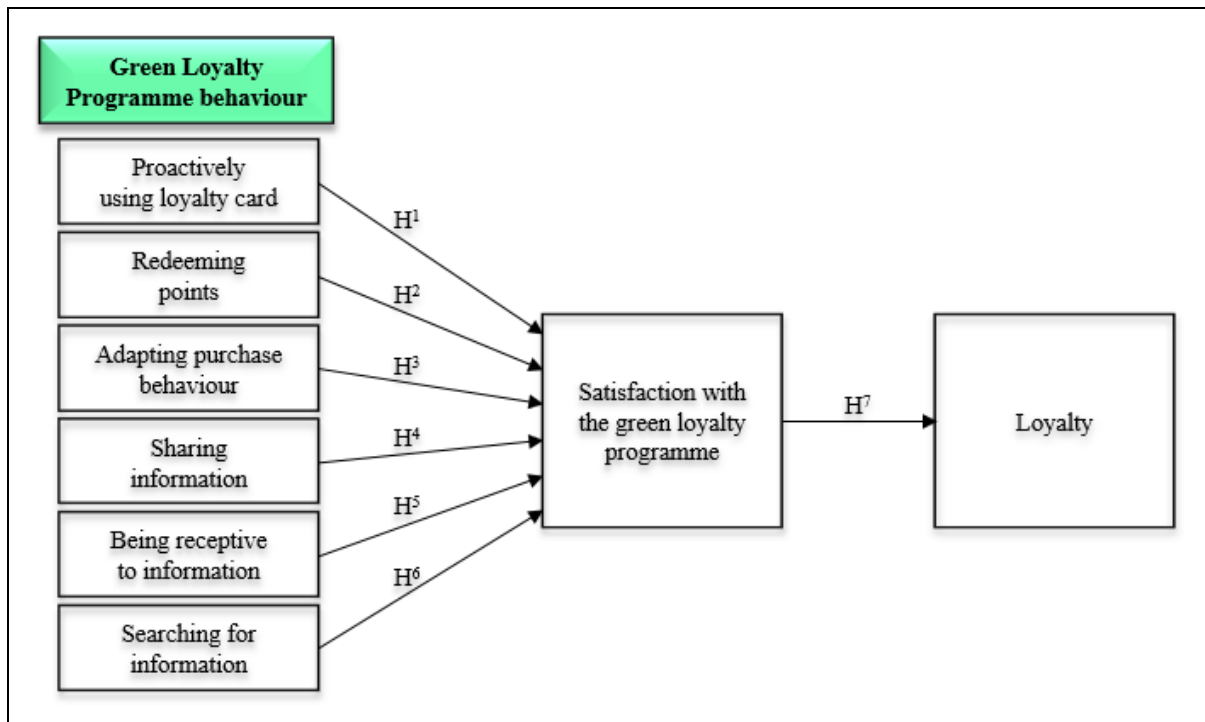
For customers to be satisfied with the loyalty programme, the programme should meet and exceed customer expectations. This means that customers’ behaviours as programme members (e.g., searching for information, adapting purchase behaviour, sharing information, redeeming points, and proactively using the card) should show levels of satisfaction and repeat purchase behaviour (Bruneau et al. 2018). Lui and Mattilla (2016) as well as Issock Issock et al. (2019) found that satisfaction with the loyalty or green programme will increase customer loyalty, leading to positive word of mouth and increased sales. Therefore:

H₇: There is a direct and positive relationship between South African grocery store customers who are satisfied with their “green” loyalty programme card and their loyalty levels to the grocery store brand.

4. CONCEPTUAL MODEL

Based on the objectives, literature review and hypothesis discussed in the previous sections, the conceptual model is depicted in Figure 1.

FIGURE 1: CONCEPTUAL MODEL OF GREEN LOYALTY PROGRAMME BEHAVIOURS AND THE RELATIONSHIP WITH CUSTOMER SATISFACTION AND LOYALTY



Source: Own construction

5. RESEARCH METHODOLOGY

This study used a positivistic paradigm using a descriptive, cross-sectional quantitative research approach. The population for this study included individuals between the ages of 18 and 65 who subscribed to at least one loyalty programme at any grocery retailer in South Africa. This age group was selected as it is deemed the legal age of consent and to avoid targeting vulnerable groups. To be included in the sample, the population had to have used the loyalty card at least once in the last three months before data collection. A non-probability sampling method was selected in the format of snowball sampling as it is cost-effective for data gathering and assists online data collection (Dudovskiy 2018), where a Google form link was sent to respondents via Facebook and LinkedIn platforms. This sampling method was selected as no formal sampling frame was available. Only those that met the inclusion criteria were requested to complete the form and then send the link to other people they may know that met the inclusion criteria. The primary data collection method was an online survey (Ajayi 2017). The questionnaire was adapted from the studies of Bruneau et al. (2018) as well as Lui and Mattila (2016). The questionnaire consisted of three sections. The first section introduced the study, the respondents' rights and responsibilities, and the screening questions to ensure respondents met the inclusion criteria. The screening questions included that the respondent i) was between the ages of 18 and 65, ii) subscribed to at least one loyalty reward programme at a grocery store in South Africa, and ii) used this card at least once in the three months before the research was conducted. The second section of the questionnaire aimed to develop a demographic profile of the respondents. The third section focused on green loyalty programme behaviour, satisfaction, and loyalty towards the grocery store.

As many grocery loyalty programmes in South Africa do not reward “green” purchase behaviour, the questionnaire included a “scenario”. The respondent then had to complete the rest of the questionnaire based on how they would act if they were to obtain rewards for “green” behaviour as suggested in the scenario. The scenario presented by Liu and Mattila (2016) in their study was adapted for this study. The scenario requested that the respondent keep the grocery store whose reward programme they use the most in mind. Keeping this programme in mind, the respondents were given additional information: *“You regularly purchase from this grocery store. In addition to all your usual benefits and rewards associated with the loyalty programme, the grocery store offers you double points for purchasing ethically sourced products and organic products. In addition, the grocery store will add R5 to your rewards for each reusable bag that you bring with you to the store and for not using plastic bags”*. Keeping this scenario in mind, respondents were asked to rate the items measuring green loyalty purchase behaviour, satisfaction and loyalty with the reward programme on a scale of 1 – 5 where 1 = “strongly disagree” and 5 = “strongly agree”. This section of the questionnaire included statements measuring proactively using loyalty card (5 items); redeeming points (3 items); adapting purchase behaviour (3 items); sharing information (3 items); being receptive to information (3 items); searching for information (6 items), satisfaction (4 items) and loyalty (4 items).

The Google form link was sent over four weeks once the researchers’ institution provided ethical clearance. On the cover page of the questionnaire, respondents were assured anonymity and privacy. Only the researcher had access to the IP address of the respondent. When the google forms’ data was downloaded, this information was immediately deleted from any database to ensure confidentiality. Participants were also requested to consent by clicking an “I agree to participate in this survey” checkbox before the questionnaire appeared. Only if the respondent confirmed all inclusion criteria did the electronic questionnaire appear. The respondent was also made aware that they could withdraw from the study at any time without penalty. Over 550 respondents participated in the survey; however, after cleaning the data, 491 responses were retained for further analysis. Data were analysed using SPSS and AMOS versions 29. Specific statistical analysis techniques included frequency analysis, inferential analysis and structural equation modelling; however, data should be considered for normality before such analysis is conducted. The parameters for Skewness (-2 to +2) and Kurtosis (-7 to +7), as suggested by Pallant (2016), were met, indicating that the data is normally distributed and suitable for parametric testing. The following section describes the results and further data analysis.

6. RESULTS

This section presents the results and findings of the study as set out in the objectives and hypothesis. The first section presents the respondents' demographic and patronage profile, followed by the results of the SEM.

6.1. DEMOGRAPHIC AND PATRONAGE PROFILE OF RESPONDENTS

The frequency analysis of Section A of the questionnaire revealed that the majority of the 491 respondents were between the ages of 18 and 29 (64.4%); female (57.8%), African (75.8%) had at least one University degree (73.1%) and were either employed on a full-time basis at a company (32.0%) or were still studying (31.8%).

Respondents indicated that they purchase from grocery stores as needed (38.5%) or at least once a week (33.4%). The grocery store that respondents used their reward card (loyalty

programme) the most with was Pick n Pay (44.0%), followed by Checkers (22.4) and Shoprite (14.7%). The results indicated that rewards programmes from Spar (6.1%) and Woolworths (12.6%) had the least usage.

To test the hypothesis, a CFA and SEM were conducted. The following section presents the results from the measurement and structural model before delving into the findings from the structural model.

6.2. MEASUREMENT MODEL

Muthen and Muthen (2002) suggested that a minimum sample size of 150 is required, with at least 5 data points for each item. Considering that 491 usable responses were obtained with 15 data points for each item in the questionnaire, the data were suitable for further analysis using a CFA. The KMO for the study was 0.960, with Bartlett's test of Sphericity being <0.000 . These two measures also showed the suitability of the data for further analysis as the results were above the threshold for KMO of 0.6, with Bartlett's test of Sphericity being significant, as Pallant (2016) suggested, and that the data met the criteria for sampling adequacy. For this study, the maximum likelihood method was used to support Fabrigar, Wegener, MacCallum and Strahan's (1999:277) suggestion that this method is best suited for significance testing and calculation of goodness of fit indices. The CFA confirmed an eight-factor solution which explained 67.53% of the variance. Four items had to be removed to improve the model fit. Table 1 presents the results of the CFA with the eight-factor solution as well as the results for convergent validity (assessed through Factor loadings and Average variance extracted (AVE), composite reliability (CR) and Cronbach Alpha values.

TABLE 1: CFA – FACTOR LOADINGS, AVE, CR AND CRONBACH ALPHA

Items / Factor	Factor loadings	AVE	CR	Cronbach's α
Proactively using loyalty card (PUC)				
PUC3	0.628	0.522	0.683	0.673
PUC5	0.806			
Redeeming points (RP)				
RP1	0.628	0.686	0.867	0.869
RP2	0.806			
RP3	0.628			
Adapting purchase behaviour (APB)				
APB1	0.870	0.714	0.882	0.879
APB2	0.793			
APB3	0.869			
Sharing Information (SI)				
SI1	0.871	0.580	0.801	0.785
SI2	0.820			
SI3	0.557			
Being receptive to information (RTI)				
RTI1	0.619	0.542	0.698	0.680
RTI2	0.837			
Searching for information (SFI)				
SFI1	0.875	0.705	0.935	0.937
SFI2	0.806			
SFI3	0.906			
SFI4	0.840			
SFI5	0.759			
SFI6	0.845			
Satisfaction (SAT)		0.732	0.916	0.914

Items / Factor	Factor loadings	AVE	CR	Cronbach's α
SAT1	0.844			
SAT2	0.874			
SAT3	0.842			
SAT4	0.863			
Loyalty (LOY)		0.604	0.856	0.845
LOY1	0.811			
LOY2	0.877			
LOY3	0.825			
LOY4	0.555			

Source: Own construction, based on analysis

Fornell and Larcker (1981) and Pallant (2016) suggest that for reliability and internal consistency, the AVE should be >0.5 , and the CR and Cronbach Alpha values should be >0.6 . For discriminant validity (the bolded values in Table 2), the square root of the AVE value should be higher than the correlation values. From Tables 2 and 3, the data met all the criteria for reliability and validity.

TABLE 2: COMPONENT CORRELATION MATRIX SHOWING DISCRIMINANT VALIDITY

	PUC	RP	APB	SI	RTI	SFI	SAT	LOY
PUC	0.723							
RP	0.493	0.828						
APB	0.320	0.609	0.845					
SI	0.336	0.541	0.565	0.762				
RTI	0.246	0.403	0.502	0.468	0.736			
SFI	0.331	0.586	0.704	0.636	0.658	0.840		
SAT	0.454	0.588	0.503	0.465	0.409	0.530	0.856	
LOY	0.388	0.564	0.553	0.579	0.468	0.598	0.795	0.777

Source: Own construction, based on analysis

6.3. STRUCTURAL MODEL

The findings from the refined measurement model were used to conduct an SEM and develop a structural model for the study. Table 3 presents the results of the goodness of fit indices obtained from the structural model with the corresponding parameters identified by Hair, Black, Babin and Anderson (2010).

TABLE 3: MODEL FIT INDICES

INDICES	PARAMETER AS PER HAIR ET AL. (2010)	INDICES FOR THIS STUDY
Chi-Square/Df*	<3 good	2.926
CFI	>0.95 great 0.90 traditional	0.939
AGFI	>0.80 good	0.856
TLI	>0.90 good	0.930
RMSEA	<0.05 is good 0.05 to 0.10 is moderate	0.063

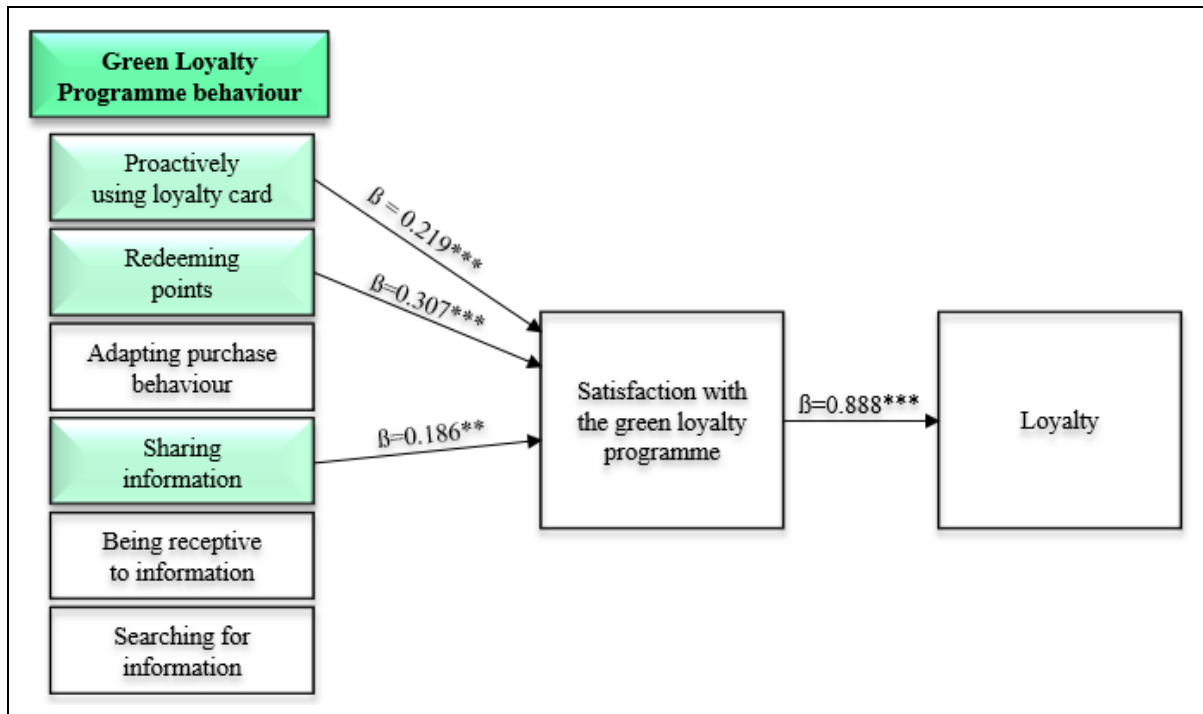
Source: Own construction, based on analysis

The model fit indices of the default model, as per Table 3, indicate that all parameters were met except for a moderate to good fit, which is acceptable for SEM.

6.4. RESULTS FROM THE STRUCTURAL EQUATION MODEL

SEM was conducted after the CFA and found a moderate to good model fit, as discussed. The results of the SEM are provided in Figure 2, which includes the beta values for each relationship. It should be noted that only significant relationships are reported in this figure.

FIGURE 2: SEM RESULTS



Note(s): *** $p \leq 0.001$; ** $p < 0.01$. Solid lines indicate significant paths; no lines indicate insignificant paths.

Source: Own construction, based on analysis

The results of the SEM, as shown in Figure 2, indicate that only four paths were significant for the study. The significant paths show that satisfaction with the loyalty programme showed significant relationships with proactively using the loyalty card ($\beta=0.219$, $p=0.001$), redeeming points given from the green rewards ($\beta=0.307$; $p<0.000$) and sharing the information about the green rewards ($\beta=0.186$; $p=0.007$). Furthermore, the most significant relationship was between customer satisfaction levels of the green loyalty programme and their loyalty towards the grocery store brand ($\beta=0.888$; $p<0.000$). These findings indicate that H_1 , H_2 , H_4 and H_7 can be accepted, while H_3 , H_5 and H_6 are rejected. Table 4 provides more detailed information on the SEM results with the path coefficients supporting Figure 2.

TABLE 4: PATH COEFFICIENTS

Path		Standardised	Unstandardised	SE	C.R.	p
Satisfaction	← Proactively using card	0.219	0.209	0.064	3.249	0.001
	← Redeeming points	0.307	0.231	0.067	3.438	<0.001
	← Adapting purchase behaviour	0.066	0.047	0.050	0.940	0.347
	← Sharing information	0.186	0.131	0.049	2.674	0.007
	← Receptive to information	0.130	0.114	0.077	1.487	0.137
	← Search for information	0.038	0.027	0.070	0.385	0.701
Loyalty	← Satisfaction	0.888	0.936	0.052	18.098	<0.001

Source: Own construction, based on analysis

The following section discusses the findings with possible reasons why some paths were insignificant. The section concludes with possible recommendations to retail grocery stores to increase satisfaction and loyalty levels by offering customers rewards for green purchase behaviour as part of the reward programme.

7. DISCUSSION AND RECOMMENDATIONS

The study results show significant relationships between customers' proactively using their reward/loyalty cards and customer satisfaction. This relationship was the second strongest predictor of satisfaction with the green loyalty reward programme. These results show that customers are proactive with using the card, meaning they provide it to the cashier before they ask for it or spontaneously take out the card when making purchases. This finding shows the respondents' positive mindset towards the loyalty programme and, therefore, shows satisfaction with the reward programme. This finding can be supported by studies by Graham (2014) that show that "card-based" reward programmes are the most popular amongst customers as presenting the card shows they are invested in the loyalty programme and the obtaining of rewards. Other studies by Odoom (2016) as well as Bharadwaj, Witschi, Chen, Sanghi and Azevedo (2021) supported this from an emerging market perspective where it was found that customers are looking for ways to stay resilient in challenging economic times and being part of a loyalty programme and using the card when purchasing assists customers in obtaining rewards or financial benefits. Considering the scenario for the study, the findings show that customers would be prone to being proactive in using the card when purchasing from the grocery store if green rewards were on offer. This propensity to be proactive when using the loyalty card significantly influences satisfaction and brand loyalty towards the retailer.

According to the results of this study, the highest predictor of satisfaction with a green loyalty programme was customers' ability to redeem points. The items measuring this scale in the questionnaire all revolved around the fact that the customer would make specific efforts to go to the store and redeem any points or benefits due to them. Customers also ensure they do all they need to redeem the points. Considering the scenario given to respondents in this study, the findings show that respondents would actively engage in "green purchase behaviour" to obtain more rewards and benefits. The fact that the scenario indicated that customers would get more benefits if they engaged in green purchase behaviour and that this was the highest predictor of satisfaction towards the loyalty programme shows that retail grocery stores should consider adding these benefits for customers as part of the reward programme. According to the results of this study, providing more benefits for "green" purchase behaviour would lead to higher satisfaction levels of the loyalty programme and loyalty towards the retailer based on the loyalty programme. These findings are supported by the study of Liu and Mattila (2016), who found the same results in their research.

Information sharing is the third predictor of satisfaction with the green loyalty reward programme. The items of this scale in the questionnaire refer to how customers would share information about rewards, benefits, and disappointments with the programme. In sharing information, if customers are satisfied with the loyalty programme, they will convince others to join and participate in the programme, which is sharing of word of mouth and could lead to increased customers for the grocery store. This finding shows that by offering rewards for green purchase behaviour, respondents would engage in positive word of mouth and be satisfied with the loyalty programme. This finding is supported by a report by McKinsey & Company (2021) which found that for new generation customers, customers that are satisfied with and loyal towards a loyalty programme can create added value for the brand by driving customer engagement and positive word of mouth.

In this study, satisfaction with the loyalty programme that rewards green purchase behaviour was found to have a significant relationship with loyalty to the grocery retailer. Satisfaction was found to be a strong predictor of loyalty. This finding coincides with other studies by Kecsma (2022), who found that satisfaction with loyalty programmes becomes the foundation of customer engagement and loyalty – specifically amongst younger customers. This suggests that ensuring satisfaction and loyalty with a reward programme can generate further brand engagement, increasing sales and profit.

Although the focus is on the significant relationships found from the statistical analysis, reasons for the insignificant findings should also be considered. Specifically in this study, the paths between adapting purchase behaviour, being receptive to information and searching for information were insignificant with satisfaction levels of the green loyalty programme. Respondents indicated that they would not adapt their purchase behaviour to obtain more rewards, meaning they would only purchase what they planned. This finding could be supported in the South African environment where customers (specifically younger respondents as the majority in this study) are experiencing tough economic times and cannot spend money on unplanned purchases (Vermeulen, Louw, du Plessis & Wingfield 2022). The other two constructs showing insignificant relationships related to the customer actively searching for more information on the programme. These relationships could be insignificant in the context of this study as the scenario provided information about which rewards would be given. The finding could also be attributed to customers already having experience in the loyalty programme and therefore already knowing what the programme is about and how to gain the most benefits from the programme.

Keeping the findings in mind, the following recommendations are made for grocery retailers in South Africa:

- Encourage the proactive use of the loyalty card by making it easy and convenient for customers. Allowing customers to swipe their card at the purchase point and immediately gain the discounts/rewards will encourage using the card. In addition, give customers the ability to provide their cellphone number or other contact details if they do not have their card to obtain the rewards.
- Offer customers various methods of redeeming points. This could include offering points for the whole basket purchased, discounts for specific products, or rewarding them for engaging in green purchase behaviour. Allow customers to choose how to redeem – at the till or to build up points for more benefits later in time.
- Offer customers rewards for green purchase behaviour, which can lead to higher customer engagement and word of mouth. This could include offering a price reduction

- if customers bring their reusable bags, additional discounts on the next purchase of organic products, providing discounts for choosing products with sustainable packaging.
- Allow customers to “customise” their loyalty programme based on purchase behaviour. This could lead to higher satisfaction and word of mouth, which can increase sales and profits as customers become advocates for the grocery store and brand.

8. CONCLUSION AND FUTURE STUDIES

This study aimed to determine whether offering customers rewards for green purchase behaviour as part of their loyalty programme would increase customer satisfaction and loyalty levels. The study's findings show that respondents would show satisfaction and loyalty if offered more rewards for green purchase behaviour. The results show that respondents would proactively use their loyalty cards, leading to higher brand engagement. Respondents would also engage more with the brand to redeem points and share information about the loyalty programme. However, it was found that respondents would not search for more information about the loyalty programme and would not engage in “excessive” purchases to gain rewards. As this study provided respondents with a specific scenario about the rewards they would obtain if they engaged in green purchase behaviour, future studies should consider whether satisfaction and loyalty levels would be different if the current loyalty programme were compared with offering a specific green loyalty reward programme. In addition, considering the concepts measured in this study from a brand engagement perspective could be beneficial. However, based on the findings of this study, emerging market customers would be more satisfied and loyal to the grocery store loyalty programme if they were offered more rewards for green purchase behaviour. This could lead to higher brand engagement levels, manifesting in higher sales and profit levels for grocery stores.

REFERENCE LIST

- 1Life Insurance. 2021. *We compare grocery retail reward programmes*. Available from <https://www.1life.co.za/blog/compare-rewards-programmes> (Date accessed: 16 May 2023).
- Ajayi, V. 2017. Primary sources of data and secondary sources of data. *Advanced Statistical Method in Education*, 8(24):1-6.
- Alsulami, H. 2021. A framework for improving customer loyalty at retailers in Jeddah City: A case study. *American Journal of Industrial and Business Management*, 11(9):973-983.
- Arslan, I.K. 2020. The importance of creating customer loyalty in achieving sustainable competitive advantage. *Eurasian Journal of Business Management*, 8(19):11-20.
- Bharadwaj, A., Witschi, P., Chen, C., Sanghi, K. & Azevedo, D. 2021. The surprising resilience of emerging-market consumers. *BCG*, 21 July. Available from <https://www.bcg.com/publications/2021/consumer-resilience-in-emerging-markets> (Date accessed: 16 May 2023).
- Boz, Z., Korhonen, V. & Sand, C.K. 2020. Consumer considerations for the implementation of sustainable packaging: A review. *Sustainability*, 12(6):2192.

- Bruneau, V., Swaen, V. & Zidda, P. 2018. Are loyalty program members really engaged? Measuring customer engagement with loyalty programs. *Journal of Business Research*, 91:144-158.
- Business Tech. 2021. The most popular loyalty programme in South Africa. 24 September, Available from <https://businesstech.co.za/news/business/522694/the-most-popular-loyalty-programmes-in-south-africa/> (Date accessed: 2 June 2023).
- Buthelezi, L. 2022. *Almost 75% of South Africans use loyalty programmes – These are the most popular.* 9 November, Available from <https://www.news24.com/fin24/companies/almost-75-of-south-africans-use-loyalty-programmes-these-are-the-most-popular-20221109> (Date accessed: 10 May 2023).
- Carluccio, J., Eizenman, O. & Rothschild, P. 2021. Next in loyalty: Eight levers to turn customers into fans. *McKinsey & Company*. 12 October, Available from <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/next-in-loyalty-eight-levers-to-turn-customers-into-fans> (Date accessed: 16 May 2023).
- Corbishley, K. 2017. Retail loyalty programmes: Relationships between the customer and the retailer in South Africa – An exploratory study. *Journal of Business and Retail Management Research*, 11(4):34-45.
- Dangi, N., Gupta, S.K. & Narula, S.A. 2020. Consumer buying behaviour and purchase intention of organic food: A conceptual model. *Management of Environmental Quality*, 31(6):1515-1530.
- Danso, A. & Poku, D. 2018. Merchandising impact on consumer purchasing behavior among neighbourhood grocery stores in Kumasi Metropolis. *International Journal of Contemporary Research and Review*, 9(9):21060-21079.
- Deloitte. 2019. *Consumer sentiments in Retail. Insights for South Africa*. Available from https://www2.deloitte.com/content/dam/Deloitte/za/Documents/Consumer_Industrial_Products/ZA-Deloitte-Consumer-sentiment-in-Retail-Insights-for-South-Africa-2019-2.pdf (Date accessed: 19 May 2023).
- Dilotsothe, N. 2021. Factors influencing the green purchase behaviour of millennials: An emerging country perspective. *Cogent Business & Management*, 8(1):1908745.
- Dlamini, S. & Chinge, N.B. 2019. The influence of loyalty programs on South African Youth's repeat purchase behaviour. *Journal of Business and Retail Management Research*, 13(3):235-247.
- Dudovskiy, J. 2018. *Snowball sampling. The ultimate guide to writing a dissertation in business studies: A step-by-step approach*. Available from <https://research-methodology.net/sampling-in-primary-data-collection/snowball-sampling/> (Date accessed: 16 April 2023).
- Dziadkowiec, P. 2023. *Loyalty program management: 8 proven practices for managing your loyalty program*. Available from <https://www.openloyalty.io/insider/loyalty-program-management> (Date accessed: 6 May 2023).

- Euromonitor. 2023. *Supermarkets in South Africa*. Available from <https://www.marketresearch.com/seek/Food-Grocery-Retailing-South-Africa/923/1199/1.html> (Date accessed: 17 May 2023).
- Fabrigar, L.R., Wegener, D.T., MacCallum, R.B. & Strahan, R.J. 1999. Evaluating the use of exploratory factor analysis in psychological research. *Psychological Methods*, 4(3):272-299.
- Fernandes, T. & Moreira, M. 2019. Consumer brand engagement, satisfaction and brand loyalty: A comparative study between functional and emotional brand relationships. *Journal of Product & Brand Management*, 28(2):274-286.
- Fook, A.C.W. & Dastane, O. 2021. Effectiveness of loyalty programs in customer retention: A multiple mediation analysis. *Jindal Journal of Business Research*, 10(1):7-32.
- Fornell, C. & Larcker, D.F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1):39-50.
- Graham, C. 2014. Study: Why customers participate in loyalty programs. *Technology Advice*. 24 July, Available from <https://technologyadvice.com/blog/marketing/why-customers-participate-loyalty-programs/> (Date accessed: 17 May 2023).
- Gupta, V. 2020. Enhancing green product purchase behavior: The role of green satisfaction and green loyalty. *International Journal on Customer Relationships*, 8(1):11-20.
- Hair, J.F., Black, W.C., Babin, B.J. & Anderson, R.E. 2010. *Multivariate data analysis*. Englewood Cliffs, New Jersey: Prentice Hall.
- Harmse, N. 2019. *Customer loyalty programmes in the South African grocery and retail sector*. MBA. NMW Business School.
- Haverilla, M.J., Haverilla, K., McLaughlin, C. & Tran, H. 2022. The impact of tangible and intangible rewards on online loyalty program, brand engagement, and attitudinal loyalty. *Journal of Marketing Analytics*, 10(2022):64-81.
- Henderson, C. 2023. *Introduction to Purchasing Behavior*. Available from <https://www.hubworks.com/purchasing-behavior.html> (Date accessed: 10 April 2023).
- Hollebeek, L., Das, K. & Shukla, Y. 2021. Game on! How gamified loyalty programs boost customer engagement value. *International Journal of Information Management*, 61(2021):102308.
- Hove-Sibanda, P., Motshidisi, M. & Igwe, P.A. 2021. Supply chain risks, technological and digital challenges facing grocery retailers in South Africa. *Journal of Enterprising Communities: People and Places in the Global Economy*, 15(2):228-245.
- Issock Issock, P.B., Mpinganjira, M. & Roberts-Lombard, M. 2020. Modelling green customer loyalty and positive word of mouth: Can environmental knowledge make the difference in an emerging market? *International Journal of Emerging Markets*, 15(3):405-426.

- Jacobsen, L.F., Pedersen, S. & Thøgersen, J. 2022. Drivers of and barriers to consumers' plastic packaging waste avoidance and recycling – A systematic literature review. *Waste Management*, 141(2022):63-78.
- Kecsmar, Z. 2022. Loyalty programs: The new pillar for next-gen customer engagement. *Forbes*. 18 February, Available from <https://www.forbes.com/sites/forbesbusinesscouncil/2022/02/18/loyalty-programs-the-new-pillar-for-next-gen-customer-engagement/?sh=57557dbe427d> (Date accessed: 20 May 2023).
- Khairawati, S. 2020. Effect of customer loyalty program on customer satisfaction and its impact on customer loyalty. *International Journal of Research in Business and Social Science*, 9(1):15-23.
- Leder, R.O. 2019. *Why is a customer loyalty program such a key marketing strategy? Here's what you need to know.* 4 June, Available from <https://www.salesforce.com/blog/customer-loyalty-program-examples-tips/> (Date accessed: 20 May 2023).
- Liu, S. & Mattila, A. 2016. The influence of a “green” loyalty program on service encounter satisfaction. *Journal of Services Marketing*, 30(6):576-585.
- Makhitha, K.M. 2021. *Green product management: An emerging market perspective in South Africa*. In: Mukonza, C., Hinson, R.E., Adeola, O., Adisa, I., Mogai, E., Kirgiz, A.C. (eds). *Green marketing in emerging markets*. Palgrave Studies of Marketing in Emerging Economies. Palgrave Macmillan, Cham. Available from https://link.springer.com/chapter/10.1007/978-3-030-74065-8_7#citeas (Date accessed: 20 May 2023).
- Malgas, B., Sibotshiwe, L., Anderson, C.S., Mutize, M. & Mason, R.B. 2020. Casualisation of labour in the South African retail sector. *Wholesale and Retail Leadership Chair*. CPUT. Available from https://www.researchgate.net/publication/345626975_THE_SOUTH_AFRICAN_RETAIL_SECTOR/link/5fa94ac9458515157bf73fbb/download (Date accessed: 18 May 2023).
- Marvi, M.H., Minbashrazgah, M.M., Zarei, A. & Baghini, G.S. 2020. Knowledge foundation in green purchase behaviour: Multidimensional scaling method. *Cogent Business & Management*, 7(1):1773676.
- McKinsey & Company. 2020. *Customer loyalty: The new generation*. 14 August, Available from <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/customer-loyalty-the-new-generation> (Date accessed: 10 April 2023).
- Meyer-Waarden, L. 2008. The influence of loyalty programme membership on customer purchase behavior. *European Journal of Marketing*, 42(1/2):87-114.
- Mogale, J. 2019. *Loyalty programmes as predictors of customer satisfaction, loyalty and advocacy in Retail banking*. (MBA dissertation at the Gordon Institute of Business Sciences). South Africa: University of Pretoria. Available from

https://repository.up.ac.za/bitstream/handle/2263/73991/Mogale_Loyalty_2020.pdf?sequence=1 (Date accessed: 10 April 2023).

- Muthen, L.L. & Muthen, B.O. 2002. How to use a Monte Carlo study to decide on sample size and determine power. *Structural Equation Modeling: A Multidisciplinary Journal*, 9(4):599-620.
- O'Brien, L. & Jones, C. 1995. Do Rewards Really Create Loyalty. *Harvard Business Review*, 73(3):75-82.
- Odoom, R. 2016. Brand marketing programs and consumer loyalty – Evidence from mobile phone users in an emerging market. *Journal of Product and Brand Management*, 25(7):651-662.
- Pallant, J. 2016. *SPSS Survival Manual: A Step-by-Step Guide to Analysis using SPSS*. 4th ed. Allen & Unwin: Sydney.
- Peacock, L. 2022. *7 innovative customer loyalty programs and how to start*. 22 June, Available from <https://www.shopify.com/blog/loyalty-program> (Date accessed: 17 May 2023).
- Radder, L., van Eyk, M. & Swiegelaar, C. 2015. Levels of customer loyalty and perceptions of loyalty programme benefits: A South African retail example. *The Retail and Marketing Review*, 11(1):92-105.
- Suchánek, P. & Králová, M. 2019. Customer satisfaction, loyalty, knowledge and competitiveness in the food industry. *Economic Research*, 32(1):1237-1255.
- Tezer, A. & Onur Bodur, H. 2019. The green consumption effect: How using green products improves consumption experience. *Journal of Consumer Research*, 40(1):25-39.
- Thukwana, N. 2021. *When it comes to loyalty cards, South Africans love PnP's Smart Shopper and the Clicks Club Card*. 6 October, Available from <https://www.news24.com/news24/bi-archive/south-africas-most-used-loyalty-programmes-in-2021-are-the-pick-n-pay-smart-shopper-and-the-clicks-club-card-2021-10> (Date accessed: 16 May 2023).
- Vermeulen, H., Louw, M., du Plessis, A. & Wingfield, A. 2022. The food consumption habits of cash-strapped South Africans. *Farmer's Weekly*, 2021(21002):a12.
- Wait, M. 2022. Grocery loyalty cards: Do they work? A customer-centred investigation. *Acta Commercii*, 21(1):a1056.
- Zakaria, I., Abdul-Rahman, B., Othman, A. & Azlina, N. 2014. The relationship between loyalty program, customer satisfaction and customer loyalty in retail industry: A case study. *Procedia – Social and Behavioural Sciences*, 129(2014):23-30.

MARKETING PROFESSIONALS, PROTAGONISTS WHO BUILD A SUSTAINABLE FUTURE: A STUDY ON THE NEW PROFESSIONAL PROFILE IN COLOMBIA

Haidy Moreno
Sadoth Giraldo
Luisa Betancourt
Fernando Barbosa

ABSTRACT

The Ean University proposes the following research to understand the current reality of Marketing professionals in Colombia. A mixed methodological approach was employed, combining exploratory-descriptive scope and dexplos designed in three stages. The first stage involves the collection of qualitative data and its comprehension, determining relevant categories, segments, and arguments. In the second stage, a dashboard and quantitative data are generated to describe the phenomenon, and based on this data, the third stage leads to the creation of the first Marketing Observatory (ODEM) in Colombia. Interdisciplinary effort is required to understand the Marketing ecosystem in order to face the challenges of the millennium and provide value to an increasingly educated society on consumption and commitment to sustainability. It is imminent that the academy comprehends the profile of an ideal Marketing professional for the construction of a sustainable future.

Key words/phrases: abilities, marketing, observatory, profile professional, skills, sustainable.

1. INTRODUCTION

With the evolution and humanity's advance, especially in the last decade it is imminent that both the educational process and quality management in higher education institutions (HEIs), adapt to new needs, desires, demands, experiences and environments so that professionals, from their work, can positively transform society. For this reason, from the institutional guidelines of the Ean University, it has faced the challenge of positively impacting the training of competent people in different areas, as stated by Carter and Yeo (2017), who indicate that the gaps faced by the current training business education are directly oriented to the concentration of efforts to respond to companies, industry, commerce, with an increasingly growing field, the digital one. Based on data from the Ministry of Information Technologies and Communications MINTIC (2023), in Colombia, it is evident that, for the third quarter of 2022, fixed internet accesses were 8.5 million, 170 thousand accesses more than the previous year, while mobile accesses reached 39.1 million, 3.4 million more than the previous year, which shows that there is a social process within the web that should be considered important to cover, not only in traditional settings, but also those of which are digital as a process of social construction and interaction of the new digital social processes.

Along this line of thinking, education has the commitment to move towards new formative proposals, where professionals are the protagonists of the real solution to problems or business opportunities in an assertive and timely manner, and it is the Marketing, that discipline that, as Kotler says, will be the one able to respond to new urgent challenges, such as understanding and addressing the behavioural and technological shift that humanity faces, having to serve different generations and get to know how to manage new business models between the

physical and digital reality, with proposals that generate value and bring technology closer to the service of humanity, illustrating that the adaptation and experiential approach to the individual differences of each customer are important to generate a relevant social impact, addressing in a committed manner the various social and environmental issues (Kotler, Kartajaya & Setiawan 2021).

For this reason, and in the face of these challenges, where every day there are more demands for Marketing professionals and where the HEI must not be the only one to have an active participation, it is about joining efforts and competent alliances that work as a gear to ensure that Marketing professionals fully comply with their purpose of service. Taking into account this missionary work, EAN University proposes from the Directorate of Marketing Programmes, headed by its director, Haidy Moreno Ceballos, to design a study in which the conditions and characteristics for the Marketing Professionals in Colombia are evident, in addition to creating the first Marketing Observatory (ODEM) in Colombia and Latin America and for this, the proposal is joined by both the Association of Marketing Programmes (Aspromer) and CognoSight, who participated actively and collaboratively in this study.

When mentioning that it was necessary to evidence the characteristics and conditions of Marketing professionals, it was necessary to preliminarily define two important aspects immersed in this study as part of the profile of Marketing professionals, the abilities and skills, these terms, which in many cases are used interchangeably; but they are, in their complexity and scope, different and have been studied in the business field since the 40s, because since this time, one of the authors, who promoted the term in the 1960s, was David McClelland, who consolidated the terms of abilities and skills, delimiting them to facilitate both their understanding and identification (McClelland 1973).

McClelland considers that the abilities refer to the specific knowledge and technical capabilities that individuals have or that can be developed to perform any activity, while skills are characteristics and qualities from the individual differences of each subject, which are developed taking into account their potential and capacity added to the performance in a superior way, being that these skills are the most important to ensure success in work performance. Of course, it should be noted, that they are considered more difficult to develop and modify in the behavioural repertoire. McClelland's proposal comprises to include, first, the evaluation of the so-called Performance/Quality, or the need to achieve, from a quantitative perspective, and second, the quality at work from qualitative results (McClelland 1973 cited by Pereira, Gutiérrez, Sandra, Sardi & Villamil 2008). This means that any study should reflect a mixed view of the phenomenon, which is why the present study is oriented in this route.

2. JUSTIFICATION

The situation that is intended to be resolved with this proposal, is to outline the conditions and characteristics that Marketing professionals must have to perform competently in the different environments in which they work professionally and achieve that from the creation of the Marketing Observatory (ODEM), by making evident the skills for professionals in the area, their environment and ecosystem, establish a better way to identify, train, and develop these abilities in Marketing professionals, to face the new challenges of the millennium and monitor their transformation and evolution so that they are whole, competent, coherent, and decisive as required by reality, as qualified Marketing professionals.

The importance of this study lies in the fact that there is currently no characterisation of the

profile of Marketing professionals in Colombia or Latin America that allows them to be more competitive and suitable in the sector and that, in addition, as argued in the introductory segment, this is a relevant issue that professionals currently face while having to adapt to rapid changes that require innovative and timely preparation. As for the social benefits, it impacts the marketing sector itself, the human, educational, labour, political, business, and economic sectors, as well as other direct participants, such as customers, consumers, stakeholders, and in general, all the actors of the macro and microenvironment. The methodological benefits are reflected in being the first study in Colombia with both quantitative and qualitative data that allows sizing the competition of professionals in Marketing in order to create the first Marketing Observatory (ODEM) for the country and then project to Latin America.

In conclusion, it is a current study that requires an interdisciplinary effort to understand each and every one of the actors and participants in the ecosystem of the profession itself, with the purpose of offering a better quality of professionals in Marketing, who develop all the abilities and skills, and meet all the characteristics required by the present work environment, characterised by being globalised and digitised, to face the new challenges of the millennium and to serve with value a society increasingly educated on consumption and its importance, as well as on the commitment to sustainable processes that guarantee new generations the quality of life and the continuity of the improvement of societies and the world in general.

3. CONCEPTUAL FRAMEWORK

Following, the concepts of Marketing, skills, competencies, profile of the Marketing professional and observatories will be taken into account as the main references of the performed study.

3.1. MARKETING CONCEPT

As a starting point, Marketing is defined by Kotler and Armstrong (2012), not only as an administrative process, but it goes beyond the process of social interaction, with a value proposition to meet the needs and desires of customers; while the American Marketing Association (AMA) defines it as that set of institutions and activities that form a process that creates, communicates, delivers, and exchanges offers that, of course, have value for the customers, partners, and society (American Marketing Association 2017). In consideration of Kerin and Hartley (2018), Marketing, besides being responsible for selling products, promoting or advertising them, oversees the creation of value for the client, the company, and society in general, through exchange where there is a mutual and reciprocal benefit between sellers and buyers within the market system.

For Shum (2019), *Marketing* is a series of actions focused on determining the position of products in the mind and heart of the consumer through experiences, sensations, and emotions where what the brand is and what it represents is transmitted and communicated, establishing bidirectional relationships between the parts. On the other hand, Arévalo (2019) considers it as a business process that is carried out to satisfy both needs and desires, through a fair exchange of the organisation and consumers. In contrast, for authors who include topics from the digital field, it is essential to contemplate, as in traditional environments, the vision of Marketing more broadly; because in addition to continuing to comply with the parameters of the previous definitions, as a central axis, they seek to frame the consumer's experience in the digital environment, guaranteeing that the consumer is an actor present in this space, where marketing satisfies them with value propositions that include interactions and experiences through the

digital media, creating unique and unrepeatable experiences (Rauschnabel, Babin, Tom Dieck, Krey & Jung 2022).

3.2. CONCEPT OF ABILITIES AND SKILLS

Currently, markets, especially labour, are influenced by various sources, such as megatrends, globalisation factors, digitalisation, and rapid changes in the generation of employees; and therefore, the skills that professionals must have been, undoubtedly, those that are related to the rapid adaptation and performance of their abilities in different contexts in a sustainable way (Kovács & Zarándné 2022). It is clear that analytical skills and of course, digital ones, will be demanded increasingly; however, they will never overshadow or replace those that show humanisation, especially in the service, making all skills, both soft and hard, necessary to be competent in the market (Di Gregorio, Maggioni, Mauri & Mazzucchelli 2019).

The abilities according to different postures are classified into two, soft skills and hard skills. Soft skills are those which demonstrate skills that are transversal, that is, that one that are personal and reflected in the social field, the ability to handle language, communicate, have empathy, and facilitate teamwork, such as those characterised by the ways of relating between individuals and their environment (Kovács & Zarándné 2022). In studies, such as that of DeLong and Elbeck (2018), it is shown at the end of the study on soft vs. hard skills, in the occupation of job positions in the Marketing area, that the results were hierarchical, in the sense that, soft skills, prevailed over hard ones exhibiting that a candidate applying for the job position in the Marketing area, was taken into account for the final election of the position again.

Hard skills are the abilities acquired by individuals through education and vocational training, meaning that they are abilities derived from a teaching-learning process, where the person obtains both technical and operational, knowledge and skills (Gómez-Gamero 2019). Hard skills are usually cognitive in nature, where it is required that there is knowledge acquired by the individual, that is, the knowledge and skills of a conceptual type, probably, based on theoretical aspects that serve as a basis to perform in a specific area (Ferreira, Robertson & Pitt 2023). The more mastery you have of knowledge, the greater the commitment of the subject's cognitive process, understood as the process of changes in skills and organisation of information to be suitable for a task (Flavell 1985).

The skills that are considered as hard, are said to be more important in many cases, depending on the sector where it is required. For example, in very specific tasks where it is imminently knowledge-based, and especially, in those that are related to STEM (Science, Technology, Engineering and Mathematics), as in these special cases, hard skills will prevail in the processes of choosing professionals, as opposed to the so-called soft ones. Nonetheless, soft skills are significantly relevant in management processes, so it is rescued that both are fundamental to success, each in its own form, execution, and results (Wenjing & Jin 2021).

Many criteria affirm that the terms, ability and skill are synonymous; the truth is, the difference between ability and skill is very subtle, while the ability focuses on the person having the capability to do a task and execute it, skill refers to the proficiency to do the task when there is a set of abilities mediating the cognitive and learning framework that surrounds the situation and the subject, and that is displayed in the ability to execute the determined task with excellence. It means that, many tasks are executed solely through action, which would show the ability, whereas, if people perform the activity through the skill set looking for that optimal

performance, pursuing excellence, it refers to skill (Flavell 1985).

Within the skills, in the literature review, two types stand out, the first of them refers to *the generic skills*, which are the set or group of activities to be done, which refers to the characteristics, attributes, or differential features that a person requires to execute the action in an exceptional way for a certain task or position, counting on their abilities, attitudes, and knowledge to perform. While the second, the so-called *specific skills* are considered as those functions or specific tasks, in which behaviours are observable and are seen as habits that are learned and that enable the success of a person in their performance (Escobar 2005).

In the labour sphere, based on what was disclosed by the Ministry of National Education of Colombia (MEN), cited by Botero, Arrieta, Mesa and Álvarez Atehortúa (2021), it is stated that, the definition of skills focuses on basic, citizenship, and laboural skills, which belong to the Colombian educational system and must be developed in young people within the territory. *Basic skills*, considered as that of logical thinking and communication, *citizenship skill* as that which facilitates socialisation, coexistence, and democracy, and the *laboural skill* as the one that allows performance with efficiency and productivity. They are framed within the work environment, promote the skills and knowledge required by a certain work in an economic sector, and are considered as the set of knowledge, skills, and abilities that are reflected in productivity and where successful results are shown in the workplace. National Learning Service (SENA) cited by Botero, Arrieta, Mesa and Álvarez Atehortúa (2021).

The skills nowadays are considered as that set of technical, methodological, and practical abilities that are dynamically activated, evidenced, and highlighted in the performance of subjects in different contexts (Fernandes, Jardim & Lopes 2021). Additionally, lately, these skills are being joined by those that have to do with the digital environment, those related to the search, management, and dissemination of information on the internet (Botero et al. 2021). The skills must be developed in order to face the new challenges, supporting organisations in their improvement and in order to achieve this, the HEIs have a fundamental role, where they must also lean to include in the behavioural repertoire of professionals, socio-emotional competences that lead to adaptation to times of rapid change in processes of uncertainty, fundamental for future employability and its demands (Bonesso, Gerli, Zampieri & Boyatzis 2020).

3.3 MARKETING PROFESSIONAL PROFILE AND PROBLEM DESCRIPTION

One of the biggest relevances in our career is a well-defined marketing professional, because profile provides clarity regarding the role and responsibilities in the organisations and helps both the professional and other areas to understand the perfect scope of their work, making it easier to align with organisational sustainable goals. For this reason, a professional profile is the descriptive combination of abilities and skills that identify the training of a person within a profession. It is a concept where the different skills that graduates from different areas of study must have, are described and analysed (Martelo, Jiménez & Quintana 2018). For EAN University, the profile of the Marketing professional should focus on being the perfect combination between marketing training with management and administration tools, highlighting management abilities and entrepreneurial capacity in order to innovate and ensure sustainability (Ean University 2023). In order to evolve and be at the forefront of the new and growing needs of the megatrends, globalisation, ethics, and sustainability that have been developing throughout the writing, it is evident that there is a need to know the panorama of the current ideal Marketing professional profile as illustrated through this study, and is one of

the main reasons for its realisation that began in the year 2022 and has continued in to 2023.

3.4. OVERVIEW OF THE OBSERVATORIES

The observatories, generally studied from the social sciences, are considered field stations, information centres, and monitoring areas with the supervision of scientists and academics (Angle 2009). It should be noted that the observatory serves as an organism created by a collective, with the ultimate purpose of identifying and following the natural evolution of a phenomenon previously chosen from a particular criterion, that of the researcher. There are different types of observatories, thematic, sectoral, administrative, social, or corporate; which can be international, national, local or regional (Angulo 2009 cited by Enjuto 2023).

According to Angulo (2009), observatories can have three characteristics according to their nature. First, they can be constituted as documentation centres, where information on a pre-established theme is stored, classified, and documented; second, as data analysis centres, where relevant information on a particular topic is collected, analysed, processed, and communicated; and third, as an space for information, exchange, and collaboration, in which information is available, the subject is thoroughly known over time and its understanding and evolution is promoted. For Latorre, Pantoja and Sefair (2020), there are other types, such as higher education employability observatories, which are those that are consolidated as platforms that promote the labour insertion of their graduates.

4. METHOD

In order to consolidate this opportunity, an investigation was carried out as follows:

4.1. ROUTE

During the research process, the mixed route was defined, where ideas that led to solve the problem were generated, and contributed to the new knowledge as well, which is sought to bring the phenomenon closer to an objective reality by studying it from a quantitative approach, and to a subjective reality from a qualitative approach too. To develop this research, it will also be necessary to approach the intersubjective realities, and for this reason, a *mixed* route is proposed (Hernández Sampieri, Fernández & Bautista 2014).

4.2. SCOPE

This research has an exploratory descriptive scope that will allow a preliminary description that serves to know characteristics, conditions, and general components associated with the skills of professionals in Marketing. It is necessary to identify and know the skills from the intersubjective reality not to stay limited to the numerical data of their behaviour; but to understand their reason for being and why they behave as they behave in Marketing in the way they do (Hernández Sampieri et al. 2014).

4.3. DESIGN

The specific Exploratory Sequential DEXPLOS design was chosen, as mentioned by (Hernández Sampieri et al. 2014), since it is useful to determine the distribution of the phenomenon of the skills of professionals in Marketing within a population selected in three stages:

1. Qualitative data and analysis: Categories, segments and arguments were determined.
2. From the qualitative data, a dashboard and quantitative data are created to describe the phenomenon.
3. Creation of the Marketing Observatory (ODEM).

4.3.1. Stage 1

For the first stage, the following information was used:

Focus: Qualitative.

Technique: Virtual In-Depth Interviews (27).

Sampling: Non-probabilistic for convenience and judgement.

General objective: To inquire about the new labour and occupational profile of marketing professionals in different subsectors of the economy.

Specific objectives:

- Recognise the marketing subsectors in Colombia.
- Characterise job skills of the marketing professional.
- Know the salary ranges of the different occupational roles of Marketing professionals.
- Diagnose academic trends and changes in digital areas in the profession of Marketing.

Participants: High and middle line managers who require marketing professionals in their team.

Coverage: Bogotá, Medellín and Cali.

4.3.2. Stage 2

Focus: Quantitative.

Technique: Virtual surveys (102).

Sampling: Non-probabilistic for convenience and judgement.

General objective: To inquire about the new labour and occupational profile of professionals in Marketing in different subsectors of the economy.

Specific objectives:

- Show the sociodemographic characteristics of the professional in Marketing.
- Know skills and competencies of the professional in Marketing.

Participants: High and middle line managers who require marketing professionals in their team.

Coverage: Bogotá, Medellín and Cali.

4.3.3. Stage 3

Focus: Mixed.

Technique: Direct and participant observation.

Literature review to select topics to study with reference to the article: (Week, 2022).

Sampling: Non-probabilistic for convenience and judgement.

General objective: To create the Marketing Observatory (ODEM) as a space for information for the Marketing sector in Colombia.

Specific objectives:

- Define theme to observe in ODEM.
- Follow up on direct observation and participant of the Marketing sector in Colombia.
- Collect information and relevant data on the reality of Marketing in Colombia.

Participants: Professionals, actors, and institutions of the Marketing sector.

Coverage: Colombia.

5. RESULTS

5.1. RELEVANT RESULTS STAGE 1

The results presented below are part of the research in partnership with Ean University, Aspomer, and CognoSight during the years 2022 and 2023.

The first step of stage 1 was the categorisation process, the starting point of the research which gave preliminary knowledge on the general panorama. This categorisation is executed within a conceptual order, as the process of qualitative inquiry is carried out.

TABLE 1: CATEGORISATION STAGE 1

Categorisation	
Sector	Consumer goods, Media and marketing, Services, Bonds, insurance and real estate, Technology and telecommunications, Logistics and transportation, Construction, E-commerce and Metallurgy and electronics.
Companies	29
Experience	Participants have between 9-21 years of experience.
Employment positions	Interns, coordinators, chiefs, directors, managers.
Marketing area	Digital, Communication, Trade marketing, Sales, Commercial, Market research, Customer service, Finance, Products, Accounts, Customer experience.
Undergraduate studies	Industrial Engineering, Social Communication, Marketing, Marketing and Advertising, Marketing and Public Relations, Marketing and International Business.
Postgraduate studies	Specialisations in Marketing, MBA, Master in Marketing.

Source: This table shows the categorisation as a starting point and referent for stage 2. Ean University, Aspomer & CognoSight. Observatory of Marketing Skills. 2023.

After the categorisation, relevant insights were evidenced to determine the contribution that Marketing professionals perceive from the studies. For example, insights such as "An

undergraduate degree opens doors for you" and *"Graduate school lands you"* are clear students' perceptions of their own experiences faced with real work environments. There are some repetitive and constant mentions that show a saturation within the information, *"In the academy there is a lack of connection with real life"* and *"Not everything you see in an undergraduate programme can be applied"*, verbal reports of Marketing professionals that show a disconnection between what they learn within the HEIs and what they should do in companies when they are interacting in different sectors.

For Marketing professionals and the sectors, it is important to determine what these relevant competencies are, for this, they were categorised into three denominations, the first, academic skill minimum, plus, and ideal, as in the following table.

TABLE 2: ACADEMIC SKILLS OF MARKETING PROFESSIONALS

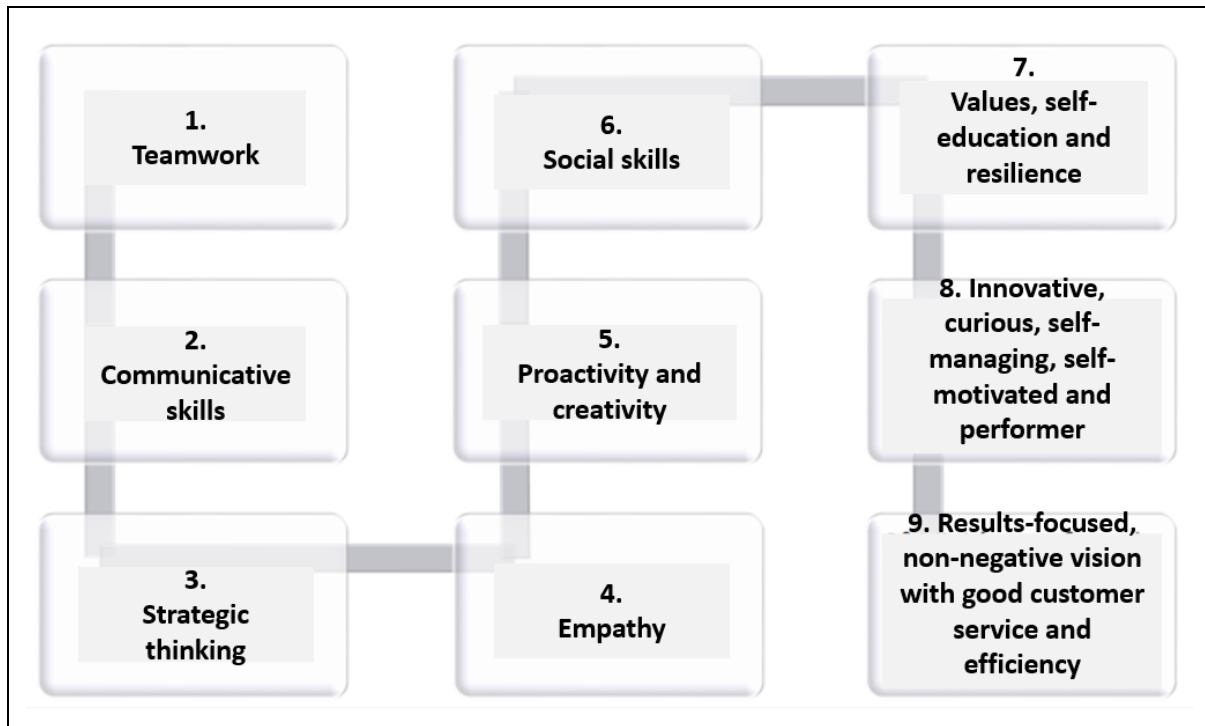
MINIMUM	PLUS	IDEAL
To be a professional Communicative skills Ppt skills Excel Skills Strategic digital thinking Data management and analysis Knowledge of basic marketing concepts Continuous updating Work experience	Language skills Numerical skills Advanced Excel skills Basic concepts of finance and administration Logical skills Analytical skills Experience in techniques and methodologies such as CRM	Strategist (Contribution of foundation) Vision, breaking the mold Achievements in previous jobs Risk measured Prediction of consumer behaviour, market intelligence skills Financial thinking (Project evaluation, planning, analysis, and financial decisions)

Source: Perception analysed according to categorisation by conceptual order through the verbal report of the participants. Ean University, Aspromer & CognoSight. Observatory of Marketing Competences. 2023.

The ideal academic skills would be framed within a high level of strategic thinking and culture, vision, break traditional schemes in substance and form when making strategies, focus on the knowledge of consumer behaviour, since we are in a total orientation towards the consumer and as a strength, have skills throughout the financial field of evaluation, planning, analysis, and decision-making processes.

When describing soft skills, participants report important mentions and rank which of them they have developed or are required by the means to be suitable in their positions, shown in Figure 1.

FIGURE 1: SOFT SKILLS DESIRED IN MARKETING PROFESSIONALS



Note: Soft skills considered as a determining factor of success. Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

It is essential to remember that for Deming (2017), the growth and supply of jobs, as well as the salary level, have been more solid in occupations that require high cognitive and social skills, without forgetting that within the hard skills it is suggested that professionals with educational levels focused on science, technology, engineering, and mathematics (STEM) have a greater competitive advantage within the labour market, guaranteeing their stability in the market and the establishment of the differentially higher salary range with these abilities as a guarantee.

In addition, it is clearly shown that marketing professionals in high positions, such as managers, have high salary ranges (up to 60 million pesos) and middle ranges (up to 13 million pesos) which makes high positions more attractive to perform in Colombia; but they perceive that the media is attractive to achieve solidity and economic stability, being one of the professions to consider. Low positions (they have an offer of between 2 million to 7.5 million pesos in their positions). It is relevant to highlight that the positions in the Marketing sector is led by professionals of Business Administration, followed by professionals of Marketing, Social Communication, Industrial Engineering and Design, which represents an accomplishment for Marketing, as it is located in second position of professions in the occupied positions of Marketing.

Finally, the proper profile of skills and abilities for a current marketing professional is proposed in the qualitative route of this research; in comparison to what exists within the profession already. The current professional represents major challenges in physical and virtual spaces and the strategic complement between these two spaces where consumers interact socially (see Table. 3).

TABLE 3: PAST AND CURRENT PROFILE OF THE MARKETING PROFESSIONAL

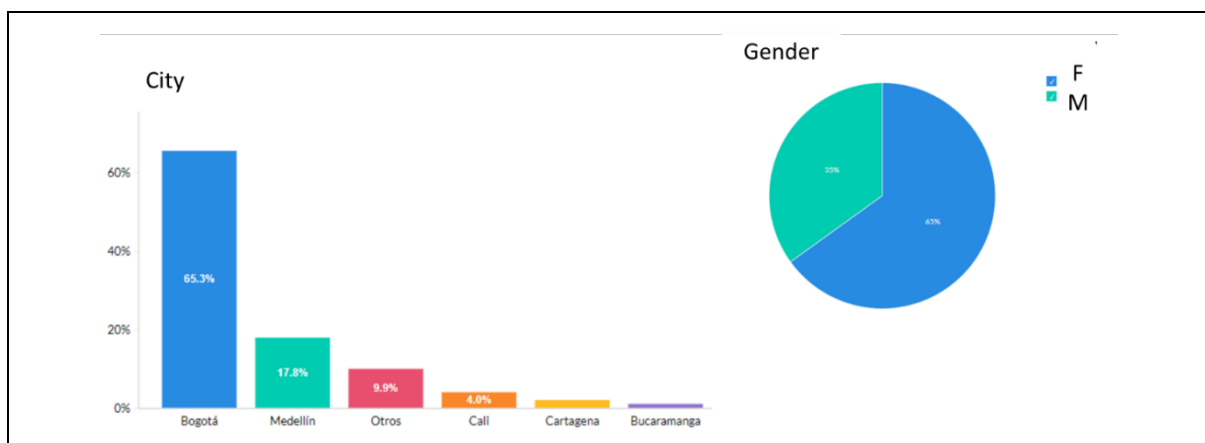
IN THE PAST	TODAY
Work was taught to work in companies	Entrepreneurs
More engaged with the company	They changed jobs frequently
Less collaborative and more individualistic professional	Teamwork is essential for them
The important thing was the company, the brand. See the history of marketing from the product.	It's all about the customer, the consumer. More aligned with the customer's way of thinking and experiences.
Less competition	More competition
More budget was available	More restricted budget
Less curious	Must be more curious
Repeated strategies	Create strategies
Focus on launching, advertising and awards campaigns	High knowledge and handling of technology and digital tools
Traditional channels and media	Digital Marketing
Loyal to known media strategies	Disruptive, innovative thinking that transforms and evolves
Largoplacist, the time was longer to decide on the strategy to follow	Short-term strategy decision-maker, time is changing
Hand forecast	Forecast with Excel

Source: Emphasis is placed on the need to develop skills and strategic contrasts in physical and virtual spaces, innovation and high competencies in financial, and decision-making areas. Ean University, Aspromer & CognoSight. Observatory of Marketing Competences. 2023.

5.2. RELEVANT RESULTS STAGE 2

For this stage, 102 digital surveys were conducted between February and March 2023, where the sociodemographic profile can be appreciated as seen in the following graph:

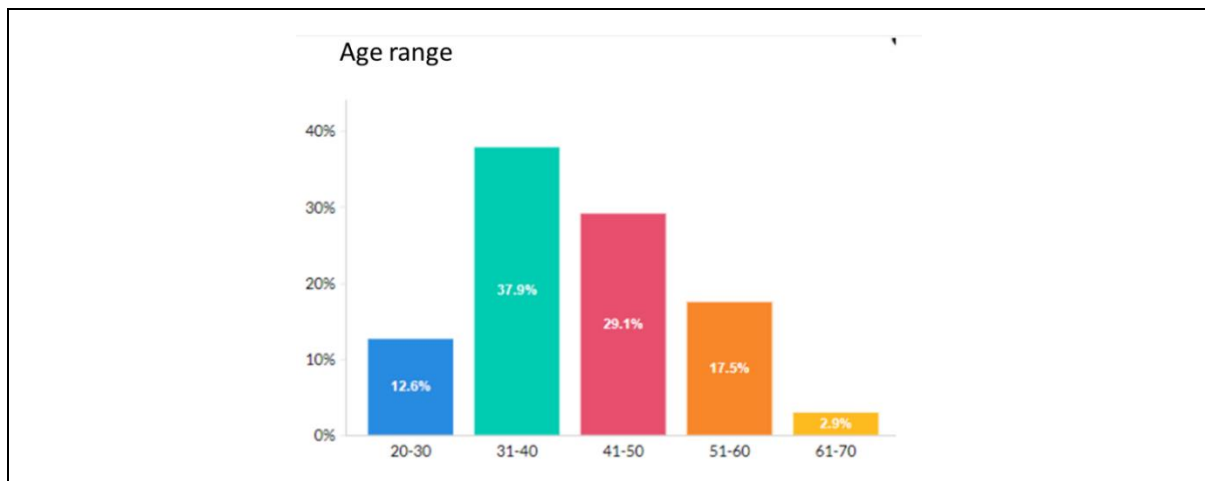
FIGURE 2: SOCIODEMOGRAPHIC PROFILE OF PARTICIPANTS



Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

The surveys were applied in more than 50% in the capital of the country and the rest in principal cities of the national territory, where 65% is female population in the Marketing sector, while 35% of male population is observed; it is evident in the sample, that there are more women in the sector.

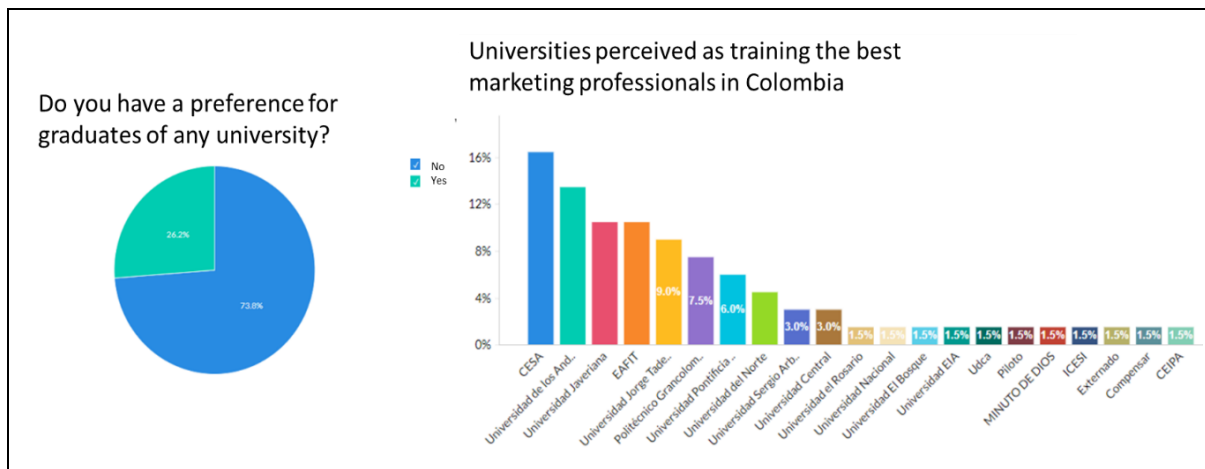
FIGURE 3: SOCIODEMOGRAPHIC PROFILE AGE



Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

The largest age range of participants was presented in 38% for a range between 31 and 40 years of age, 29% for a range between 41-50 years of age, 18% for a range between 51-60 years of age, 13% for a range between 20-30 years of age, and finally in 3% for a range between 61-70 years of age.

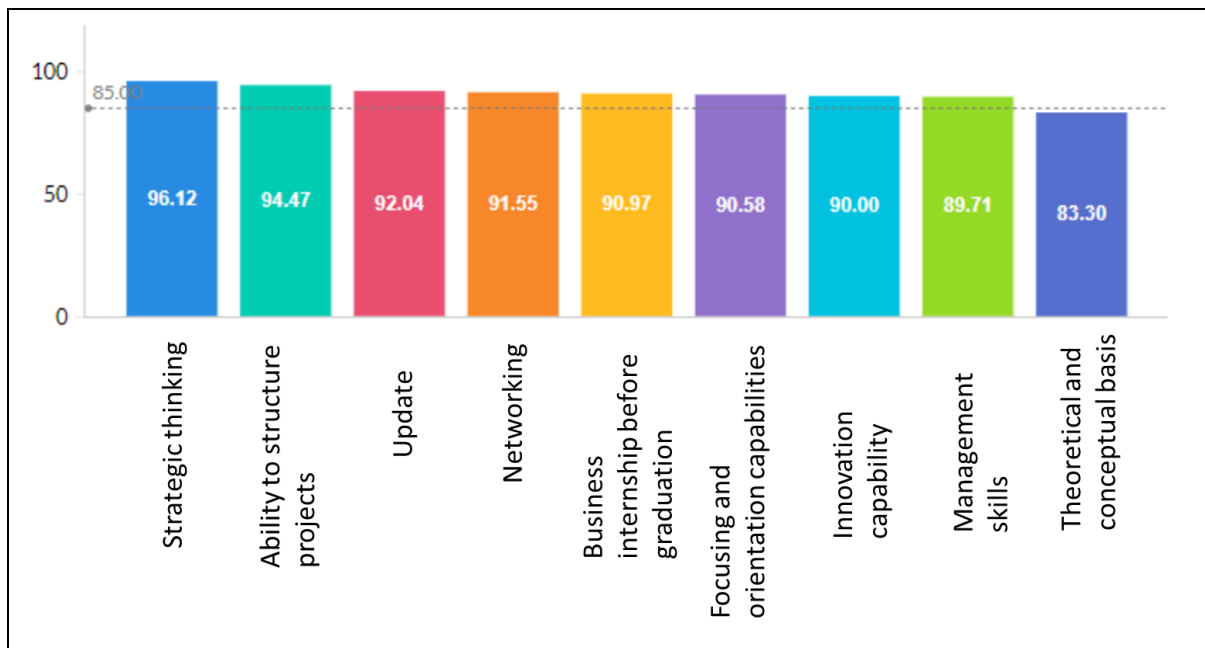
FIGURE 4: SELECTION PREFERENCE, UNIVERSITY REFERENCE



Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

74% of the surveyed do not show a preference for a university at the time of making selection processes; however, it is perceived that the College of Higher Studies of Administration (CESA), is recognised as one of the best universities for the training of professionals in Marketing, followed by Universidad de los Andes, and Pontificia Universidad Javeriana.

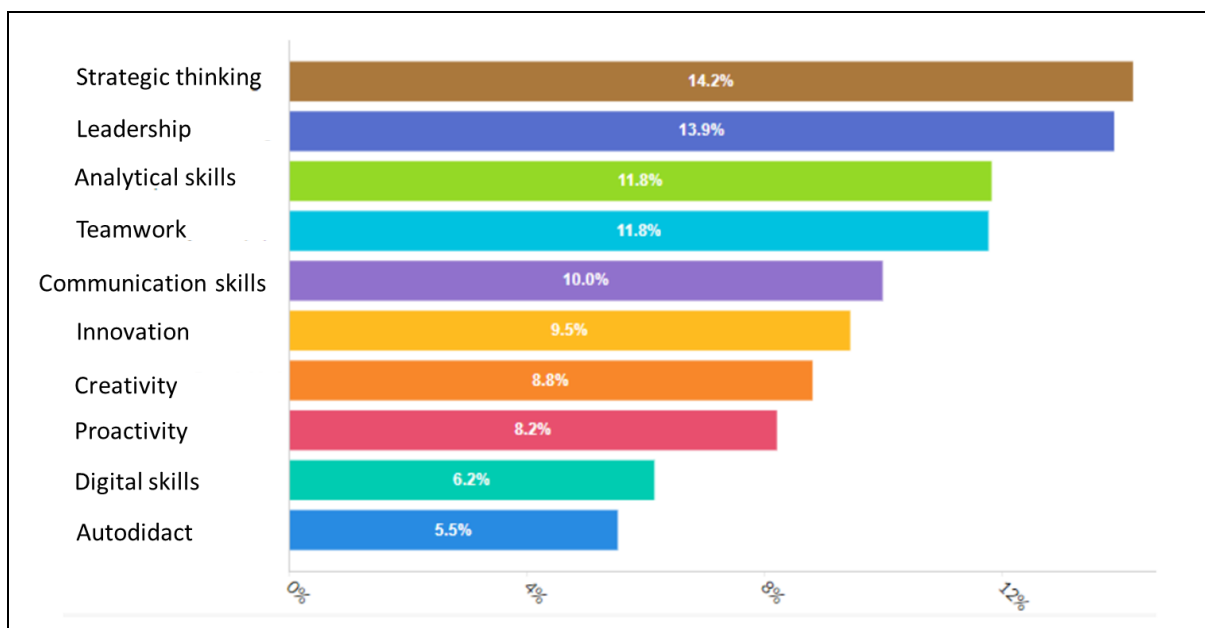
FIGURE 5: SKILLS VALUED IN ACADEMIC TRAINING



Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

It is shown that the most valued skill for Marketing students in the academy is 96% strategic thinking, followed by the capability to structure projects by 94%, updating by 92%, networking by 92%. Fifth, the work immersion during professional practices is 91% and the same percentage for the ability of focus and orientation, just as 90% in both the capacity for innovation and managerial skills, and finally 83% in the theoretical and conceptual bases that could be considered as clear hard skills.

FIGURE 6: SKILLS TO OCCUPY A LEADING POSITION IN THE MARKET

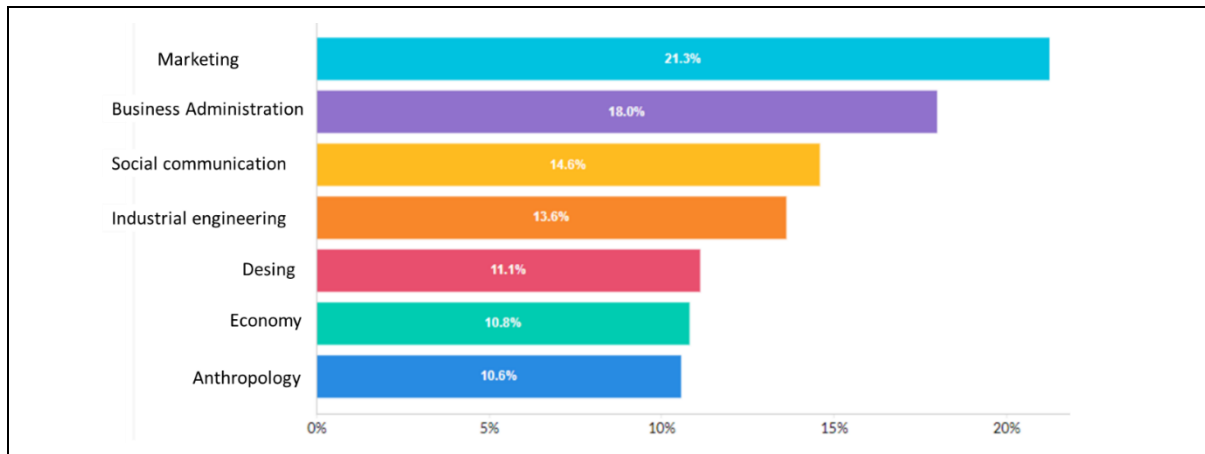


Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

Within the top five positions, it is mentioned that, to occupy a leadership position in the sector,

the strategic thinking competence prevails by 14%, so it should be featured that in these results, seen with the previously evidenced theme, that the most valued skill by students within the academy is the same. Therefore, strategic thinking is one of the skills of the marketing professional that stands out from the others.

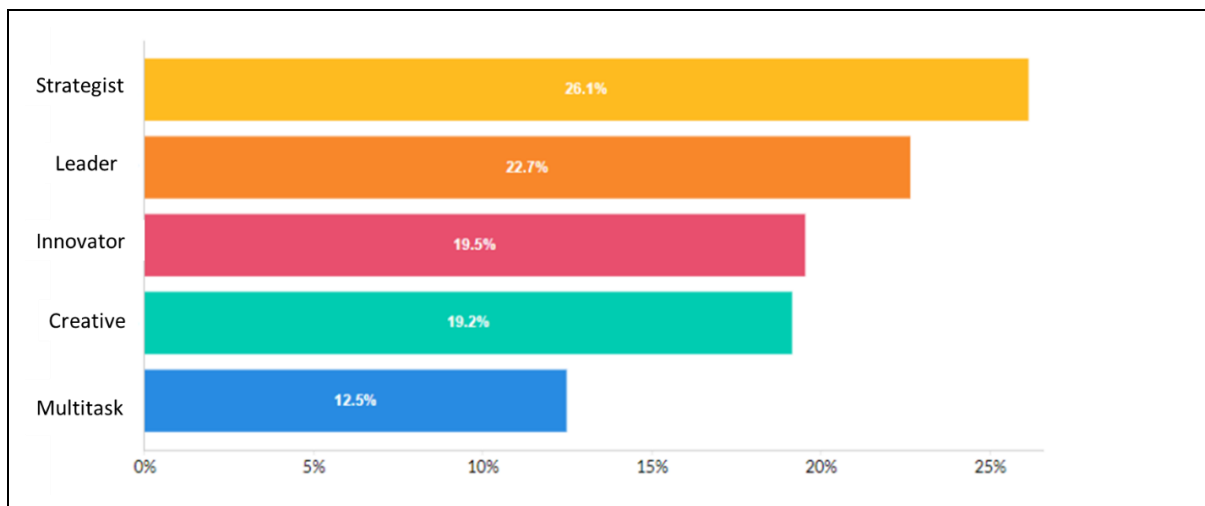
FIGURE 7: PROFESSION WITH THE MOST LEADERSHIP POSITIONS IN MARKETING



Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

Unlike what was exhibited a few years ago, each time, the profession of Marketing guarantees to occupy the positions with greater leadership, occupying the position of first place. This shows that it is prominent to study the profession to occupy privileged positions.

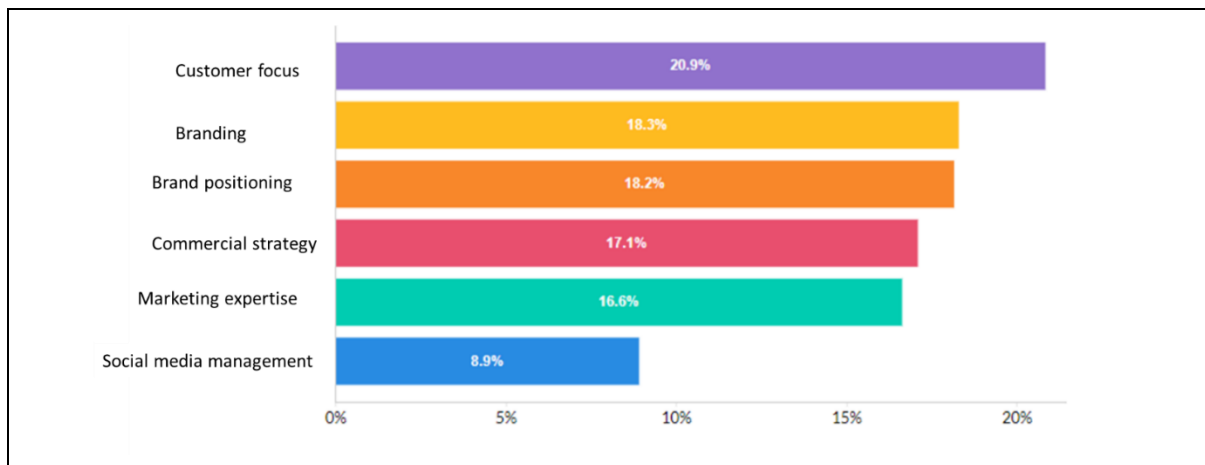
FIGURE 8: ABILITIES AND SKILLS OF THE MARKETING PROFESSIONAL



Source: Ean University, Aspromer & CognoSight. Observatory of Marketing Skills. 2023.

The graph shows that the five abilities and skills that the marketing professional must possess are in hierarchical order: Strategy, this is repeated constantly in the assessment from the academy, as part of the professional and personal profile, which signifies that it is the most relevant to develop, to have and to maintain a competitive advantage within the sector. Subsequently, leadership, innovation, creativity, and finally multitasking capacity emerge.

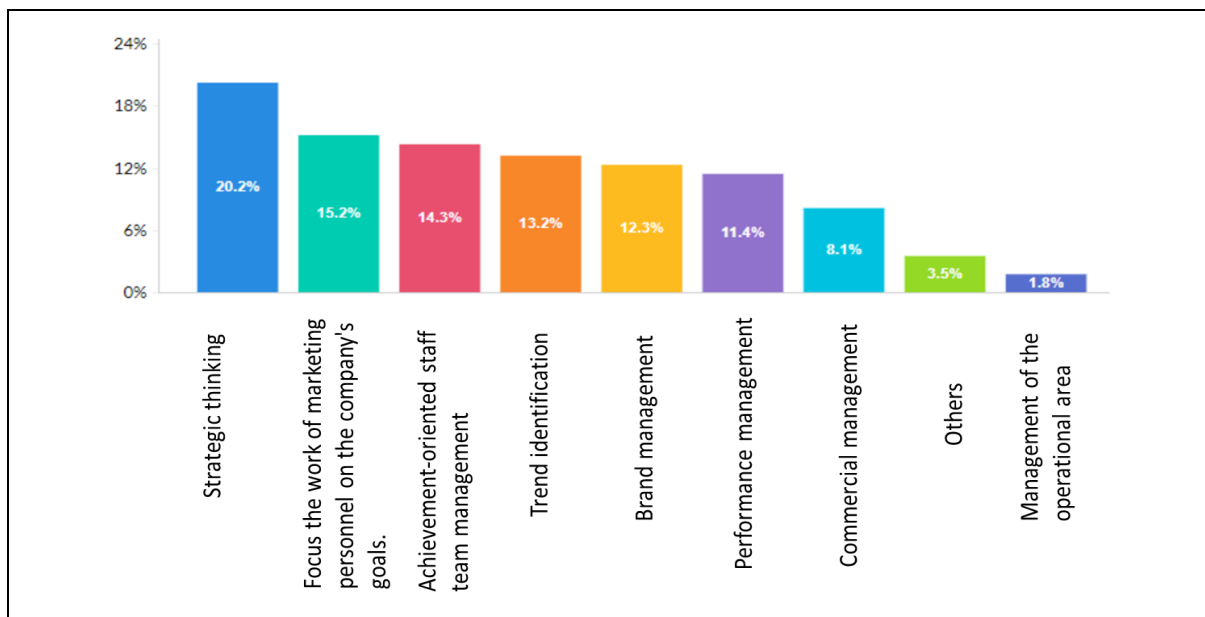
FIGURE 9: FOCUS OF THE SKILLS OF THE MARKETING PROFESSIONAL



Source: Ean University, Aspomer & CognoSight. Observatory of Marketing Skills. 2023.

The skills of Marketing professionals, according to the surveys, should focus mainly on the customer service, followed by brand development and brand positioning, then the commercial strategy, marketing knowledge, and social networks.

FIGURE 10: SKILLS OF THE SENIOR MARKETING MANAGER



Source: Ean University, Aspomer & CognoSight. Observatory of Marketing Skills. 2023.

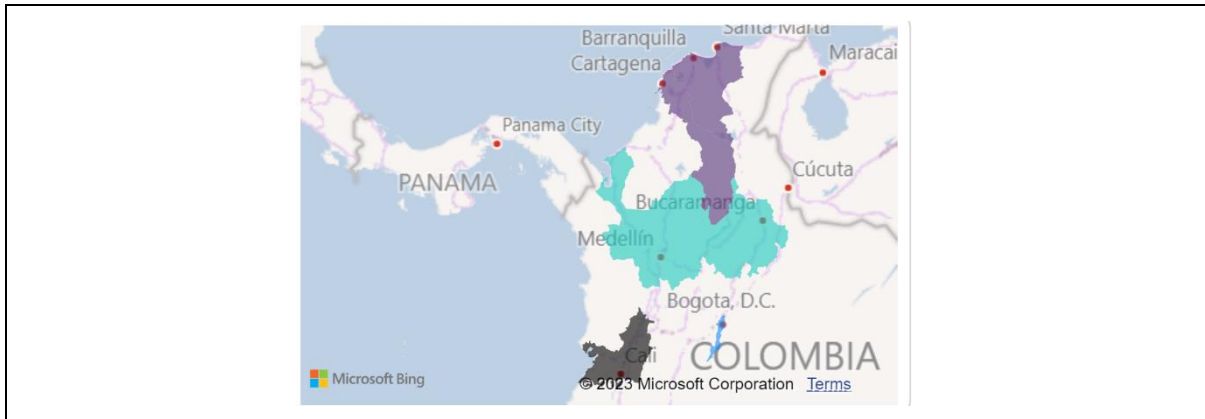
It is clear that the skill of strategic thinking is the most predominant to ensure success, performance, competitive advantage, and the one that guarantees occupation of high positions in the Marketing area, followed by leadership and management of the team in aligning the objectives of Marketing with the transversal ones of the company, with a focus oriented towards the result and the management of the brand, among others.

5.3. RELEVANT RESULTS STAGE 3

In the third phase the first ODEM Marketing Observatory is created in Colombia and a study is initiated on the abilities and skills most sought after in Marketing professionals in Colombia,

for this and having it as a starting point to select the topics, it is taken as reference to the 5000 most important companies nationwide, in which 216 professional profiles and 216 job offers were analysed, identifying 2592 relevant abilities and skills to understand the profile of the Marketing professional, required by the providers, to finally identify the 116 credentials demanded and used by Marketing professionals when it comes to being updated.

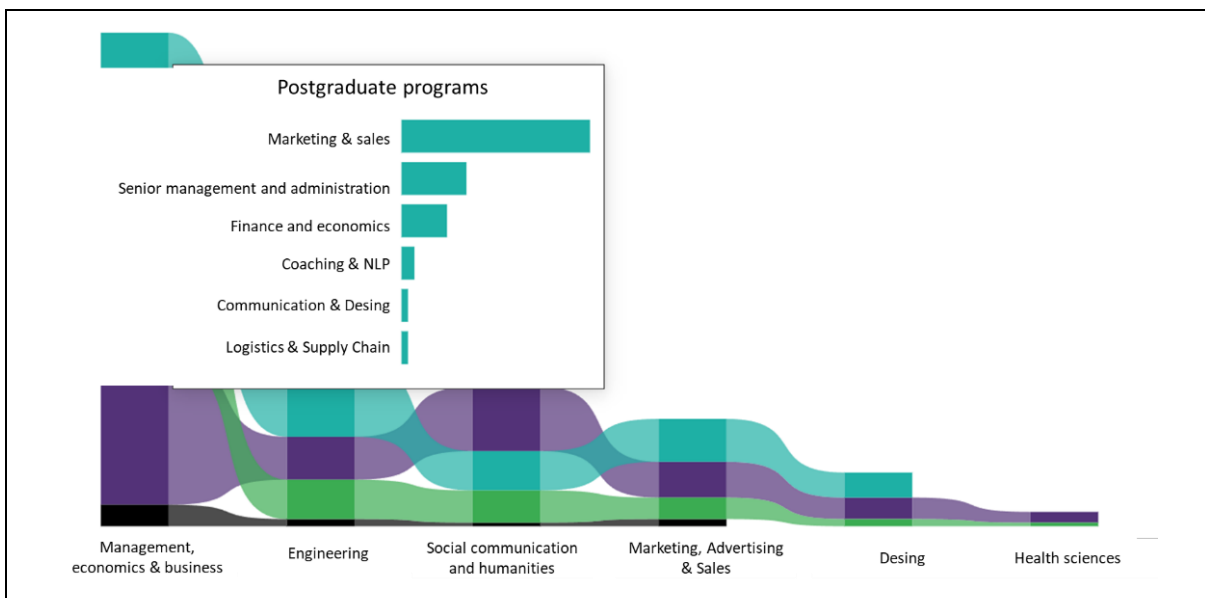
FIGURE 11: REGION WHERE THE STUDY WAS ESTABLISHED



Source: Made in Power BI. ODEM 2023.

In the territory, there is a greater concentration in certain areas, because of where the 5000 Colombian companies studied are located in Bogotá capital city, and most important cities in Colombia: Cali, Medellín, Bucaramanga and Barranquilla.

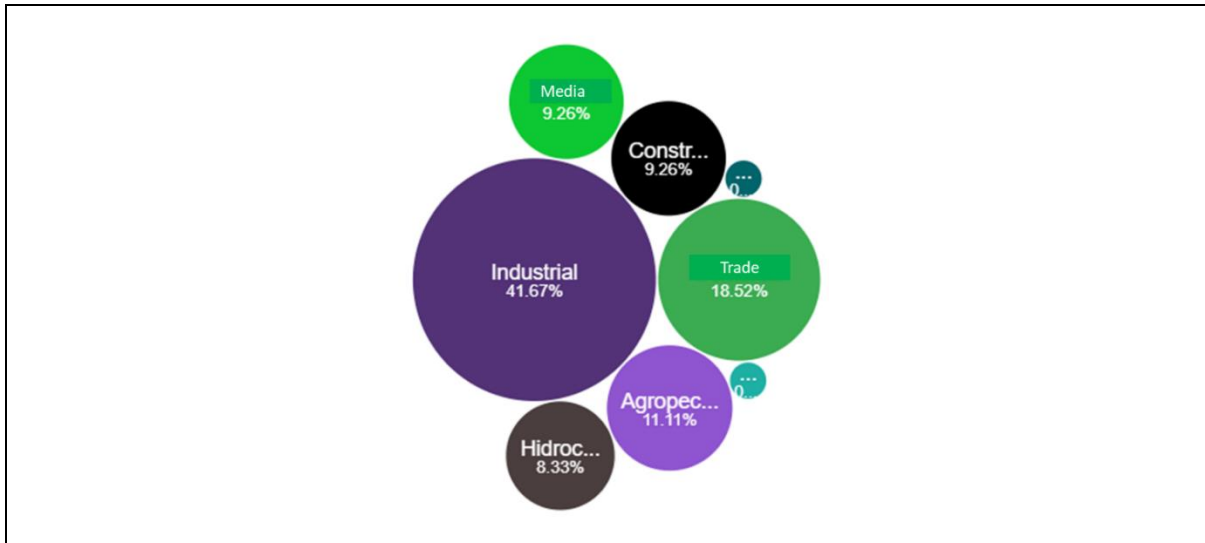
FIGURE 12: EDUCATIONAL LEVEL AND PROFESSION IN MARKETING



Source: Made in Power BI. ODEM 2023.

It is definite that the marketing professionals observed have an educational level that has greater participation in the post-graduate studies and that it is also related to the most demanded graduates in the sector.

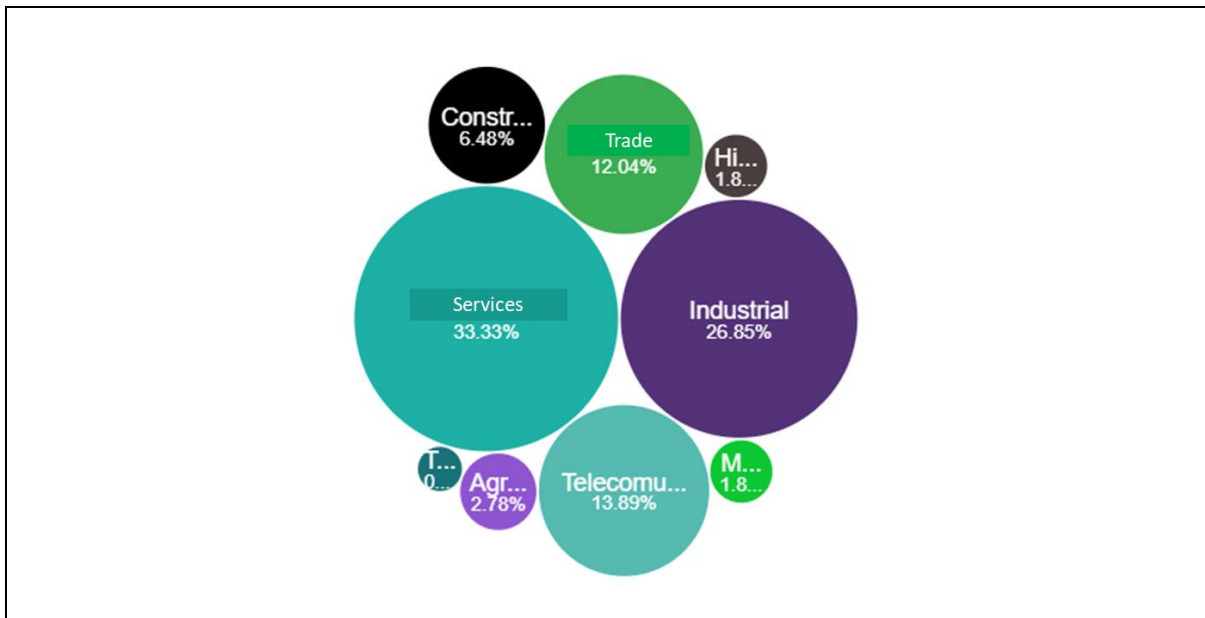
FIGURE 13: PRESENCE OF THE MARKETING PROFESSIONAL IN LARGE COMPANIES



Source: Made in Power BI. ODEM 2023.

Marketing professionals in large companies are concentrated, with 42% in the Industrial sector, being the sector with the greatest relevance and presence, followed by Commercial at 19%, Agriculture at 11%, and equality with 9% in Media and Construction.

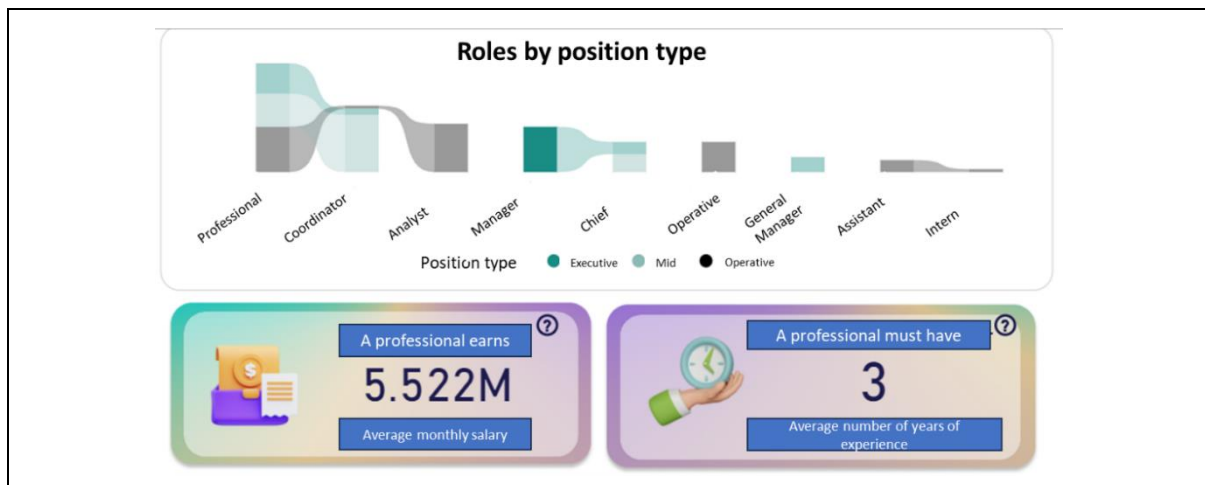
FIGURE 14: PRESENCE OF THE MARKETING PROFESSIONAL IN SMALL AND MEDIUM BUSINESSES



Source: Made in Power BI. ODEM 2023.

Marketing professionals in small and medium businesses are concentrated with 33% in the services sector, being the most relevant and presence, followed by Industrial at 27%, Telecommunications at 14%, Trade at 12%, and less presence is found in sectors such as construction and agriculture.

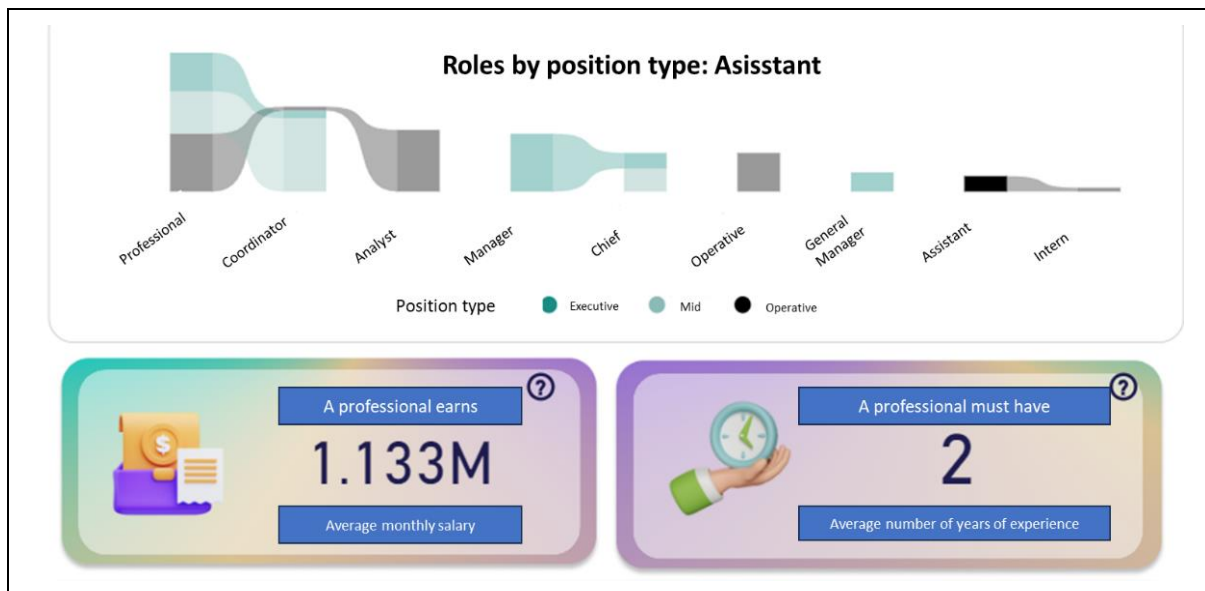
FIGURE 15: ROLES, SKILLS, AND SALARY MANAGERS



Source Made in Power BI. ODEM 2023.

Among the outstanding roles of the Marketing professional is in a maximum range that of the Director, who with three years of experience on average, earns an average monthly salary of five million five hundred twenty-two thousand pesos, being in charge of the demand for action such as marketing planning, leadership, advertising and promotion, inter and intrapersonal, and electronic commerce. Finally, the skills and abilities required in hierarchical order are, leadership, intrapersonal, cognitive, interpersonal, and are those that lead to the achievement of results.

FIGURE 16: ROLES, SKILLS, AND SALARY ASSISTANTS



Source: Made in Power BI. ODEM 2023.

In contrast, the position of assistants is the one that earns the least, with an experience requirement of two years on average, a monthly salary of one million one hundred and thirty-three thousand pesos is earned, that is, four million three hundred eighty-nine thousand pesos less than the highest position. Its field of action is outlined more in the area of electronic commerce, intrapersonal, leadership, cognitive and interpersonal, among others. The skills have almost the same hierarchy as the previous evidence handled with the profile of directors,

in their order, leadership, intrapersonal, cognitive, interpersonal, and results.

FIGURE 17: MOST DEMANDED CERTIFICATIONS



Note: Made in Power BI. ODEM 2023.

The most demanded certifications in the Marketing sector for its professionals are in order of relevance, those related to Digital Marketing and strategy, followed by Project Management and agile methodologies, Skills, Technology and software development, Experience and Customer service, and Research and Analysis of data and languages.

6. CONCLUSIONS AND RECOMMENDATIONS

The present study exhibits the following aspects to take into account and concludes that:

There is no evidence to affirm that there are abilities and skills that are more important or relevant than others, that is, in both soft and hard skills as skills have to be shaped and merged to consolidate the profile of the Marketing professional.

Strategic thinking, defined as the set of skills that allow you to anticipate possible future changes and make effective decisions based on data, is a "must have" for marketing professionals.

The skills required by the business sector must be developed from different fronts, especially the academic one so that it guarantees, from the training process, the development of abilities and skills that are really required and applied in a timely manner to transform reality with a purpose of sustainability.

The focus of Marketing should remain on customer service, followed by brand development and positioning, strategy and application to reality of the theoretical concepts of Marketing, which means soft and hard skills and abilities have to be developed to respond to the different problems and business opportunities in marketing, to transfer knowledge and use them in a timely manner.

Every day Marketing is presented as the ideal profession to occupy positions in the Marketing area and thus prevails within other professions, guaranteeing a growing space for professionals, the sector, and is consolidated as a competitive advantage in selection processes, and with the guarantee to occupy high positions in these settings.

REFERENCE LIST

- American Marketing Association. 2017. Available from <https://www.ama.org/>
- Angulo, N. 2009. ¿Qué son los observatorios y cuáles son sus funciones? *Redalyc*, 9(47):5-17.
- Arévalo Acosta, G.H. 2019. *Fundamentos de mercadeo. Cómo buscan el éxito las organizaciones*. Bogotá: Fundación Universitaria del Área Andina.
- Bonesso, S., Gerli, F., Zampieri, R. & Boyatzis, R.E. 2020. Updating the debate on behavioral competency development: State of the art and future challenges. *Frontiers in Psychology*, 11:1267.
- Botero, M., Arrieta, P.A., Mesa, S.E. & Álvarez Atehortúa, D. 2021. Análisis de competencias laborales en estudiantes y. *Revista CIES*, 12(1):33-54.
- Carter, S. & Yeo, A.M. 2017. Undergraduate perceptions of the knowledge, skills and competencies required of today's practicing marketer. *Higher Education, Skills and Work-Based Learning*, 7(3):240-260.
- DeLong, D. & Elbeck, M. 2018. An exploratory study of the influence of soft and hard skills on entry level marketing position interviews. *Marketing Education Review*, 28(3):159-169.
- Deming, D. 2017. The growing importance of social skills. *The Quarterly Journal of Economics*, 132(4):1593-1640.
- Di Gregorio, A., Maggioni, I., Mauri, C. & Mazzucchelli, A. 2019. Employability skills for future marketing professionals. *European Management Journal*, 37(3):251-258.
- Enjuto, N. 2023. Available from plataformavoluntariado.org (Date accessed: 22 June 2023).
- Escobar, M. 2005. Las competencias laborales: ¿La estrategia laboral para la competitividad de las organizaciones? *Scielo*, 33-54.
- Fernandes, P.R., Jardim, J. & Lopes, M.C. 2021. The soft skills of special education teachers: Evidence from the literature. *Education Sciences*, 11(3):125.
- Ferreira, C., Robertson, J. & Pitt, L. 2023. Business (un) usual: Critical skills for the next normal. *Thunderbird International Business Review*, 65(1):39-47.
- Flavell, J. 1985. *Cognitive Development*. Madrid: Prentice Hall.
- Gómez-Gamero, M.E. 2019. *Las habilidades blandas competencias para el nuevo milenio*. *Divulgare*, 11:1-5.

- Hernández Sampieri, R., Fernández, C. & Bautista, P. 2014. *Metodología de la investigación*. México D.F.: McGraw-Hill.
- Kerin, R. A. & Hartley, S. W. 2018. *Marketing*. Madrid: Mc Graw Hill Interamericana.
- Kotler, P. & Armstrong, G. 2012. *Marketing*. México: Pearson.
- Kotler, P., Kartajaya, S. & Setiawan, I. 2021. *Marketing 5.0*. Madrid: Lid.
- Kovács, I. & Zarándné, K. 2022. Digital marketing employability skills in job advertisements must have soft skills for entry level workers: A content analysis. *Economics & Sociology*, 15(1):178-192.
- Latorre, R., Pantoja, P. & Sefair, E. 2020. Observatorio laboral regional EMPLE-AP alcances, usuarios y modelo. *UCV Scientia*, 12-30.
- Martelo, J., Jiménez, I. & Quintana, A. 2018. Determinación del Perfil Profesional de estudiante de pregrado aplicando la técnica de análisis comparativo. *Información tecnológica*, 29(2):29-40.
- McClelland, D.C. 1973. Testing for Competencies rather than intelligence. *American Psychologist*, 1-14.
- Ministerio de Tecnologías de la Información y las Comunicaciones. 2023. mintic.gov.co. Available from https://colombiatic.mintic.gov.co/679/articles-274258_archivo_pdf.pdf (Date accessed: 6 June 2023).
- Pereira, M., Gutiérrez, G., Sandra, P., Sardi, H. & Villamil, M. 2008. Las competencias laborales y su evaluación mediante el modelo de 360°. *Cuadernos Latinoamericanos de Administración*, 4(6):69-105.
- Rauschnabel, P.A., Babin, B.J., Tom Dieck, M.C., Krey, N. & Jung, T. 2022. What is augmented reality marketing? Its definition, complexity, and future. *Journal of Business Research*, 142:1140-1150.
- Shum, Y.M. 2019. *Marketing digital: Navegando en aguas digitales, sumérgete conmigo*. Ediciones de la U.
- Universidad EAN, 2023. *Aspromer & CognoSight*. Observatorio de Competencias de Mercadeo.
- Universidad EAN, 2023. Available from <https://universidadean.edu.co/programas/carreras-profesionales/carrera-de-mercadeo> (Date accessed: 21 June 2023).
- Wenjing, L. & Jin, L. 2021. Soft skills, hard skills: What matters most? Evidence from job postings. *Applied Energy*, 300:117307.

EMPLOYABILITY THROUGH SKILLS AND MOTIVATION: A COMPARATIVE CASE STUDY

Ilias Kapareliotis
Adele Potgieter
Athanasios G. Patsiotis

ABSTRACT

Globally, graduate employability has become a key driver for universities. This paper aims to compare motivational skills, and a repertoire of skillsets as perceived in two different countries (South Africa and Greece), on two different continents (Africa and Europe), and as evident from two different educational backgrounds. The paper employed a quantitative research design. The comparative case study approach was considered the most appropriate as it allowed the examination of employability differences and similarities between two different countries. SA respondents in general, had lower mean scores than their GR counterparts on intrinsic motivation, and statistically significant differences were noted in achievement, responsibility and opportunities for growth. The results confirmed that the skillsets under study do have a global character or a global dimension. The number of respondents was relatively small for both countries. The contribution of this paper is three-fold: Firstly, it contributes to the culinary body of literature on internships as an employment enhancement tool, secondly, it explores the unique role that motivation plays in developing employability skills in internship programs as motivation is a new skillset dimension recognised by the study, and thirdly, it provides evidence of differences in perception of students from a developed and developing country.

Keywords/phrases: extrinsic/intrinsic motivations, graduates, internships, skills, work-based learning.

1. INTRODUCTION

Globally, graduate employability has become a key driver for universities. A range of generic, skill-based outcomes embedded in higher education (HE) programmes is expected to increase the employability of students and improve graduate employment outcomes (Bowles, Bowles & Wilson 2019:8; Chen 2018:72; Di Gregorio, Maggioni, Mauri & Muzzuchelli 2019:253; Suleman 2018:268). Graduate employment outcomes have become a key marketing tool for higher education institutions to entice prospective students and to display the success of the institution. During past decades, higher education institutions (HEI) have been criticised by employers for not equipping graduates with marketable skills and many of them have recommended actions to remedy this drawback. As a result, various forms of work-based learning have been introduced globally to support graduates' readiness for the job market (Bridgstock & Jackson 2019:269). Various initiatives manifested across the globe and universities adopted skills-based learning courses through the introduction of initiatives aiming to improve graduate employability (Prikshtat, Montague, Connel & Burgess 2019:370). All these efforts aim to combine graduate employability with professional, systemic competencies.

This shift marked the beginning of a closer relationship between industry and academia. One way of preparing graduates for the workplace is through internships. Bridgstock and Jackson (2019:470), Ranabahu, Almeida and Kyriazis (2020:240) as well as Van Mol (2017:53) claim that an internship includes experiential learning during which senior students are exposed to training outside the university environment. Students thus have the opportunity to combine and integrate different types of knowledge, which includes subject, content and problem-solving.

Ranabahu et al. (2020:245) posit that internships may focus on a particular business dimension, for example, innovation, whilst professional internships provide a context to gather generic and career-specific skills by applying academic knowledge to their professional work.

Based on recent literature, this paper aims to shed light on the motivational skills, and the skillset graduates believe they should possess to be employed. The comparison is deemed necessary as South Africa is a country which develops, through adjustments to their educational system, as the global market requires them, borrowing in some cases educational practises by the U.S.A. and Europe.

Greece is a European developed country with a long educational tradition. The Greek educational system is infused with European educational practices, primarily because the country belongs to the EU. The Greek educational system could not praise itself for extroverts, and job market-related activities, and curriculum designs yet the educational background of Greece is a combination of European, American, and other foreign practices (Constantinide 2021). The practice of internship has lately been embedded into the Greek university curricula as in most countries in the world. The main reasons for this turnaround are the prescriptions of the ERASMUS program for European countries, private educational institutions that offer the internship option and that Greek universities had to increase the employability prospects of their graduates through internships.

South Africa is a country with many higher education institutions, and the country's educational system is influenced by international and local practices. The educational system has long roots in tradition and culture. The internship option for HEI is a late adoption to their curricula, to equip the students with additional skills, and support students to get global UpToDate experiences enhancing their extroversion, this practice increased the employment rates.

The present study aims to compare motivational skills, and a repertoire of skillsets as perceived in two different countries, on two different continents, and in two different educational backgrounds, and how equipped students feel they are to be employable. This paper therefore fills the gap in the literature as there is no research done previously looking at similar factors for students to embark on an internship to enhance their employability skills, helping students to be more competitive in the job market.

This paper commences with an analysis of relevant literature followed by a discussion of the case study, the research method that was employed for the study, as well as the samples' profile. The study's findings from South Africa and Greece follow, with a discussion of the results. The paper concludes with a discussion of the study's implications, limitations and recommendations for further research.

2. LITERATURE REVIEW

The primary role of HEIs is to develop human beings who obtain the necessary qualities required for a given job market. An important contribution towards this aim could be considered the role of internships where students enhance their professional and personal profiles.

The work of Bennett (2019) introduces the reader to concurrent aims that graduate employability may have for the employer. The different HEIs do not manifest these aims through their employability agents the same way although they all focus on the same goal,

which is employability enhancement. The authors find the concept of employability challenging and concur that although factors affecting employability do vary, there is no doubt that the strongest influences of this are HEI reputations, and the professional skills students build. The study concludes that HEIs should not overcrowd their curricula with different types of outcomes not deemed necessary. Programs should balance employability and program outcomes. Jackson (2013:271) denotes that assessments and pedagogical practices should build repertoires of skills which are transferable to the job market and HEIs should therefore direct the design of their curricula to the enhancement of skills combined with technical knowledge.

2.1. INTERNSHIPS

Jackson and Wilton (2017:558) proclaim that graduates pursuing internships acquire a critical attitude in developing resilience, and self-confidence to navigate competitive, and complex labour markets. Their study supports the idea that more educated individuals with strong related job skills have higher levels of pursuing the career they wish. Students through internships develop various types of skills some of which include self-awareness, opportunities development and decision-making skills. Numerous authors have identified various skills to enhance employability within different clusters. Table 1 provides a summary of those clusters and the skills identified within each cluster.

TABLE 1: SKILLS CLUSTERS AND SKILLS IDENTIFIED IN THE LITERATURE

Skills cluster	Skill	Author
Adaptive capacity/ Higher order skills		Hecklau, Galeitzke, Flachs and Kohl (2016); Jackson, Shan and Meek (2022); Suleman (2018)
Includes: Subject-specific knowledge, feedback, responsiveness, willingness to work and enthusiasm	Creativity / Innovation	Jackson et al. (2022); O’Neil (1997); Teng et al. (2019)
	Entrepreneurial thinking and reasoning	Hecklau et al. (2016); O’Neil (1997)
	Problem-solving and reasoning	Cleary et al. (2006); Gault et al. (2010); Hecklau et al. (2016); Jackson et al. (2013); O’Neil (1997); Pantiru (2019); Teng et al. (2019)
	Decision making	Gault et al. (2010); Hecklau et al. (2016); Jackson and Wilton (2017); Jackson et al. (2013); Pantiru (2019).
	Analytical skills	Hecklau et al. (2016); Suleman (2018);
	Research skills	Hecklau et al. (2016)
	Efficiency orientation	Chhinzer and Russo (2018); Hecklau et al. (2016)
	Planning and strategic thinking where planning includes organising skills	Belwal et al. (2017); Cleary et al. (2006); Holmes (2013); Osmani et al. (2019); Pantiru (2019); Teng et al. (2019)
Teamwork and interpersonal skills		Cleary et al. (2006); Hecklau et al. (2016); Suleman (2018)
	Teamwork	Chhinzer and Russo (2018); Gault et al. (2010); Hecklau et al. (2016); Jackson et al. (2013); Pantiru (2019); Suleman (2018); Teng et al. (2019)
	Time management	Chhinzer and Russo (2018); Cleary et al. (2006); Teng et al. (2019); Winterton and Turner (2019)
	Enthusiasm	Cleary et al. (2006); Teijeiro et al. (2013); Teng et al. (2019); Velasco (2012); Winterton and Turner (2019)

Skills cluster	Skill	Author
	Reliability	Belwal et al. (2017); Holmes (2013); Osmani et al. (2019)
	Professionalism	Belwal et al. (2017); Holmes (2013); Osmani et al. (2019); Teng et al. (2019)
	Time and self-management	Gault et al. (2000); Jackson et al. (2022). Jackson and Wilton (2017); Osmani et al. (2019)
	Ability to work under pressure	Belwal et al. (2017); Belwal et al. (2017); Holmes (2013); Osmani et al. (2019); Teng et al. (2019)
	Willingness to take responsibility	Belwal et al. (2017); Cleary et al. (2006); Holmes (2013); Osmani et al. (2019)
	Ethical awareness	Teijeiro et al. (2013); Velasco (2012)
Interpersonal skills/ social/personal skills		Hecklau et al. (2016); Suleman (2018);
	Intercultural skills	Cleary et al. (2006); Hecklau et al. (2016); Teng et al. (2019); Winterton and Turner (2019)
	Communication skills - written and verbal	Belwal et al. (2017); Gault et al. (2010); Hecklau et al. (2016); Holmes (2013); Osmani et al. (2019); Pantiru (2019); Suleman (2018)
	Networking skills	Hecklau et al. (2016); Jackson et al.(2022)
	Ability to work in a team	Hecklau et al. (2016); Pantiru (2019)
	Ability to compromise and cooperate	Hecklau et al. (2016); Jackson et al. (2013); Teng et al. (2019)
	Leadership skills	Hecklau et al. (2016); Teng et al. (2019); Winterton and Turner (2019)
	Flexibility	Hecklau et al. (2016)
	Motivation	Hecklau et al. (2016); Teijeiro et al. (2013); Velasco (2012); Teng et al. (2019); Winterton and Turner (2019)
	Ability to work under pressure	Hecklau et al. (2016); Teng et al. (2019); Winterton and Turner (2019)
	Learning attitude - a willingness to learn	Teng et al. (2019); Winterton and Turner (2019);
	Self-confidence	Belwal et al. (2017); Cleary et al. (2006); Holmes (2013); Jackson et al. (2022); Jackson and Wilton (2017); Osmani et al. (2019)
	Cope with uncertainty	Belwal et al. (2017); Holmes (2013); Osmani et al. (2019)
	Ability to recognise the meanings of emotions and relationships	Cleary et al. (2006); Teng et al. (2019)
	Self-management	Jackson et al. (2022); Teng et al. (2019)
IT skills, technical and other specific skills		Hecklau et al. (2016); Suleman (2018)
	Technical skills	Cleary et al. (2006); Suleman (2018)
	Technical skills, media skills, coding skills and an understanding of IT security	Gault et al. (2010); Hecklau et al. (2016)
	Subject-specific knowledge	Chhinzer and Russo (2018); Knight and Yorke (2003); Teng et al. (2019); Winterton and Turner (2019)
	Information and communication technology	Belwal et al. (2017); Holmes (2013); Osmani et al. (2019)

Source: Own construction

Jackson (2013:271) studied students' perceptions of the importance of employability skills provision in business undergraduate programs. The study supports that employers are still looking for employees with critical theory decision-making skills, conflict resolution, leadership, and meta-cognitive skills. The list isn't exhaustive but is paired with skills that graduates do possess like teamwork, CSR awareness-initiative, and confidence to perform related tasks. Their study adds the dimension of demographics as an antecedent variable of students' perceptions of employability and confirms that different skill sets can be required by different industries and types of organisations.

Jackson, Shan and Meek (2022) investigated the capabilities, and the business employability skills students acquire from work-integrated learning in various internships. The synergetic values of SMEs, and co-working spaces are reconsidered in this paper. Internships do build skills of critical, innovative behaviour, and network building. The research concluded that SMEs which support internships do support students' skills acquisition at first instance. Students who participated in the study presented the acquisition of the following skills: networking skills; confidence; innovation and organisation skills; management and work-life balance; managing unclear boundaries; fast-paced thinking cultures, autonomy problem solving and a value-adding mindset.

The aim of the research of Jackson and Wilton (2017) was to explore how undergraduate business students perceived employability and career self-management. The study is a cross-country study between students in the UK and Australia. The authors support that the current employment market is unstable and complex, and career development does not follow the traditional linear career path as it should. Contemporary graduates require self-assurance for the skills they possess, to survive and thrive. The levels of perceived employability nowadays require to be elevated because of the job market changes. It therefore becomes important to comprehend the concept of perceived employability.

2.2. PERCEIVED EMPLOYABILITY

Jackson and Tomlinson (2020:444) in their study examined the relationship between proactive career planning and employability perceptions in complex working environments. The paper emphasises the perceived employability concept. Perceived employability is associated with knowledge, and perceptions of external conditions enhancing the graduates' positional advantage of the students in the job market and is a repertoire of experiences related to the job market, internships being one experience. Perceived employability supports other possible identities a professional could build, like career sense, proactive control, positional advantage, and career planning.

2.3. IDENTITY

Employability is the acquisition and deployment of employability skills along with other benefits like sociocultural resources multiple contexts, and cultures, which enhance the value of a graduate's emerging profile (Tomlinson & Jackson 2021:889). The concept of a professional identity is relatively new and comprises of the following key components: professional socialisation, self-authorship, resource role and demographic and background factors. Jackson (2016:926) refers to the Pre-professional identity (PPI) and defines it as "an understanding of and connection with the skills, qualities, conduct, culture, and ideology of a student's intended profession". Croft, Benjamin, Conn, Serafin, and Wiseheart (2019:38) opine that the development of PPI can also begin during the undergraduate years when students can be encouraged to join preprofessional clubs and communities, participate in mentoring

programs with professionals practising in the field. Throughout this process, they can develop their professional identities. The development of professional identities is thus a set of identities that the job market requires.

2.4. MOTIVATION

Kapareliotis, Voutsina and Patsiotis (2019:539) posit that the concept of work readiness is grounded in the conceptual framework of consumer readiness utilised in marketing literature, these theoretical foundations can be found in the Expectancy Theory of motivation (Vroom 1964:63). The foundation of the Human Capital Theory (1776 in Suleman 2018:268) proclaims that individuals make investments in education and training with the understanding that they will gain a set of skills that will be rewarded by employers. Human capital is usually interpreted as the competencies they demonstrate. This theory is similar to the expectancy theory of motivation (Vroom 1964:63), which proposes that employees' behaviour depends on their understanding of how they are expected to perform, their ability to perform and the value of the rewards that will be received should they perform satisfactorily. In the marketing literature, motivation and ability shape customers' behaviour when they are seen as contributors to service production and delivery. Within the context of this study, the student believes that a certain effort (studies) will lead to a given performance (employability) and that employability will lead to the attainment of a desirable (finding a job/career) or undesirable reward (not being employed).

Motivation is conceptualised as that which moves people to act. McJerry (2019) asserts that young people are inherently dreamers with great potential that could be transferred into tangible achievements and their prospects could be improved through supportive and constructive motivation. In this regard, motivation becomes a prevailing push for self-realisation, and it is the most necessary ingredient for a successful life, regardless of one's age. Motivation then becomes an essential element for spurring self-determination and self-belief (Markus 2016:163; McJerry 2019). Lee, Cheung and Chen (2005:1099) posit that behaviour can be both extrinsically and intrinsically motivated.

Intrinsic motivation is defined as the desire to perform an activity for its own sake to experience the satisfaction and pleasure inherent in the activity and thus reveals an individual's core aspirations for meeting internal needs. Intrinsic motivation describes the effects of external factors on an individual's motivation level (Kuvaas, Buch, Weibel, Dusvik & Nerstad 2017:245; Menges, Tussing, Wiher & Grant 2017:699). Positive outcomes such as task identification, work engagement and employee productivity have been linked to intrinsic motivation and the concept is referred to as "motivation without money". For the purpose of this paper, intrinsic motivation items refer to how students perceive recognition, achievement, responsibility and growth opportunities.

Extrinsic motivation, in contrast, is typically defined as the desire to perform an activity to avoid negative consequences such as punishment and attain positive consequences such as incentives (Kuvaas et al. 2017:250). Lee et al. (2005:1098) comment that extrinsic motivation pertains to behaviours in which an individual engages in response to something apart from its own sake, such as reward, recognition or the dictates of other people. This motivation originates from the outside and extrinsic rewards such as salary (economic conditions), benefits and incentives are examples of external motivational factors that can change at any time (Anyim, Chidi & Badejo 2012:31 Snelgar, Shelton & Giesser 2017:3). Various opinions are expressed in the literature regarding the importance of money as an extrinsic motivator (Potgieter, Mazibuko & Tait 2013:187; Snelgar et al. 2017:4; Visser 2018:44). Ability is defined as the

knowledge, experience and skill that an individual or group has to complete a particular task successfully. The initial study conducted by Kapareliotis et al. (2019:540) utilised the abovementioned explanation of customer readiness to explore the effectiveness of internship programmes in promoting graduate employability. The current study also adopted the work readiness approach advanced by Kapareliotis et al. (2019:542) where work readiness was defined as a condition or a state in which the graduate is prepared to find employment after completing an internship along with the traditional academic studies. It can therefore be concluded that intrinsic and extrinsic motivation is required to enhance the success of internships for graduates.

3. THE CASE STUDY

The comparative case study approach was considered the most appropriate to examine the research question (Bartlett & Varvus 2017:10; Goodrick 2019:15). It allowed the examination of employability differences and similarities between two different countries. In that respect, the authors compared the responses of two samples, each one assumed to represent the respective country. The case countries were chosen as they have different educational systems, namely South Africa (SA) and Greece (GR).

Within SA the education sector continues to take strain as the government attempts to achieve equal opportunities for all. The system is divided into three strata, namely general education and training, further education and training, and higher education and training. The process is compulsory through to grade 9 and spans 12 grades in total. The first six years are spent in primary school where literacy and numeracy are established (Scholaro 2022).

The SA school encompasses primary and secondary education. Primary education lasts for six years and is split up into three phases: foundation, intermediate and senior phase. A Senior Certificate is awarded to students after completing their secondary education (GOVSA 2022). The higher education system comprises of Traditional Universities, Universities of Technology and comprehensive Universities. The Higher Education Institutions in SA provide undergraduate Higher certificates, diplomas and degrees, whilst postgraduate programs include Bachelor, Honors, Master and Doctorate Degrees. Coursework is arranged in modules, with pupils registering in a unit/credit system (DHET 2022; GOVSA 2022).

Although most degree programs at universities only dedicate a small amount of the curriculum to practical sessions, internships in various programs (with different durations) have increased over the past few years. These internships aim to provide a dynamic interface between the workplace and learning institutions and to promote quality learning at work and for work. The Department of Higher Education and Training in South Africa (DHET) in addition claim that internships should be part of tertiary studies to promote alignment of skills development outputs to the needs of the workplace and the broader growth needs of the country's economy (DHET 2022).

The Greek educational system is mainly divided into three levels: primary, secondary and tertiary, with an additional post-secondary level providing vocational training. Primary education is divided into kindergarten lasting one or two years, and primary school spanning six years (ages 6 to 12). Secondary education comprises two stages: Gymnasio (variously translated as Middle or Junior High School), a three-year school, after which students can attend Lykeion (an academically oriented high school) or Vocational training. Higher Tertiary education is provided by universities, and Academies which primarily cater for the military and the clergy. Undergraduate courses typically last 4 years (5 in polytechnics and some

technical/art schools, and 6 in medical schools), postgraduate (MSc level) courses last from 1 to 2 years and doctorates (PhD level) from 3 to 6 years. All levels are overseen by the Ministry of Education, Research and Religious Affairs. Private schools also fall under the mandate of the Ministry, which exercises supervisory control over them. All levels of education are catered for by both private and public schools. There are also several private tutorial schools, colleges and universities operating alongside the state education and providing supplementary tuition (European Commission).

4. METHODOLOGY AND RESULTS

The study employed an email survey for data collection. A comparative study was conducted amongst alumni and business graduates in two different institutions of higher education in South Africa (SA) and Greece (GR) respectively. Sampling was judgemental to reflect different development levels of the internship programs in the respective countries. While the SA institution was considered to represent the respective public sector of the 26 public universities (Universities of South Africa 2021) as late adopters of the internship programs, the GR sample may not be considered to represent the respective public sector of the 24 public universities¹, because it was a private – non-profit one. However, the GR institution was the biggest private educational institution in Greece and an early adopter of internships. In addition, it has formed strong relations with the industry sectors and thus its curricula have been better adapted to industry needs. The choice of the email survey was based on access to the email accounts of both samples.

Concerning the GR sample, this study employed the list of all graduates who have attended an internship placement from an institution of higher education in Greece as the sampling frame. The list included all business majors of the School of Business and Economics supplied by the registrar's office. All business majors on the list were sent an email with the survey questionnaire link so that they could respond at a time that was convenient for them. Subsequent reminders increased the number of responses. The organisations responsible for these internships were from several sectors of the Greek economy. The sampling strategy employed for the SA sample was similar to that followed for the GR study. There is no one-year internship program for students in the School of Business and Economic Sciences at this specific university in South Africa, but some students have a six-month training period in their final year (mostly when tourism is their main subject) and others complete internships once they leave the university. The only criterion to be part of the study was that they had to have completed their studies, as the purpose was to obtain their perceptions on employability, skills developed through internships, working and their motivation to work. Thus, the sample frame that was obtained from the Office of Alumni included all email accounts for students who graduated during the 2018-19 academic period and who had completed a placement in their home country during their studies.

Following the aforementioned description of the sample frame, the sample respondents of the SA sample were expected to be, on average, older than those in the GR sample. The questionnaire, which was identical to the one employed for the GR sample, was included in a link posted on the university's website and emails were sent to all the graduates on the list with a request for them to participate in the survey. The link was available for one month. The questionnaire examined the employability aspects of skills (ability) and motivation (intrinsic and extrinsic) through seven-point Likert-type questions (where 1 = the lowest value and 7 = the highest value). Classification questions on demographics and working experience (other than the experience gained through the internships) were included to facilitate a comparison

between the two countries. The respective scale items were selected from the study conducted by Kapareliotis et al. (2019:543). Table 2 includes a description of both samples.

TABLE 2: SAMPLE DESCRIPTION

Classification variable	GR % of respondents	SA % of respondents
Gender: (Chi-Square = 7.031 ^a)		
Female	64.5	45.5
Male	35.5	55
Age: (Chi-Square = 22.282 ^a)		
18-25	85.0	56
26-35	14.0	45
35<	1.0	0
Number of years as a trainee: (Chi-Square = 102.421 ^a)		
None	35.5	0
1-3 years	60.2	29
4 or more years	4.3	72
Working independently: (Chi-Square = 87.518 ^a)		
None	42	0
1-3 years	39	29
4 or more years	12	72

Source: Own construction

There were 93 participants in the GR sample and 101 respondents in the SA sample. The SA sample was more balanced in terms of gender and the expectation of the SA respondents being older than the GR sample was confirmed. The SA respondents reported more work experience than the GR respondents, as this was examined through the number of years as a trainee and the number of years working independently. Thus, although the sizes of the respective samples were similar, their profiles were different considering the statistically significant results of all the classification variables. On average, the SA respondents were more balanced in terms of gender and older with more work experience (trainees and independent work) than the GR respondents.

4.1. RESULTS PERTAINING TO EMPLOYABILITY

The results of the sample respondents' perceptions of employability for both GR and SA are presented in Tables 3 and 4. These are based on independent t-test results for the two samples respectively. The Levene's test was employed to examine sample differences of variances (standard deviations) for the measuring items (Zimmerman 2004:178). That is, when the Levene's test is significant at the 0.05 level, the variances are different between the two samples and the researcher should rely on t-test results for 'equal variances not assumed'; when the Levene's test is not significant, the variances are equal between the two samples, and we rely on t-test results for 'equal variances assumed'.

TABLE 3: RESULTS PERTAINING TO SKILLS

Skills acquisition	GR (N = 93) Mean/Standard deviation	SA (N = 101) Mean/Standard deviation
Ability:	5.97	5.56
(i) Basic academic/technical skills	5.99	5.46
- Communication in writing *	6.12/0.965	5.59/0.839
- Verbal communication **	6.17/1.049	5.83/0.736
- Communicating through technology *	6.30/0.857	5.64/0.756
- Presenting to an audience	5.27/1.438	5.48/0.844
- Working as a team member *	6.35/0.951	5.50/0.795
- Collaboration to complete group tasks *	6.20/1.048	5.54/0.831
- Get along with others *	6.34/0.840	5.64/0.769
- Work with people from diverse origins **	6.08/1.172	5.74/0.744
- Use quantitative tools (arithmetic, graphs, statistics) *	5.28/1.394	4.44/1.062
- Analyse data **	5.57/1.263	5.24/0.971
- Use technology *	6.24/0.949	5.46/0.878
(ii) High-order thinking skills	6.07	5.47
- Identify problems *	6.18/0.908	5.37/0.771
- Creative and innovative thinking	6.04/1.021	5.80/0.775
- Make appropriate decisions *	5.98/0.978	5.25/0.963
(iii) Professional skills	5.86	5.74
- Timely decisions *	6.02/1.083	5.46/0.671
- Complete tasks on time *	6.23/0.957	5.56/0.740
- Complete tasks without supervision	5.67/1.263	5.62/0.881
- Cope with uncertainty *	5.02/1.482	5.80/0.813
- Work under pressure	5.85/1.083	5.87/0.821
- Accept responsibility **	6.35/0.868	6.13/0.702

*Sig. at $p < 0.01$ level; ** Sig. at $p < 0.05$ level.

Source: Own construction

It should be noted that Levene's test is significant for 'presenting to an audience' but the respective t-test is not significant. That is, sample differences of variances but no differences in sample means are exhibited for this variable. Following this procedure, the two samples were found to exhibit several differences between their means of skills acquisition and motivation.

Specifically, 'presentation skills' was the only variable found not significant. Concerning the remainder of the basic academic/technical skills, their mean values were significantly different. On average, the GR respondents reported greater ability gained regarding the latter skills compared to the SA respondents. Similarly, differences were found in the respective ability of higher-order thinking skills in terms of identifying problems and making appropriate decisions. The result of creative and innovative thinking revealed no differences between the two groups.

With regard to professional skills, the mean score was 5.86 for the Greek sample and 5.74 for the SA sample. Statistically significant values were observed between timely decisions, completing the task on time, coping with uncertainty and accepting responsibility. The SA respondents had a lower mean score than their GR counterparts regarding timely decisions (5.46 vs. 6.02), completing tasks on time (5.56 vs. 6.23) and accepting responsibility (6.13 vs. 6.35). Interestingly, the SA respondents had a higher mean score on coping with uncertainty (5.80 vs. 5.02). This result may be explained by the fact that SA respondents reported greater experience, so they perceive greater ability than the GR respondents do to cope with more uncertainties in their country. Table 4 indicates the results pertaining to motivation.

TABLE 4: RESULTS PERTAINING TO MOTIVATION

Skills acquisition	GR (N = 93) Mean/Standard deviation	SA (N = 101) Mean/Standard deviation
Motivation:	6.19	5.65
(i) Intrinsic motivation	6.27	5.80
- Recognition	6.02/1.123	5.79/0.804
- Achievement **	6.27/0.849	5.99/0.714
- Responsibility *	6.35/0.732	5.87/0.821
- Opportunity for growth *	6.42/0.959	5.55/0.866
(ii) Extrinsic motivation	6.11	5.50
- Company policy *	5.72/1.015	4.27/0.979
- Good work environment *	6.47/0.716	5.87/0.833
- Good salary *	6.15/1.233	5.70/1.025
- Challenging job	6.10/0.979	6.17/0.762

*Sig. at $p < 0.01$ level; ** Sig. at $p < 0.05$ level.

Source: Own construction

The results presented in Table 4 indicate that the SA respondents had lower mean scores on motivation than the GR respondents (5.65 vs. 6.19). In general, they had lower mean scores than their GR counterparts on intrinsic motivation (5.80 vs. 6.27) and statistically significant differences were noted on achievement, responsibility and opportunities for growth. The largest difference between the countries could be seen in growth opportunities, where SA had a mean score of 5.55 vs. 6.42 for GR. Economic conditions in SA at the time of the study indicated that the unemployment rate in SA averaged 26.82 % from 2000 until 2022, reaching an all-time high of 35.30 % in the fourth quarter of 2021, which led to 71% of the millennials in SA confirming that they were not economically active compared to 45% globally (Deloitte 2019) and the results of BBBE legislation in the country have dampened the motivation levels of young South Africans.

With regard to extrinsic motivation, the SA respondents scored an overall low mean score of 5.50 vs. 6.11 for GR. Statistically significant results were observed between a good working environment, company policy and good salary. The largest difference in mean scores between the students from the two countries can be seen in company policy (SA = 4.27 vs GR = 5.72). The political situation in SA, known for its corruption over the past years (Andrews 2017; Meyer & Luiz 2018:20;), as well as the fact that SA millennials feel that the political system has failed to solve pertinent problems, confirms the findings of the Deloitte report (2019) as well as those of Tracey-Temba and Roberts (2018). The SA respondents had a mean score of 5.87 vs. 6.47 regarding a good work environment. These findings also confirm that external factors such as political and economic conditions influence extrinsic motivation.

The general results of the study support Brennan and Tang's (2008) findings as well as Little and Archer (2010), who found that graduates in Europe were more likely to perceive a closer match between HE and employability, as their HE had a more direct bearing on their future employment, preparing them for specific jobs.

5. DISCUSSION AND CONCLUSION

The results of the study indicate that there are small variations in the survey participants' responses, among the skills examined both samples agreed that presentation skills are not important, this comes as a strong indicator that HEIs and stakeholders do require different skills from the past but also graduates do acquire them in various ways, therefore, they do not expect them to be important. This finding leads us to the conclusion that skills repertoires graduates

do need to be constantly monitored and updated. The motivational skills examined are important for graduates when embarking on an internship. The SA respondents probably do need more support in developing these skills as this practice has lately adopted in the country by HEIs. The study identified the following intrinsic motivation (pertaining to the student's personality) constructs for students who engaged in an internship: recognition; achievement; responsibility and growth opportunities. The research examined also extrinsic motivation which is more company or organisation focused, looking at how important some key corporate factors are. Emphasis was put on: the company's policy; working environment; good salary and job challenges.

Small differences were found when examining the perceptions of the two samples regarding the above-mentioned skills. The main reasons could be the educational culture, respondents' experience, and familiarity with the job market in the area. The study also investigated similarities, and differences among the two samples in three skill clusters basic academic/technical skills, higher-order thinking skills, and professional skills. Participants from Greece, and SA did confirm through their responses that all the constructs constituting these skillsets are required by the job market nowadays. The study did not identify significant differences between the two respondents' samples.

The results of the study are in accordance with similar cross-country studies with participants being senior students or graduates. In this study both respondents' groups were aware of the different repertoires required for the contemporary market to be employable, this is a strong indicator of the awareness students have on what to look after when they choose to embark on an internship, and the possible choice criteria they may apply when they chose the internship they will go for.

Motivation is a new skillset dimension as recognised by the study. Graduates after an internship completion should have both academic and non-academic skills. The cross-country analysis performed in the context of this research confirmed that the skillsets under study do have a global character or a global dimension. The country could be a dimension which could affect perceptions about motivational skills or any other skills the research studied. We need to notice that graduates do know what the job market looks like, they just look for the right opportunity through an internship.

6. IMPLICATIONS

The following section deals with the theoretical and practical implications of the study.

6.1. THEORETICAL IMPLICATIONS

HEIs and employers should consider the required skillsets by graduates to succeed in the job market. Cross country, and cultural analysis done by various researchers shows that the discussion about required skills could seem exhaustive. Our research wishes to suggest that internship providers should consider the internship delivery and what skills graduates build, bearing in mind that motivational skills and other skills categories are important, this practice requires continuous monitoring of the changes happening in the job market.

6.2. PRACTICAL IMPLICATIONS

HEIs should focus on building motivational skills for graduates as the first point of contact, recruited interns should enhance this practice by establishing a continuous dialogue between them, the HEIs, and possibly with other stakeholders.

In addition, interns should take into consideration these skills and consider them when deciding about an internship no matter where the place they study is. Academic knowledge should play an enhancing role in the building of the skills presented in this study. HEIs should design curricula including those skills, so the students are ready for the job market.

7. LIMITATIONS AND FUTURE RESEARCH

This research had certain limitations. Firstly, employability was examined concerning skills and motivation aspects. It was assumed that employability would be the result of work readiness, in that respect the development of scales solely related to measure work readiness would be one avenue for future research. Moreover, the data referred to a limited number of skills related to employability; future research should explore more skills related to graduates' employability as technology evolves or students become more familiar with various scientific areas. Employability could be tested in other European and non-European countries to gain information about variations, differences, or other skills that are perceived as being more important. The research could also focus on specific industries and could include students at a post-graduate level. In addition, the educational systems studied could be considered as a limitation as other ones may show different results because the skills acquired through an internship may vary according to what students have learnt. Finally, employers in various industries and various countries should be interviewed to identify what they consider to be the skills that graduates require to be employable. Comparative studies could be conducted on the effectiveness of online internships after COVID-19.

7.1. THE FUTURE OF INTERNSHIPS

Pittenger (2021), Hruska, Cawood, Pagenkopp Lohan, Ogburn and Komatsu (2021:3961) as well as Feldman (2021:48) discuss the new reality which emerged from COVID-19. The studies claim that the rhythm of e-learning will accelerate in the future as online education. Virtual internships do have an advantage as they provide a larger talent pool and extended internships permitting students to play on the "safe side". Some of the key advantages of this practice are: that more stakeholders may benefit; cost-efficiency; and wider accessibility to internship opportunities. The key challenges of this practice are: additional resources by stakeholders; the quality of the internship; overall experience and reluctance from recruits to offer their best. Doyle et al. (2022:300) acknowledge that there are many similarities between traditional and virtual internships, but also some challenges that need to be overcome. This is a new area of research that should be cultivated.

REFERENCE LIST

- AbuJbara, N.A.K. & Worley, J.A. 2018. Leading toward new horizons with soft skills. *On The Horizon-The Strategic Planning Resource for Education Professionals*, 26(3):247-259.
- Andrews, P. 2017. *South Africa's problems lie in political negligence, not its Constitution*. Available from <https://theconversation.com/south-africas-problems-lie-in-political-negligence-not-its-constitution-80474/> (Date accessed: 22 January 2020).

- Anyim, C.F., Chidi, O.C. & Badejo, A.E. 2012. Motivation and employees' performance in the public and private sectors in Nigeria. *International Journal of Business Administration*, 3(1):31.
- Barnard, Y.F., Veldhuis, G.J. & van Rooij, J.C. 2001. Evaluation in practice: Identifying factors for improving transfer of training in technical domains. *Studies in Educational Evaluation*, 27(3):269-290.
- Bartlett, L. & Vavrus, F. 2017. *Rethinking case study research – A comparative approach*. Routledge.
- Belwal, R., Priyadarshi, P. & Al Fazari, M.H. 2017. Graduate attributes and employability skills: Graduates' perspectives on employers' expectations in Oman. *International Journal of Educational Management*. 31(6):814-827.
- Benett, D. 2019. Graduate employability and higher education: Past, present and future. *HERDSA Review of Higher Education*, 5:31-61.
- Bowles, M., Bowes, N. & Wilson, P. 2019. Future-proof human capabilities: Raising the future employability of graduates. *International Journal of Business and Social Science*, 10(11):18-29.
- Brennan, J. & Tang, W. 2008. *The employment of UK graduates: A comparison with Europe, London: The Open University*. Report to HEFCE by the Centre for Higher Education, Research and Information.
- Bridgstock, R. & Jackson, D. 2019. Strategic institutional approaches to graduate employability: Navigating meanings, measurements and what matters. *Journal of Higher Education Policy and Management*, 41(5):468-484.
- Chen, Y. 2018. Relationship between social network, career goal and perceived employability of new graduates. *Argos*, 35(71).
- Constantinides, D. 2021. *The Greek Educational System*. Available from <https://www.fulbright.gr/en/study-in-greece/the-greek-educational-system>. (Date accessed 21 June 2021).
- Croft, J., Benjamin, M., Conn, P., Serafin, J.M. & Wiseheart, R. 2019. Writing in the disciplines and student pre-professional identity: An exploratory study. *Across the Disciplines*, 16(2):34-53.
- Deloitte. 2019. *The Deloitte Global Millennial Survey 2019*. Available from <https://www2.deloitte.com/za/en/pages/aboutdeloitte/articles/millennialsurvey.html/> (Date accessed: 2 November 2019).
- Dent, H. & Jo White, B. 2020. Virtual internships: Interdisciplinary remote work for undergraduates during a pandemic. *Issues in Information Systems*, 21(3):11-19.
- DHET. 2022. *Skills development*. Available from <http://www.dhet.gov.za/SitePages/SkillsDevelopmentNew.aspx>

- Di Gregorio, A., Maggioni, I., Mauri, C. & Mazzucchelli, A. 2019. Employability skills for future marketing professionals. *European Management Journal*, 37(3):251-258.
- Doyle, P., Keegan, B., Gordon, D., Becevel, A., Gibson, J.P., Jiang, Z. & O'Sullivan, D. 2022. April. The World Is Our Classroom: Developing a Model for International Virtual Internships-The Global Innovations Project. In *CSEU*, (1):297-303.
- Erasmus Program. 2023. *The Ultimate Erasmus Guide 2023*. Available from <http://erasmusprogram.com>
- European Commission. N.D. *Geniko Lykio Alikianou*. Available from <https://epale.ec.europa.eu/en/organisations/geniko-lykeio-alikianou>
- Feldman, E. 2021. Virtual internships during the COVID–19 pandemic and beyond. *New Horizons in Adult Education and Human Resource Development*, 33(2):46-51.
- Goodrick, D. 2019. *Comparative Case Studies*. In P. Atkinson, S. Delamont, A. Cernat, J.W. Sakshaug & R.A. Williams (Eds.), SAGE Research Methods Foundations.
- GOVSA. 2022. *Education*. Available from <https://www.gov.za/about-sa/education>
- Gupta, S. 2019. Perceptions and experiences of B.Ed. Students about the internships and sessional work. *MIER Journal of Educational Studies, Trends and Practices*, 9(1):109-120.
- Hecklau, F., Galeitzke, M., Flachs, S. & Kohl, H. 2016. Holistic approach for human resource management in Industry 4.0. *Procedia Cirp*, 54:1-6.
- Hruska, A.M., Cawood, A., Pagenkopp Lohan, K.M., Ogburn, M.B. & Komatsu, K.J. 2022. Going remote: Recommendations for normalizing virtual internships. *Ecosphere*, 13(3):e3961.
- Hurrell, S.A., Scholarios, D. & Thompson, P. 2012. More than a ‘Humpty Dumpty’ term: Strengthening the conceptualization of soft skills. *Economic and Industrial Democracy*, 34(1):161-182.
- Jackson, D. & Tomlinson, M. 2020. Investigating the relationship between career planning, proactivity and employability perceptions among higher education students in uncertain labour market conditions. *Higher Education*, 80(3):435-455.
- Jackson, D. & Wilton, N. 2017. Career choice status among undergraduates and the influence of career management competencies and perceived employability. *Journal of Education and Work*, 30(5):552-569.
- Jackson, D. 2013. Student perceptions of the importance of employability skill provision in business undergraduate programs. *Journal of Education for Business*, 88(5):271-279.
- Jackson, D., Shan, H. & Meek, S. 2022. Enhancing graduates’ enterprise capabilities through work-integrated learning in co-working spaces. *Higher Education*, 84(1):101-120.

- Kapareliotis, I., Voutsina, K., & Patsiotis, A. 2019. Internship and employability prospects: assessing student's work readiness. *Higher Education, Skills and Work-Based Learning*, 9(4):538-549.
- Kuvaas, B., Buch, R., Weibel, A., Dysvik, A. & Nerstad, C.G. 2017. Do intrinsic and extrinsic motivation relate differently to employee outcomes? *Journal of Economic Psychology*, 61:244-258.
- Lee, M.K., Cheung, C.M. & Chen, Z. 2005. Acceptance of Internet-based learning medium: the role of extrinsic and intrinsic motivation. *Information & Management*, 42(8):1095-1104.
- Little, B. & Archer, L. 2010. Less time to study, less well prepared for work, yet satisfied with higher education: A UK perspective on links between higher education and the labour market, *Journal of Education and Work*, 23(3):275-296.
- Markus, H.R. 2016. What moves people to action? Culture and motivation. *Current Opinion in Psychology*, 8:161-166.
- McJerry, O. 2019. The importance to motivate young paper. Available from <https://alumninetworkhungary.hu/magazine/blogs/importance-motivating-young-people/>
- Menges, J.I., Tussing, D.V., Wihler, A. & Grant, A.M. 2017. When job performance is all relative: How family motivation energizes effort and compensates for intrinsic motivation. *Academy of Management Journal*, 60(2):695-719.
- Meyer, K.Z. & Luiz, J.M. 2018. Corruption and state capture in South Africa: Will the institutions hold? In *Handbook on the geographies of corruption*. Edward Elgar Publishing.
- Pittenger, K.K. 2021. March. Virtual internships – A new reality. In *Developments in Business Simulation and Experiential Learning, Proceedings of the Annual ABSEL conference* (Vol. 48).
- Potgieter, A., Mazibuko, E. & Tait, M. 2013. Motivational factors that influence individual performance. *Proceedings of the 2013 Annual Conference of the Emerging Markets Conference Board*. South Africa: Nelson Mandela Metropolitan University Business School. 187.
- Prikshat, V., Montague, A., Connell, J. & Burgess, J. 2019. Australian graduates' work readiness—deficiencies, causes and potential solutions. *Higher Education, Skills and Work-Based Learning*. 369-386.
- Ranabahu, N., Almeida, S. & Kyriazis, E. 2020. University-led internships for innovative thinking: A theoretical framework. *Education+ Training*. 62(3):235-254.
- Scholaro. 2022. *Education system in South Africa*. Available from www.scholaro.com/pro/Countries/South-Africa/Education-System

- Snelgar, R., Shelton, S.A., & Giesser, A. 2017. A comparison of South African and German extrinsic and intrinsic motivation. *South African Journal of Economic and Management Sciences*, 20(1):1-12.
- Suleman, F. 2018. The employability skills of higher education graduates: insights into conceptual frameworks and methodological options. *Higher Education*, 76(2):263-278.
- Tomlinson, M. & Jackson, D. 2021. Professional identity formation in contemporary higher education students. *Studies in Higher Education*, 46(4):885-900.
- Tracey-Temba, L. & Roberts, M. 2018. *SA's elections are a chance to advance gender equality*. Available from <https://www.dailymaverick.co.za/article/2018-07-06-sas-elections-are-a-chance-to-advance-gender-equality/>.
- Universities of South Africa. 2021. *Universities of South Africa*. Available from <https://www.usaf.ac.za/public-universities-in-south-africa/>
- Van Mol, C. 2017. Do employers value international study and internships? A comparative analysis of 31 countries. *Geoforum*, 78:52-60.
- Velasco, M.S. 2012. More than just good grades: candidates' perceptions about the skills and attributes employers seek in new graduates. *Journal of Business Economics and Management*, 13(3):499-517.
- Visser, A. 2018. How to identify and retain talented employees: on the money-management. *Finweek*, 2018(22 November):44-45.
- Vroom, V.H. 1964. *Work and motivation*. New York: Wiley.
- Werner, J. & Jeske, D. 2021. Ten simple rules for running and managing virtual internships. *PLoS Computational Biology*, 17(2):1008599.
- Winterton, J. & Turner, J.J. 2019. Preparing graduates for work readiness: An overview and agenda. *Education+ Training*. 61(5):536-551.
- Yorke, M. 2006. *Employability in higher education: What it is-what it is not*. York: Higher Education Academy.
- Zimmerman, D.W. 2004. A note on preliminary tests of equality of variances. *British Journal of Mathematical and Statistical Psychology*, 57(1):173-181.

(The authors have no conflict of interest in this study and no financial assistance was awarded to either country.)

DESCRIBING REASONS FOR EMPLOYEE ATTRITION USING CLUSTERING TECHNIQUE

Claudia Malcón Cervera

José Gerardo de la Vega Meneses

Cynthia María Montaudon Tomas

Mauro García Domínguez

Ingrid Nineth Pinto López

ABSTRACT

In this paper, we analysed a dataset about Insurance Company Employee Attrition to describe the main reasons why employees choose to resign. We performed a cluster analysis with k-means algorithm to form groups of people that are similar in their decision to leave the company or not. Five clusters were found, evidencing that salary is a determining factor; if it is very low, it demotivates; but if it is too high, employees enter their comfort zone and do not generate a positive total business value either. Suggestions include revision of salaries, goal redefinition, and monitoring to determine how far or close they are to be achieved. Additionally, it is important to provide induction training to employees when they enter the company, train them, and accompany them so that they learn to close sales and have a sense of achievement that motivates them to perform their job to the best of their ability.

Keywords/phrases: clustering, employee attrition, human resources analytics.

1. INTRODUCTION AND PROBLEM STATEMENT

Today more than ever, new sources of data are emerging that hold the potential to transform how organisations drive, or derive, business value; we are in the midst of the data-driven business revolution. New sources of social media, mobile, and sensor or machine-generated data can potentially rewire an organisation's value-creation processes. Social media data provide insights into customer interests, passions, affiliations, and associations that can be used to optimise customer engagement processes (from customer acquisition, activation, maturation, up-sell/cross-sell, and retention, through advocacy development). Machine or sensor-generated data provide real-time data feeds at the most granular level of detail that enable predictive maintenance, product performance recommendations, and network optimisation. In addition, mobile devices enable location-based insights and drive real-time customer engagement that allows brick-and-mortar retailers to compete directly with online retailers in providing an improved, more engaging customer shopping experience (Karahoca, Karahoca & Kaya 2008; Schmarzo 2013).

This situation has necessitated and driven technology innovation, provoking that companies embrace big data, moving from a retrospective, rear-view mirror view of the business that uses partial slices of aggregated or sampled data in batches to monitor the business to a forward-looking, predictive view of operations that leverages all available data—including structured and unstructured data that may sit outside the four walls of the organisation—in real-time to optimise business performance (Dai, Dai & Song 2016; Schmarzo 2013).

In recent years, this technological innovation has reached the area of human capital since worker quality and skills represent a growth factor and a real competitive advantage for companies. Analytics is central to employee-related decisions (Diebolt & Hippe 2019). Organisational growth largely depends on staff retention. Losing employees frequently impacts

the organisation's morale, and hiring new employees is more expensive than retaining existing ones. Recruiting and retaining employees is seen as a tough battle for the insurance company (Diekman, Weisgram & Belanger 2015). Churn among employees is high, and it is very easy for employees to stop working for the company and go to another one depending on the rates. Therefore, addressing the issue of employee attrition is a priority for any organisation in order to help human resources managers generate retention strategies (Bandyopadhyay & Jadhav 2021).

About this topic, what is known is about the next aspects.

Data-driven business revolution: New sources of data, including social media, mobile, and sensor-generated data, have the potential to transform how organisations create and derive business value. This is referred to as the data-driven business revolution.

Data sources: The sources of data mentioned are social media, mobile devices, and machine/sensor-generated data. Social media data provide insights into customer interests and affiliations. Machine/sensor-generated data offers real-time information for predictive maintenance and product recommendations. Mobile devices contribute to location-based insights and real-time customer engagement.

Value creation: The data sources are described as having the potential to rewire an organisation's value-creation processes. This suggests that data can significantly impact how businesses create value for their customers.

Technology innovation: The emergence of new data sources has driven technology innovation. Organisations are moving from a retrospective view to a predictive view of operations using real-time data, including structured and unstructured data outside the organisation's boundaries.

Human capital analytics: The technological innovation has extended to the field of human capital, where analytics play a central role in employee-related decisions. Employee retention is identified as a critical factor in organisational growth.

Challenges in employee retention: The challenge of employee churn and the associated costs of recruitment and morale impact. Employee attrition is identified as a priority, and the need for retention strategies is highlighted.

On the other hand, what is unknown about the use of data to describe employee attrition is about:

Specific data impact: New data sources can transform value-creation processes, the specific ways in which different types of data (social media, mobile, sensor-generated) impact these processes are not detailed.

Exact technological changes: There is a challenge about the exact technological changes or tools that organisations are adopting to leverage the new data sources.

Quantitative impact: The extent to which the data-driven business revolution has already led to significant changes in various industries or organisations is not quantified.

Empirical evidence: It is missing concrete empirical evidence or case studies illustrating the successful transformation of organisations through the use of new data sources.

Nature of Retention Strategies: It is necessary to delve in to specific strategies or methods that organisations are using to address this challenge.

2. RESEARCH OBJECTIVES

Develop a model that helps explain which factors have a greater and lesser impact on whether an employee of an insurance company decides to leave the company to be hired by a competitor.

Developing a model to explain the factors influencing an employee's decision to leave an insurance company and join a competitor involves a multidimensional analysis of various factors. This problem can be approached through the lens of employee turnover, which is influenced by a combination of individual, organisational, and environmental factors. Here's a deep dive into the arguments and considerations surrounding this objective:

- Individual factors:

Job satisfaction: Employee satisfaction with their current role, responsibilities, and work environment plays a significant role in their decision to stay or leave.

Career development: Opportunities for growth, skill enhancement, and career advancement are crucial. Employees may leave if they feel their current company is not investing in their development.

Compensation and benefits: Competitive salary, benefits, and rewards can act as a retention factor. If a competitor offers better compensation, an employee might be more likely to leave.

Work-Life balance: Striking a balance between work and personal life is essential. Employees may leave if they feel their current job is negatively impacting their well-being.

Job fit: If an employee's skills and interests align better with a competitor's role, they might be tempted to switch.

- Organisational factors:

Leadership and management: The quality of leadership and management styles can influence an employee's decision. Poor management or lack of support may drive employees away.

Company culture: A positive and inclusive company culture can foster employee loyalty. A toxic or unsupportive culture may lead employees to explore other options.

Recognition and rewards: Regular recognition of contributions and performance can enhance employee engagement. A lack of acknowledgment might lead to dissatisfaction.

Opportunities for innovation: Employees often seek environments that encourage creativity and innovation. If a competitor offers a more innovative atmosphere, employees might be drawn to it.

- Environmental factors:

Competitor offer: A more attractive job offer from a competitor, including better compensation, benefits, and growth opportunities, can prompt employees to switch.

Market trends: If a competitor is seen as more aligned with industry trends or is gaining market traction, employees might perceive it as a better place for long-term growth.

Industry Reputation: A competitor with a stronger reputation might be more appealing to employees seeking to build their careers.

Data and analysis: Developing the model will involve collecting and analysing relevant data, potentially including employee surveys, performance metrics, exit interviews, and industry-specific data. Machine learning techniques, such as logistic regression, decision trees, random forests, and neural networks can be employed to identify patterns and correlations.

- Challenges and considerations:

Data quality: Ensuring the accuracy and reliability of the data is crucial for building a reliable model.

Causation versus correlation: While the model can identify correlations, determining causation between factors and employee decisions might be complex.

Dynamic nature: Employee decisions can be influenced by changing circumstances, making it important to continuously update the model.

Ethical considerations: Analysing employee turnover data should be done with ethical considerations in mind, respecting privacy and avoiding biases.

Model interpretation: The model's outputs should be interpretable and explainable to provide actionable insights to the company. Feature importance analysis can help identify which factors have a greater impact on employee decisions.

3. BRIEF LITERATURE OVERVIEW

3.1. EMPLOYEE ATTRITION AND RETENTION

According to Karumuri and Singareddi (2014), employee attrition is the loss of employees from an organisation due to various reasons, such as resignation or retirement. It can be either voluntary or involuntary. Attrition rates can vary across industries and positions, and organisations often have their acceptable attrition rates. Employee attrition is typically seen as having a monetary cost due to the expenses associated with recruiting and training new employees.

Employee attrition can have several negative consequences for organisations. Here are some ways it can affect them (Kurtz & Berston 2019):

- Decreased performance: When employees leave, it can disrupt workflow and lead to a decrease in overall performance.
- High recruitment and training costs: Hiring and training new employees can be expensive for organisations, especially if attrition rates are high.
- Disruption of functional works: Attrition can disrupt the smooth functioning of teams and departments, leading to delays and inefficiencies.
- Loss of knowledge workforce: Knowledgeable and experienced employees may leave for other organisations, losing valuable expertise and intellectual capital.

- Negative impact on organisational culture: Continuous employee turnover can negatively impact an organisation's culture, leading to instability and decreased morale.
- Recognising these consequences, organisations are increasingly realising the importance of retaining talented employees for the long term.

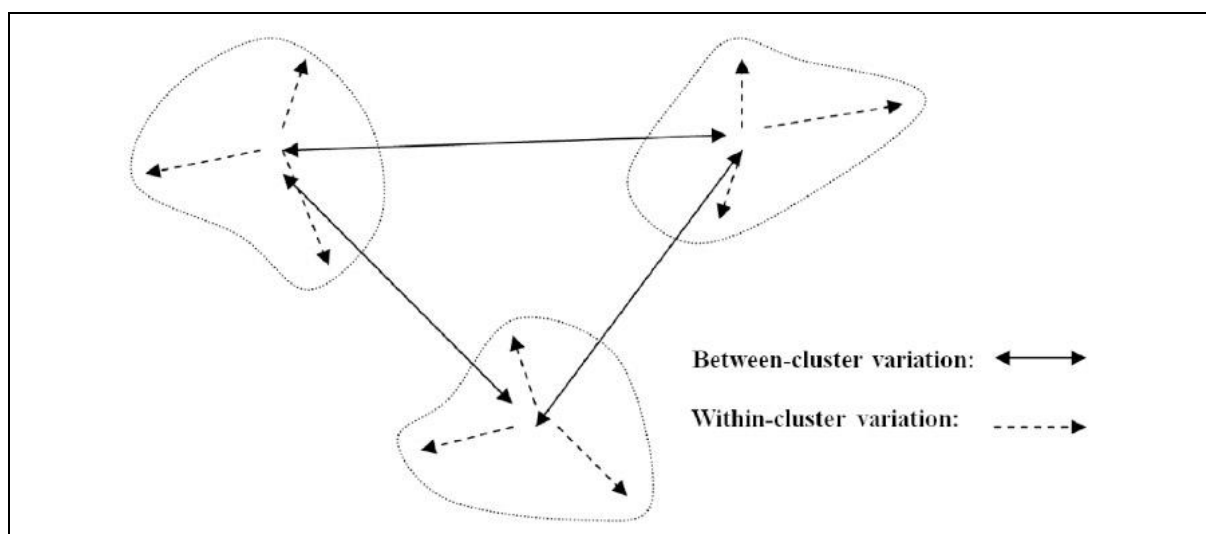
Retention refers to the ability of an organisation to keep its employees engaged, satisfied, and committed to their roles and the company. It involves creating an environment that encourages employees to stay with the organisation longer rather than seeking job opportunities elsewhere. Retention strategies aim to reduce employee turnover and increase employee loyalty and tenure. These strategies can include various initiatives, such as competitive compensation and benefits, career development opportunities, work-life balance programmes, recognition and rewards, and a positive organisational culture. The ultimate goal of retention is to maintain a stable and productive workforce, which contributes to the overall success and growth of the organisation (Younis, Ahsan & Chatteur 2023).

3.2. CLUSTERING

Clustering refers to grouping records, observations, or cases into classes of similar objects. A cluster is a collection of records similar to one another and dissimilar to records in other clusters. Clustering differs from classification in that there is no target variable for clustering. The clustering task does not try to classify, estimate, or predict the value of a target variable. Instead, clustering algorithms seek to segment the entire data set into relatively homogeneous subgroups or clusters, where the similarity of the records within the cluster is maximised, and the similarity to records outside this cluster is minimised (Larose & Larose 2014).

All clustering methods aim to identify groups of records such that similarity within a group is very high while the similarity to records in other groups is very low. In other words, as shown in Figure 1, clustering algorithms seek to construct clusters of records such that the between-cluster variation is large compared to the within-cluster variation. This is somewhat analogous to the concept behind the analysis of variance.

FIGURE 1: CLUSTERS SHOULD HAVE SMALL WITHIN-CLUSTER VARIATION COMPARED TO THE BETWEEN-CLUSTER VARIATION



Source: Larose and Larose (2014)

In this context, it is important to explain the relevance of K-means, which is an unsupervised machine-learning algorithm that is popular and used for clustering. It is a technique for finding and classifying K groups of data (clusters). Thus, elements that share similar characteristics will be grouped together in the same cluster, separated from other clusters with which they do not share characteristics. The K-means algorithm utilises the distance between the data points to determine the similarity or dissimilarity of data. Observations that are similar will have a shorter distance between them. Generally, the Euclidean distance is used as a measure, although other functions can also be employed (Blömer, Lammersen, Schmidt & Sohler 2016).

Usha and Balaji (2019) suggest that the k-means algorithm learns underlying patterns. It creates k clusters from the dataset. K centroids are fixed, and the data points are analysed and allotted to the nearest cluster. Again, centroids are calculated, and the process is continued until all data points are allotted to clusters.

3.3. CLUSTERING WITH EMPLOYEE ATTRITION

Below is a comparative table summarising how some authors have approached the topic of clustering in the field of human resources.

TABLE 1: COMPARATIVE TABLE

Authors	Title	Approach and method used	Results and conclusions
Asif, Merceron, Ali and Haider (2017)	Analyzing undergraduate students' performance using educational data mining	Online Self Regulating Clustering Method is applied to the human resource performance data, which is gathered from 1100 employees' yearly performance scores for two years. The vital point in performance data evaluation is not gathering data and applying standard methods, but attaining concrete results through tailored-to-fit techniques for distinguishing between employees' performance	Online Self Regulating Clustering Method yields optimum results to contribute to improving human resource management performance and also hits the bull's eye in promotion, bonus, and related infringement benefit decisions, thus maximise personnel motivation and corporate profitability.
Sivaram and Ramar (2010)	Applicability of clustering and classification algorithms for recruitment data mining	The recruitment mining problem has been defined, and the problem domain has been studied to extract the knowledge base required to solve the problem. Datasets have been collected and analysed to identify the input attributes for the algorithms. Most popular clustering and classification techniques were deployed in solving the problem. It was observed that Fuzzy C-means and K-means clustering techniques are not suitable for this type of data distribution.	The three popular decision tree construction algorithms, Id3, C4.5, and Cart have been applied to the problem, and it has been observed that trees constructed with C4.5 algorithm has better accuracy. Analysis has been made on the constructed tree to deduce viable rules.
Gangmin and Jingyu (2019)	Research on a clustering analysis algorithm for optimal allocation of human resources In colleges and universities	Both the k-means algorithm before and after improvement were applied to extract the human resource data of the School of Economics and Management, Yanshan University, which was compared to verify the significance of clustering analysis algorithm in	The results showed that the improved algorithm was more convenient, which provide references for the application of clustering analysis in the optimization of human resources in colleges and universities.

Authors	Title	Approach and method used	Results and conclusions
		human resource data mining. Before the clustering analysis, the preliminary statistics on the human resources data in the university was performed and the mining objects were determined.	
Seyed, Mousavian, Abdorrahman and Fateme (2022)	Providing a hybrid clustering method as an auxiliary system in automatic labeling to divide employees into different levels of productivity and retention	Identifying and categorising productive employees at different levels of productivity, then analysing their exit from the company, and their type of turnover are essential issues in human resources that can be examined well by data mining tools, which are mentioned in this paper. In this study, various stages of data-based decision-making in HRM are described according to the CRISP-DM. Accordingly, features related to the concepts of efficiency and effectiveness were identified in the data exploration section, and their relationship explored the concept of productivity. The modeling section presented the automatic labeling of numerical data by a hybrid of K-means and PAM clustering algorithms.	The difference between the actual and labeled values was calculated to evaluate the model; in addition, image processing was used on plot clusters to evaluate this method. The clusters labeled by the model were automatically named as four clusters, and policies were suggested for each cluster for retention and improved productivity.
Sun, Wu and Hua (2022)	Design of distributed human resource management system of Spark Framework based on fuzzy clustering	In order to improve the current situation of human resource management, this paper puts forward a design method for a human resource management system. Aiming at solving the problem of high computational complexity of traditional k-means algorithm, considering the spatial location relationship between data points and clustering centres and the advantages of grid division, this paper designs a clustering optimisation algorithm to save the spatial location information of data points.	The comparison results of parallel experiments based on the Spark platform show that the computational efficiency of the proposed algorithm is significantly improved, and it has better scalability. On the premise of ensuring the system performance, how to further improve the scalability of the system is the next research direction.

Source: Own construction

4. RESEARCH METHODOLOGY

The research methodology will be addressed using the k-means clustering algorithm in SAS Enterprise Miner 15.1 software, applying the Crisp-DM (Cross-Industry Standard Process for Data Mining) methodology, which is primarily used for solving data mining and data analysis projects. It provides a structured and step-by-step approach to guide data professionals through the different stages of a project. It should be noted that the application of the methodology does not include the last two steps: Deployment and Monitoring, as the findings will not be implemented in the insurance company at this time.

4.1. UNDERSTANDING THE BUSINESS

Recruiting and retaining employees is an ongoing battle for insurance companies. Employee turnover is high, and it is very easy for employees to stop working for one company and switch to others, depending on the commissions they receive. As companies grow, high turnover could become a major problem. To find new employees, insurance companies engage in recruitment activities, including targeting individuals with or without cars for work. However, this acquisition process is costly. Frequent employee turnover affects organisational morale, and acquiring new employees is more expensive than retaining existing ones. To help explain what influences an employee from an insurance company to leave or stay with the company and work for the competition, an analytical model will be developed using the clustering technique.

4.2. DATA UNDERSTANDING

We have a database obtained from the website kaggle.com (2023), which is publicly available for educational purposes. This dataset is provided with the monthly information for a segment of employees for 2016 and 2017 and originally consists of 19105 records and 13 variables, including demographics of the employee (city, age, gender, among others), tenure information (joining date, last date), historical data regarding the performance of the employee (quarterly rating, monthly business acquired, designation, salary) (see Table 2).

TABLE 2: ORIGINAL DATASET

Variable	Description
MMM-YY	Reporting Date (Monthly)
Emp_ID	Unique ID for employees
Age	Age of the employee
Gender	Gender of the employee
City	City Code of the employee
Education Level	Education level: Bachelor, Master or College
Salary	Salary of the employee
Date of joining	Joining date for the employee
Last Working Date	Last date of working for the employee
Joining Designation	Designation of the employee at the time of joining
Designation	Designation of the employee at the time of reporting
Total Business Value	The Total Business Value acquired by the employee in a month (negative business indicates cancellation/refund of sold insurance policies)
Quarterly Rating	Quarterly rating of the employee: 1,2,3,4 (higher is better)

Source: Own construction, based on kaggle.com (2023)

4.3. DATA PREPARATION

Due to the interest in understanding the profile of employees who have left or stayed with the insurance company, the following data preprocessing was performed:

- Two variables were removed: Reporting Date and Joining Date for the employee.
- Two variables were modified: (a) Quarterly rating was updated to represent the highest quarterly rating obtained by the employee in their career with the company; (b) Designation was updated to reflect the highest designation of the employee in their career with the company.
- Five variables were added: (a) Target, indicating whether the employee resigned from the company when the Last date of working for the employee variable has a value; (b) Months with Total Business Value zero, Months with Total Business Value positive, and

Months with Total Business Value negative, indicating the number of quarters in which employees obtained a Total Business Value of zero, positive, and negative; (c) Month of date of joining, containing the employee's months of tenure.

The final database for training the model consisted of 15 variables and 1482 employee records (see Table 3):

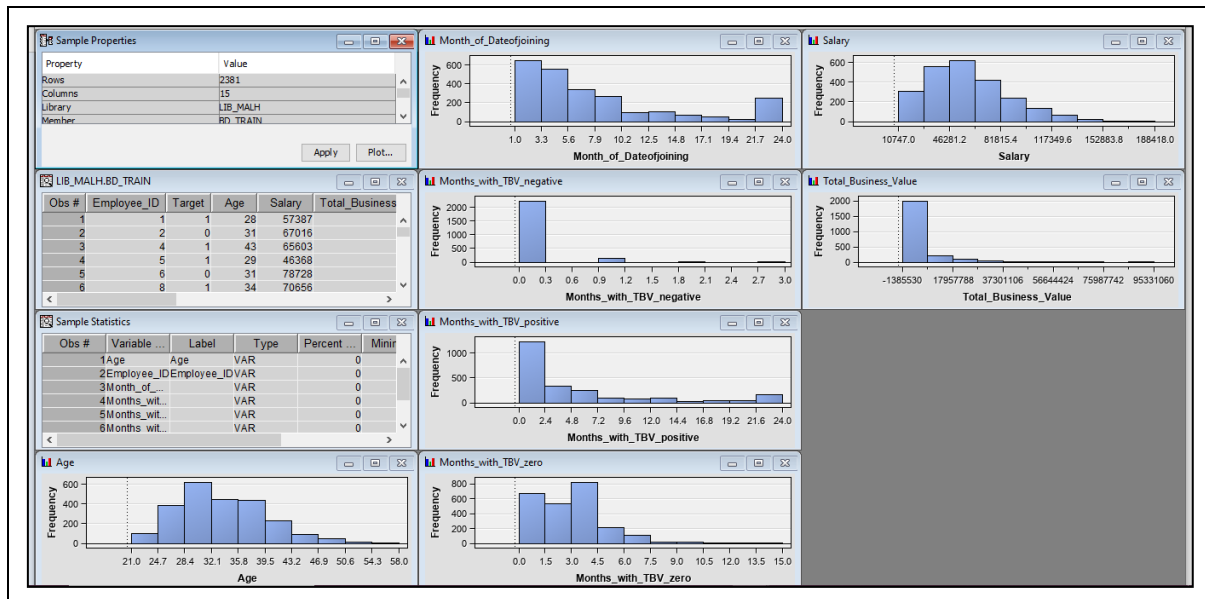
TABLE 3: TRAIN DATASET

Variable	Description	Type
Employee ID	Unique ID for employees	
Gender	Gender of the employee	Descriptor
City	City Code of the employee	Descriptor
Education Level	Education level: Bachelor, Master or College	Descriptor
Joining Designation	Designation of the employee at the time of joining	Base
Target	Whether or not the employee has left the company	Descriptor
Total Business Value	The Total Business Value acquired by the employee in a month (negative business indicates cancellation/refund of sold insurance policies)	Base
Month of date of joining	Number of months the employee has worked for the company	Base
Months with TBV zero	Number of months the employee got a zero Total Business Value	Base
Months with TBV positive	Number of months the employee got a positive Total Business Value	Base
Months with TBV negative	Number of months the employee got a negative Total Business Value	Base
Quarterly Rating	The highest quarterly rating of the employee: 1,2,3,4 (higher is better)	Base
Age	Age of the employee	Descriptor
Salary	Salary of the employee	Base
Designation	The highest designation of the employee	Base

Source: Own construction, based on kaggle.com (2023)

Furthermore, it is checked whether some variables used to design the model exhibit any bias. As shown in the following image, the graphs of the variables Month of date of joining, Total Business Value, Months with TBV negative, Months with TBV positive, and Months with TBV zero exhibit bias, so they will need to be properly transformed before conducting the cluster analysis (see Figure 2).

FIGURE 2: VARIABLE EXPLORATION

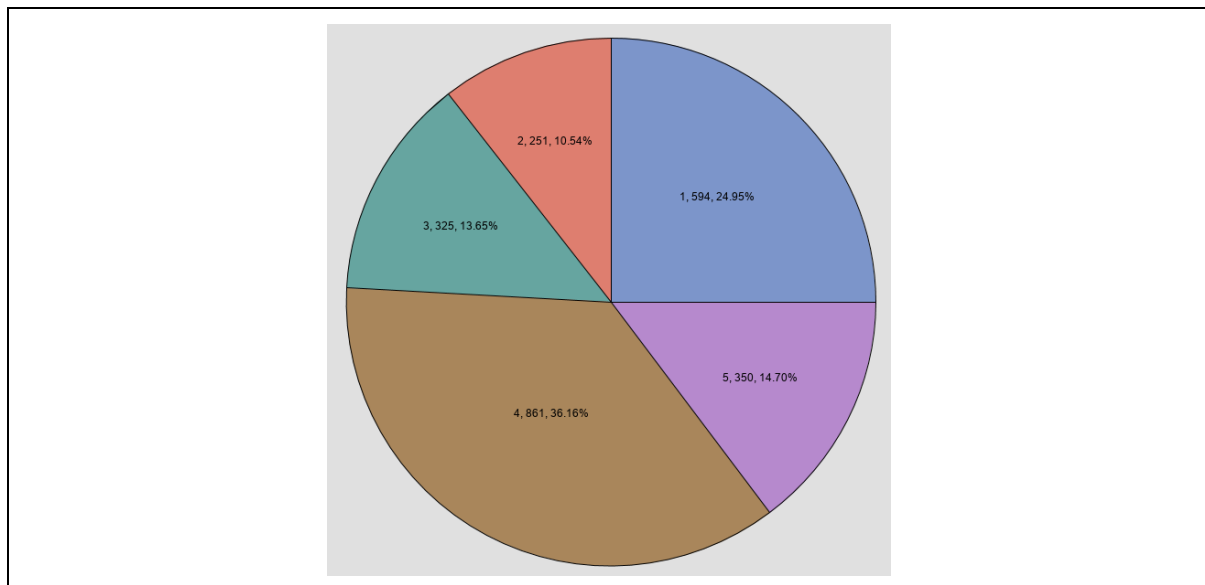


Source: Own elaboration, based on SAS Enterprise Miner 15.1

4.4. MODELING

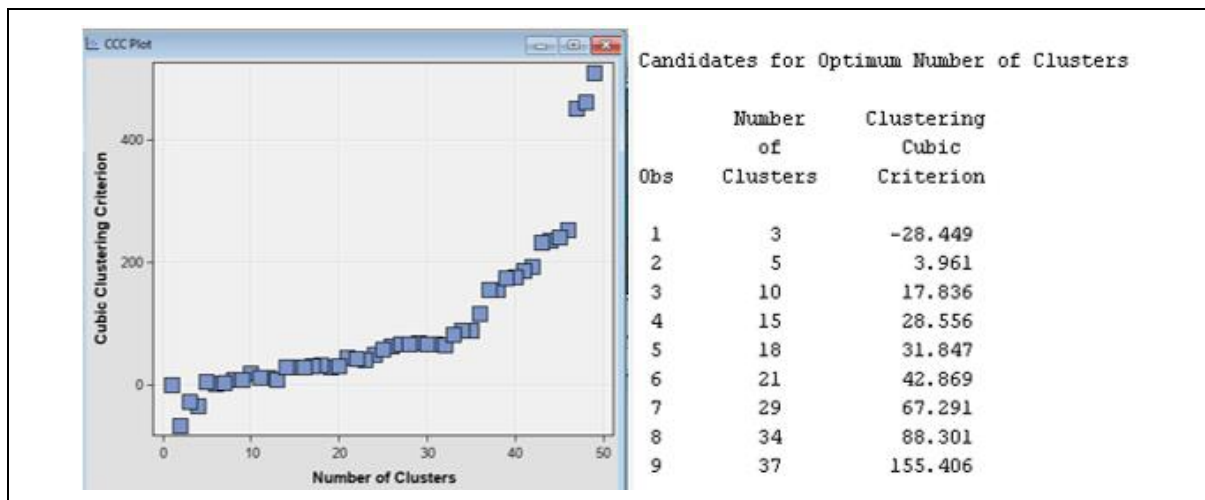
Once the dataset is prepared, the clustering technique is performed using SAS Enterprise Miner software as an unsupervised approach. In this method, the dataset is provided to the software to determine the optimal number of clusters. In this case, 5 clusters were obtained. Among them, cluster or segment 4 is the largest, grouping 861 employee records, followed by segment 1 with 594 records, segment 5 with 350 records, segment 3 with 325 records, and cluster 2 with 251 records (see Figure 3). The validity of this number of clusters is confirmed with the CCC graph (see Figure 4).

FIGURE 3: SEGMENTS SIZE



Source: Own elaboration based on SAS Enterprise Miner 15.1

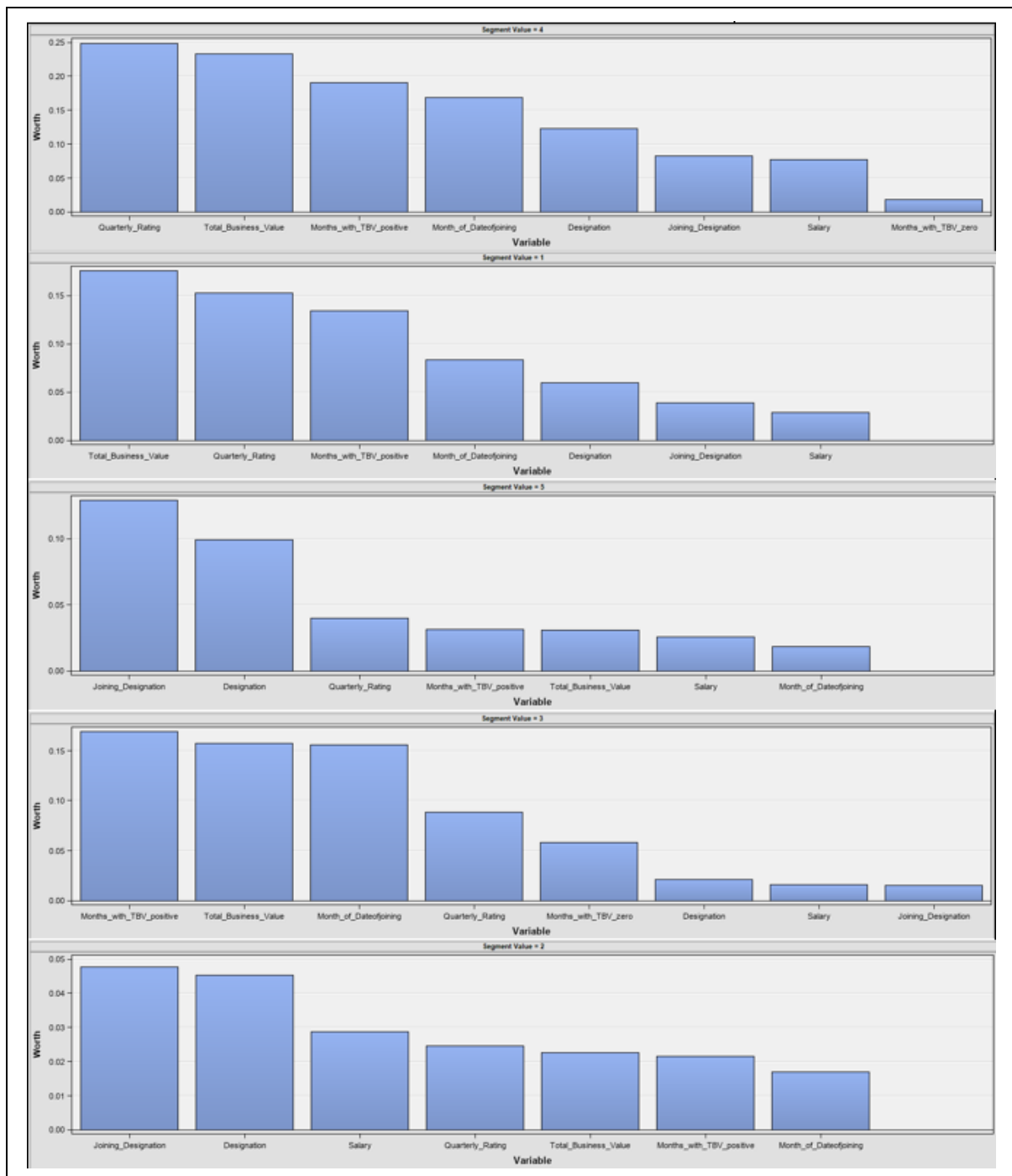
FIGURE 4: CCC PLOT



Source: Own elaboration, based on SAS Enterprise Miner 15.1

On the other hand, the cluster analysis also provided insights into the most important variables in each cluster of the model. As can be seen in Figure 5, the most important variable in cluster 4 was Quarterly Rating, in cluster 1 it was Total Business Value, in cluster 5 it was Joining Designation, in cluster 3 it was Months with TBV positive, and in cluster 2 it was Joining Designation.

FIGURE 5: VARIABLE IMPORTANCE OF EACH CLUSTER



Source: Own elaboration, based on SAS Enterprise Miner 15.1

4.5. EVALUATION

In general, the company experiences a 70% employee attrition rate, retaining only 30%. Next, we will detail the profile of each of the 5 clusters (see Figure 6), starting with the cluster that contains the highest number of employee records and concluding with the smallest cluster. It should be noted that the behaviour across the 29 cities was similar, and no significant differences were found in the educational level. This means that employees with a Bachelor's, College, or Master's degree exhibited similar behaviour.

FIGURE 6: CLUSTERS PROFILES

SEGMENT	Age	Months of Date of joining	Months with TBV negative	Months with TBV positive	Months with TBV zero	Salary	Total business value	Gender	
								Female	Male
1	33.16	9.01	0.07	6.06	2.87	\$47,335.42	\$ 3,398,650.54	40.72%	59.24%
2	35.17	10.08	0.09	6.65	3.34	\$88,850.99	\$ 7,274,896.33	39.09%	61.01%
3	37.80	20.99	0.12	19.43	1.44	\$77,142.77	\$ 21,086,923.23	45.20%	54.80%
4	31.64	3.46	0.04	0.70	2.72	\$44,794.33	\$ 159,753.98	41.70%	58.30%
5	34.56	4.06	0.04	0.76	3.26	\$77,774.96	\$ 244,104.71	37.41%	62.59%
SEGMENT	Designation					City	Education level		
	1	2	3	4	5		Bachelor	College	Master
1	52.34%	46.29%	1.36%	0.00%	0.00%	C1 .. C29	32.99%	31.82%	35.19%
2	0.00%	0.00%	78.46%	19.17%	2.37%	C1 .. C29	36.24%	27.89%	35.86%
3	8.28%	39.41%	29.23%	20.59%	2.49%	C1 .. C29	37.51%	30.48%	32.01%
4	46.82%	52.38%	0.69%	0.00%	0.11%	C1 .. C29	30.89%	36.23%	32.88%
5	0.00%	0.00%	90.88%	6.60%	2.59%	C1 .. C29	34.29%	32.59%	33.13%
SEGMENT	Quarterly rating				Joining designation				
	1	2	3	4	1	2	3	4	5
1	0.16%	54.19%	30.30%	15.31%	61.96%	38.04%	0.00%	0.00%	0.00%
2	0.76%	50.57%	30.27%	18.31%	0.76%	16.32%	73.34%	7.97%	1.61%
3	0.00%	7.11%	30.48%	62.49%	70.48%	29.52%	0.00%	0.00%	0.00%
4	99.20%	0.80%	0.00%	0.00%	49.47%	50.53%	0.00%	0.00%	0.00%
5	98.57%	1.43%	0.00%	0.00%	0.27%	4.83%	88.30%	4.56%	1.97%
SEGMENT	Target								
	0	1							
1	25.25%	74.75%							
2	51.04%	49.05%							
3	67.99%	32.01%							
4	15.90%	84.10%							
5	30.00%	70.00%							

Source: Own elaboration, based on SAS Enterprise Miner 15.1

4.5.1. Cluster 4

In this cluster, employees with the lowest quarterly rating (1 out of 4) were grouped together. They had the lowest contribution of Total Business Value acquired in a month (\$159,753.98) and only had one month with positive Total Business Value. They joined the insurance company with designations 1 and 2, which remained the same throughout their time in the company. These employees have the lowest salary (\$44,794.33) and the cluster consists of more men (58.30%) than women (41.70%). The educational level (Bachelor's, College, or Master's) had no significant impact. They had 0 months with a negative Total Business Value and 3 months with a Total Business Value of zero. Employees belonging to this cluster are the ones who leave the company the most, with a rate of 84.10%, while only 15.90% remain.

4.5.2. Cluster 1

In this cluster, employees who achieved the third highest contribution of Total Business Value acquired in a month were grouped together, with a value of \$3,398,650.54. Moreover, although the value of 2 predominated in the quarterly rating with a percentage of 54.19%, they also had a percentage of 30.30% in rating 3, and 15.31% in rating 4. They obtained 6 months of positive Total Business Value during the average tenure of 9 months in the company. They were hired

by the company in designations 1 and 2, with 61.96% and 38.04%, respectively. Only 8.25% of employees were promoted to designation 2, and 1.36% were promoted to designation 3. They have the second lowest salary, with \$47,335.42, and an average age of 33 years. The majority are men, accounting for 59.24% compared to 40.72% of women. This cluster is the second highest in terms of employees leaving the company to join a competitor (74.75%), with only 25.25% employee retention.

4.5.3. Cluster 5

Most of these employees were hired with designations 3 (88.30%). However, the vast majority were demoted to designation 3 due to receiving the lowest quarterly rating, with 98.57% having a rating of 1 and only 1.43% with a rating of 2. They obtained the second lowest Total Business Value, with one month in positive, one month in negative, and three months at zero. Their salary is the second highest, with a value of \$77,774.96, and they have an average tenure of 4 months in the company. Of these employees, 62.59% are men and 37.41% are women. This cluster is the third highest in terms of employee attrition, with 70.00% leaving the company, and only 30% remaining.

4.5.4. Cluster 3

In this cluster, we find the employees who generated the highest Total Business Value for the company, with a value of \$21,086,923.23. They had 19 months with positive valueS, 1 month with negative valueS, and 1 month at zero. These employees have the longest tenure with the company, averaging 21 months. They have the highest quarterly rating, with 62.49% of employees achieving a rating of 4, and 30.48% achieving a rating of 3. They were initially hired with the lowest designations (70.48% with designation 1 and 29.52% with designation 2), but over time, people rose in their designation, leaving only 8.28% at level 1, and improving the percentages at levels 2, 3, 4 and 5 with 39.41%, 29.43%, 20.59% and 2.49% respectively. It is worth noting that these employees have the third lowest salary, with only \$77,142.77. They are the oldest employees, with an average age of 38 years, and there is little difference between the percentage of men (54.80%) and women (41.70%). This cluster has the highest employee retention rate, with 67.99% staying with the company while only 32.01% leave.

4.5.5. Cluster 2

The majority of individuals grouped in this cluster were initially hired with designation 3 (73.34%), followed by designation 2 with 16.32%, designation 4 with 7.97%, and designation 5 with 1.61%. There were improvements in designations throughout the employees' tenure at the company: 78.46% reached designation 3, 19.17% reached designation 4, and 2.37% reached designation 5. Despite having the highest salary, with \$88,850.99, their quarterly ratings are not the best, with 0.76% receiving a rating of 1, 50.57% receiving a rating of 2, 30.27% receiving a rating of 3, and 18.31% receiving a rating of 4. Their Total Business Value is only \$7,274,896.33, with 7 months in positive, 1 month in negative, and 3 months at zero. They have an average tenure of 10 months, an average age of 35 years, with 39.09% being women and 61.01% being men. Their decision to continue working for the company (51.04%) or leave for another company (49.05%) is almost evenly split.

5. RESULTS OR FINDINGS

Individuals with lower salaries have less motivation for selling insurance, resulting in a lower Total Business Value contributed to the company. However, there should be a balanced salary

approach because the group of employees with higher salaries (\$88,850.99) produced only one-third of the Total Business Value compared to employees with a salary of \$77,142.77.

In addition to reviewing salaries, it is important to address the sense of achievement for employees grouped in clusters 4 and 1, where more employees leave the company. This entails supporting employees in their initial stages with the aim of helping them learn to close sales. This can involve providing a good employee induction to the company as well as effective training.

On the other hand, employees in cluster 5, who were hired with high salaries (\$77,774.96) in designations 3, 4, and 5, did not perform well, with the majority being demoted to designation 3. They generated a total business value of only \$244,104.71 with just 1 month in positive, which was similar to employees in cluster 2. However, the latter group did not leave the company due to being in their comfort zone, as they had higher salaries, despite not generating good income for the insurance company. This highlights a significant salary injustice for employees. It is suggested to have a base salary based on designation, which improves as employees are promoted, while also considering a variable percentage based on sales closures, always including a sense of achievement. This involves monitoring progress toward goals and providing support when needed.

6. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Employee attrition is a major concern for many organisations due to the increasing availability of qualified professionals and job opportunities. Machine learning algorithms can be employed to understand the causes of attrition and enable organisations to take preventive measures. The clustering model developed successfully identified the relevant variables for each employee group, aiming to enhance employee retention levels in the insurance company.

Employee attrition, commonly referred to as turnover, is a critical challenge that organisations face in today's dynamic job market. The modern employment landscape is marked by a surplus of qualified professionals and a proliferation of enticing job opportunities. This heightened competition for talent has put organisations under increased pressure to retain their skilled workforce. Losing valuable employees not only disrupts the workflow but also incurs costs related to recruitment, onboarding, and training of new hires. Therefore, understanding and addressing the causes of attrition have become paramount for maintaining a stable and productive workforce. Now let's do a reflection about this with the next five concerns:

(a) Leveraging machine learning for insight:

In this context, machine learning algorithms offer a powerful tool to gain deeper insights into the factors driving employee attrition. By analysing vast amounts of data from various sources, including employee profiles, performance metrics, feedback, and workplace dynamics, machine learning can uncover hidden patterns and correlations. These patterns might be elusive to human observation but are crucial in understanding the triggers behind employees' decisions to leave.

(b) Preventive measures and proactive strategies:

By employing machine learning algorithms, organisations can move from a reactive stance to a proactive one when it comes to managing attrition. Instead of merely addressing attrition after it has occurred, organisations can preemptively identify risk factors and take preventive

measures. This shift in approach enables companies to implement targeted strategies that aim to address specific issues and create a more conducive environment for employee retention.

(c) Clustering model for personalised insights:

The recently developed clustering model stands as a testament to the potential of machine learning in this realm. By effectively categorising employees into distinct groups based on shared characteristics, the model goes beyond generic solutions and offers personalised insights for each employee segment. This level of granularity is crucial as it acknowledges the diverse motivations and needs of different employee groups within the organisation.

(d) Enhancing employee retention strategies:

The primary objective of this clustering model is to bolster employee retention efforts within the insurance company. Each group identified by the model represents a unique set of variables that contribute to their attrition risk. Armed with this information, the organisation can tailor retention strategies that directly address the concerns and aspirations of each group. This approach ensures that the strategies are not only effective but also resonate with employees on a personal level, thereby increasing the likelihood of success.

(e) Continuous improvement and adaptation:

As the organisation deploys the insights derived from the clustering model, it should adopt a continuous improvement mindset. The employment landscape and employee dynamics are subject to change, necessitating regular updates to the model's analysis. By continually monitoring the effectiveness of the retention strategies and gathering new data, the organisation can refine its approach and ensure that it remains aligned with the evolving needs and expectations of its workforce.

7. FUTURE RESEARCH AND FINAL CONCLUSION

Further research can be conducted with the same data set in order to build a predictive model where several algorithms are compared to understand the accuracy of each model. With the results obtained by the clustering algorithm and the predictive model, there will be a better understanding of why employee attrition is occurring, in order to then generate more specific concrete actions to reduce the rate, which is a problem suffered today not only in insurance companies but any company. By implementing these actions in companies, more data will be generated that will allow the application of the last 2 steps of the Crisp-DM methodology (Deployment and Monitoring) to close the cycle.

REFERENCE LIST

- Asif, R., Merceron, A., Ali, S.A. & Haider, N.G. 2017. Analyzing undergraduate students' performance using educational data mining. *Computers & Education*, 113:177-194.
- Bandyopadhyay, N. & Jadhav, A. 2021. Churn prediction of employees using machine learning techniques. *Tehnički glasnik*, 15(1):51-59.
- Blömer, J., Lammersen, C., Schmidt, M. & Sohler, C. 2016. Theoretical analysis of the k-means algorithm—a survey. *Algorithm Engineering: Selected Results and Surveys*, 81-116.

- Dai, H., Dai, B. & Song, L. 2016. Discriminative embeddings of latent variable models for structured data. In *International conference on machine learning* (pp. 2702-2711). PMLR.
- Diebolt, C. & Hippe, R. 2019. The long-run impact of human capital on innovation and economic development in the regions of Europe. *Applied Economics*, 51(5):542-563.
- Diekman, A.B., Weisgram, E.S. & Belanger, A.L. 2015. New routes to recruiting and retaining women in STEM: Policy implications of a communal goal congruity perspective. *Social Issues and Policy Review*, 9(1):52-88.
- Gangmin, W. & Jingyu, Z. 2019. Research on a clustering analysis algorithm for optimal allocation of human resources in colleges and universities. *Italian Journal of Pure and Applied Mathematics*, 41:49-57.
- Kaggle.com. 2023. *Kaggle Inc.* <https://www.kaggle.com/>
- Karahoca, A., Karahoca, D. & Kaya, O. 2008. Data mining to cluster human performance by using online self-regulating clustering method. In *WSEAS International conference. Proceedings. Mathematics and computers in science and engineering* (No. 7) World Scientific and Engineering Academy and Society.
- Karumuri, V. & Singareddi, S. 2014. Employee attrition and retention: A theoretical perspective. *Asia Pacific Journal of Research*, 1(13):182-186.
- Kurtz, D.L. & Berston, S. 2019. *Contemporary business*, 18th edn., Wiley, Hoboken, NJ.
- Larose, D.T. & Larose, C.D. 2014. *Discovering knowledge in data: An introduction to data mining* (Vol. 4). John Wiley & Sons.
- Schmarzo, B. 2013. *Big Data: Understanding how data powers big business*. John Wiley & Sons.
- Seyed, A., Mousavian, A., Abdorrahman, H. & Fateme, M. 2022. Providing a hybrid clustering method as an auxiliary system in automatic labeling to divide employee into different levels of productivity and their retention. *Iranian Journal of Management Studies*, 15(2):207-226.
- Sivaram, N. & Ramar, K. 2010. Applicability of clustering and classification algorithms for recruitment data mining. *International Journal of Computer Applications*, 4:5.
- Sun, Q., Wu, T. & Hua, J. 2022. Design of distributed human resource management system of Spark Framework based on fuzzy clustering. *Journal of Sensors*, Article ID 4827021, 1-9, <https://doi.org/10.1155/2022/4827021>
- Usha, P.M. & Balaji, N.V. 2019. Analyzing employee attrition using machine learning. *Karpagam Journal of Computer Science*, 13L277-282.
- Younis, S., Ahsan, A. & Chatteur, F. 2023. An employee retention model using organisational network analysis for voluntary turnover. *Social Network Analysis and Mining*, 13(28):13-28.

PRIVATE LABEL BRANDS BRAND AWARENESS

Sbonelo Gift Ndlovu

ABSTRACT

Over the past decades, private label brands and private label research have come under the spotlight. The paper aims to explore and integrate the literature on the advances by grocery retailers in creating and enhancing brand awareness for their private label branded products. A foundation is created to understand a brand, and branding and brand awareness are discussed. The paper then discusses private label branding decisions and the types of brand decisions available for grocery retailers for their private label brand tiers, where light is shed on when best to adopt the type of branding decision and under what consumer-level awareness circumstances. More importantly, the paper presents an overview of the advances by grocery retailers in their brand awareness practices; where varying success and effectiveness were highlighted. Moreover, the paper presents an overview of the prospects that grocery retailers can consider in enhancing their existing or halting and formulating new creative private label brand awareness strategies and practices to achieve “top of mind” brand awareness status among consumers.

Keywords/phrases: branding, brand awareness, consumers, grocery retailers, private label brands.

1. INTRODUCTION

The introduction of private label brands (PLBs) by grocery retailers has been a strategy to increase their sales volume, in-store traffic, and store loyalty among consumers. In support, Armstrong and Kotler (2015) offer that private label brands are rapidly growing faster than national brands. To do so, a growing need for private label brand product awareness since emerged. In this battle, wages (Armstrong & Kotler 2015) allude that grocery retailers need to ponder the design and upraising of their awareness programs. According to Gustafson and Chabot (2007), brand awareness can be defined as how consumers and potential consumers are aware of a store and its products. On the other hand, brand awareness can be attributed to the brand’s information and its strength of consumers being able to identify with a brand, in this case, private label brands (Philip & Keller 2016). Thus, indicating the overarching significance of grocery retailers investing in brand awareness practices for their private label brand lines to thrive (Bernarto, Berlianto, Meilani, Masman & Suryawan 2020; Philip & Keller 2016).

Building brand awareness is a pivotal task for organisations. Thus, Holden (1993) ascertained that while consumers and potential consumers might be aware and be able to recall a brand, it does not accrue to being fully aware and facilitating purchase and repurchase intentions. In support, brand awareness does have an influence on consumers’ brand and product choices, in this context, facilitating the choice for private label brand products to be a product over national products. Moreover, in the presence of alternative choices, an earlier study (Hoyer & Brown 1990) concluded that consumers aware of one brand generally do not spend time sampling other unknown brands. Thus, providing a positive, convenient choice for the known brand, and in the process, disregarding other essential brand heuristics due to the significance brought by brand awareness. In the context of this paper, it is contended that superior brand awareness practices by grocery retailers may be valuable. This contention arises from consumers’ worry about searching for and choosing private label brands to be their brand of choice (Batra & Sinha 2000; Konuk 2020). With this, the competition between private label and national brands has

expanded (Arce-Urriza & Cebollada 2017). Therefore, a brand with effective brand awareness strategies can win consumers better. In this case, private label brands can be averse to the perceived risk that persists and affects private label brands' purchases (Manikandan 2020; Mathur & Gangwani 2021). Now, a question remains about the strategies that have been previously trialled and tested to ensure brand awareness.

The problem statement of this study is thus: Building brand awareness is a pivotal task for organisations and the problem is how to build brand awareness for private label brands. The purpose of the paper is to integrate the literature on the advances of private label brand awareness at grocery retailers. The objective of the paper is to extract, review and present literature relevant to the topic of private label brand awareness.

Over the years, several strategies and tools have been validated to ensure brand awareness. In this paper, special attention will be given to private label brands and the creation of their brand awareness over time, particularly reviewing recent advancements and prospects by grocery retailers and marketing practitioners. To do so, the paper is conceptualised as follows: the author delineates branding, brand awareness, private label branding, private label brand awareness, advances in private label brand awareness, and prospects of private label brand awareness.

2. RESEARCH METHODOLOGY

For this paper, the author undertook an integrative research approach. The integrative review approach assists in reviewing and determining the state of knowledge within a specific field (Souza, Silva & Carvalho 2010). Adopting the integrative literature review allowed the author to expand and diversify past and present knowledge on brand awareness for this paper, integrating it into private label brands (Cronin & George 2023). This integration of knowledge synthesis allows the uncovering of advances and prospects in private label brand awareness, which is the goal of integrative reviews. To do so, literature from various brand awareness contexts was extracted and reviewed, allowing the author to give balance and voice to the various literature findings. This allows the presentation of this paper in a coherent and consistent manner since the integrative review does not follow any process or procedure. In support, this approach equipped the author regarding the literature to include for this paper and more importantly, for private label brand awareness going forward (Cronin & George 2023). Despite the capacity of the integrative review to successfully deliver this paper, its lack of structure and objectivity can expose studies to bias. However, to minimise such, the author was rigorous in the literature included, to ensure that it was relevant to this paper.

3. LITERATURE AND DISCUSSION

3.1. BRANDING

The term brand and branding, through the revolution of branding, has been used interchangeably. First, a brand is addressed and then followed by the unpacking of branding. The work of Górska-Warsewicz and Kulykovets (2017) ascertained that a brand in its entirety, aside from conventional functionality purposes, should strive to serve the purpose of creating some emotional benefits for the consumer pre- and post-purchasing the brand. Hence, Lappeman, Egan, Rightford and Ramogase (2021) put out that a brand is far more than its name or symbol. However, a brand allows the differentiation of its propositions from competing brands (Baines, Fill & Rosengren 2017). This arouses perceptions, feelings, and emotions that consumers associate with that specific brand. To do so, organisations employ the use of

symbols, marks, logos, names, words, or sentences and in turn, these brands and their product offerings have to provide value to consumers (Aaker 1991; Baines et al. 2017; Lappeman et al. 2021). Through the lens of the consumer, a brand is a product or service that they associate with consumers, resulting in their trust in the product to satisfy their established needs and provide value (Latif, Islam & Noor 2014). From that interaction, consumers then formulate perceptions surrounding the brand and its products (Davis 2017).

With that, there is a need to next focus on the branding of and subsequently private label brands branding.

Branding of products, according to Lappeman et al. (2021), assists and aids consumers in the ease of their purchase decisions. Hence, in this context, grocery retailers need precision in branding their private label products. Branding, therefore, relates to the myriad of activities that organisations constantly embark on. These activities include a strategy by organisations to create and shape a certain position in a consumer's mind (Latif et al. 2014). Should this position be positive, branding guides the consumer to an organisation's products instead of competing with alternative brands. This is essential to attract and retain consumers to an organisation's brand by constantly offering value-based products and delivering on the brand promise (Aaker 1991). To maintain such consistency, in modern times organisations are to be ahead of consumers; this will allow for the differentiation of products. This signals that branding is a creative and distinctive process. Therefore, in this paper, grocery retailers differentiate their brands from copycatting national brands. The question arises, why engage in branding activities as an organisation? Lappeman et al. (2021) posits that branding builds loyalty and trust, offers a competitive advantage and builds tangible and intangible value of the products. For consumers, it serves as a memory cue to retrieve brand information and perceptions. Thus, creating a link between organisations and consumers. With the above statements, it is fair to present that branding and brand awareness are somehow a one-part process.

3.2. BRAND AWARENESS

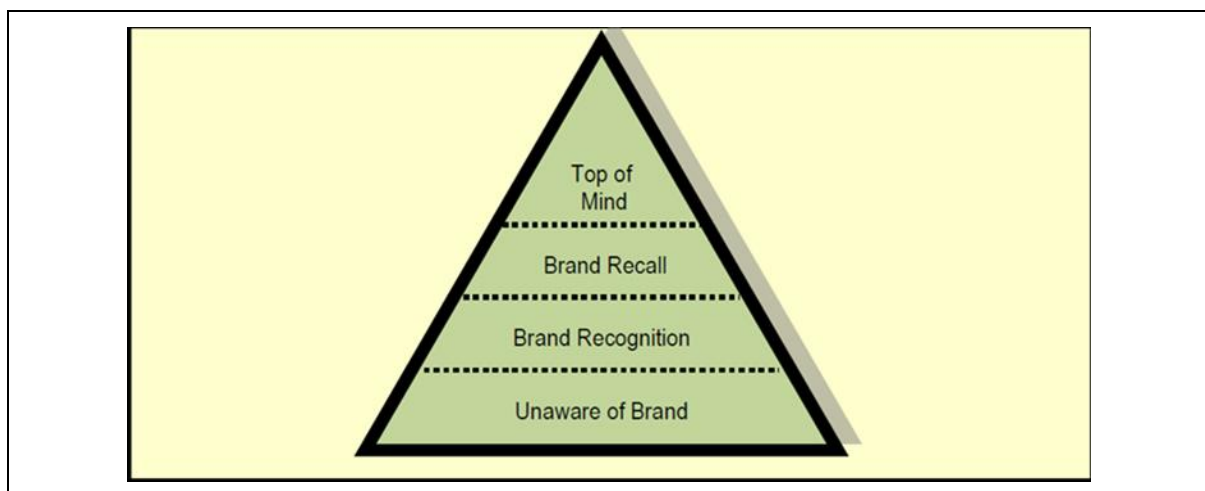
Brand awareness, according to Ikhsani and Ali (2017), relates to a consumer's ability to recognise and recall products of a specific brand. As one of the driving elements in attaining brand equity, this activity aids consumer purchase decisions (Ali 2019; Chovanová, Korshunov & Babčanová 2015). In doing so, the more consumers and potential consumers are familiar with the brand offering and all other related information about its products, the higher the likeness of a brand to be considered. The significance of brand awareness (Ali 2019) offers that familiarity is exhilarated, allows for brand visibility, greater brand and product exposure, and ease of access to brand facts. On the other hand, brand awareness also creates value among consumers by 1) anchoring awareness links, 2) familiarity, 3) signal of substance, and 4) considering the brand (Aaker 1991). This consistency in the literature highlights the positive aspect of brand awareness.

For the perpetual success and relevance of a brand, it is in the best interest of organisations to invest in brand awareness activities. The question arises, how can organisations create brand awareness? Gustafson and Chabot (2007) offer that to create brand awareness, organisations need to detail a brand awareness plan. In that plan, there is a need for the identification of targeted consumers, the creation of company names, logos, and relevant slogans, packaging and advertising, and effective customer relations management. Similarly, Foroudi (2019) holds that this creates an association between the brand and consumers. In turn, it influences the feeling of a brand being unknown to be recognised and trusted. In addition, creating high-

quality brands and services and consistent brand management stands to engage consumers with a brand.

Considering brand awareness, its significance, and how brand awareness can be created is of importance. A need arises to understand the stages, according to Aaker (1991), of the awareness pyramid (Figure 1). These four stages aid organisations in executing and maintaining their brand awareness strategies. In this paper, grocery retailers create brand awareness for their private label branded product lines. For consumers to be aware of a brand, they move in between four steps. First, unaware of the brand, at this level, the consumers do not have information and do not recognise the brand and its product, in this context, not being aware and unable to recognise and recall PLBs. Second, brand recognition refers to the consumers' ability to identify and distinguish a brand when any of its components are shown (Keller 1993). This process is assisted by consumers viewing company images, logos, and some cues retrieved resulting from past exposures to the brand (Aaker 1991; Aaker 1996; Keller 1993); this is termed the aided facet of brand awareness. Third, brand recall, according to various authors (Barreda, Bilgihan, Nusair & Okumus 2015; Keller 1993; Khurram, Qadeer & Sheeraz 2018), refers to the ability to recall a brand without any assistance, as opposed to brand recognition, and this is termed the unaided facet of brand awareness. Fourth, top of mind, this is the level that all organisations aspire to be at. The brand becomes the main brand in the consumer's mind, in the presence of alternatives. In the content of this paper, it will exist if a consumer mentions a grocery retailer's private label branded products when asked about private label brands over national brands (Ali 2019).

FIGURE1: THE AWARENESS PYRAMID



Source: Aaker (1991)

The above sections dwelled on the foundations of brand, branding and brand awareness. This builds an emphasis on the elements that might influence the brand awareness of private label brands over time.

3.3. PRIVATE LABEL BRANDING

Like any organisation, grocery retailers face the momentous decision of branding decisions. This allows grocery retailers the opportunity to decide on their private label branding (Drummond & Ensor 2006). In this decision process, a range of branding decision strategies are at grocery retailers' disposal. They can use their own name branding or other name branding strategies. Name branding strategy refers to the branding strategy where a retailer uses its store

or chain name or part of the store or chain name (Ngobo 2011). This practice enables grocery retailers to differentiate themselves from national brands. In undertaking this practice, retailers need to decide on their own name branding strategy. This must reflect the grocery retailer's image, denote PLB product quality, and appeal to consumers toward being a brand of choice (Herstein, Drori, Berger & Barnes 2017). In support of the own-name branding strategy, Heider's balance theory assumes that consumers are likely to associate themselves with brands that are produced by firms with a reputable image. In this context, consumers are more likely to relate and opt for private label brands with their store or chain's own name, if it has a reputable image (Sharma, Kedia, Yadav & Mishra 2020). With the former, the opposite is true if the store or chain name is not reputable, consumers tend to be skeptical of its private label branded products.

On the other hand, several grocery retailers employ other name-branding strategies. Ngobo (2011) posits that aside from using a retailer's own name, some retailers use what they term "other branding" strategies. According to Dawson (2006), retailers now and then choose newer branding methods. Some now use a different branding strategy for different product categories or a new name for specific product categories. However, Ngobo (2011) in line with Heider's balance theory, warns of the potential detrimental effect of using "other naming" branding. Citing that at times, consumers in the absence of knowledge, might be unfamiliar in differentiating from private label products belonging to the grocery retailer or national brands. Therefore, a good name branding strategy can yield brand success. In contrast, it is an equally momentous decision as retailers need to review the benefits of using their own name or other naming branding decisions.

The following should be considered by retailers: first, the name should translate to consumer's private label brand product attributes, benefits, and quality. Second, the name should be easy for consumers to recognise, and the name should also allow flexibility for it to be applicable to the retailer's other private label brand lines (Armstrong & Kotler 2015). Further to the latter, Baines et al. (2017) emphasised that a brand naming strategy should create a foundation for creating meaning for consumers, and in line with the retailer's branding policies. Fair to note, that these considerations should be applicable in all private label branding strategies and the decisions of private label brand marketing practitioners. This is irrespective of the branding decision by the retailer, as different brand approaches are adopted by retailers. It is evident that consumers have more acceptance if the PLB name changes according to each product category. Conversely, some relate to the store image and translate it to the retailer's private label products. Thus, suggesting that no size fits all in the branding decision for private label brands, but a decision that should be based on consumer research to ensure success and acceptance (Sarimehmet & Aydin 2021). Furthering this, Geyskens, Keller, Dekimpe and De Jong (2018) in "How to brand your private labels" concluded that another significant consideration while deciding on the branding decision, is that consumers view the types of PLBs differently. Economy PLBs have over the years succeeded with store-own name branding, as they are familiar with the grocery retail store's name. With standard and premium tier private label brands, standalone branding has proven a winner over the years. Cautiously, these considerations will not equally succeed in the same retail and economic environments, given the differences in context in developed and emerging grocery retail and economic environments. Having discussed private label branding decisions, it is important to explore how private label brands have over the years advanced in creating awareness.

3.4. PRIVATE LABEL BRAND AWARENESS

Figure 1 delved into the levels of brand awareness, with brand identification being at the lowest level. This creates a need for organisations to introduce or accelerate their brand awareness strategies. Ali (2019) contends that the more consumers are aware of, the more probable they are to associate and consider purchasing private label brands. To achieve this, many organisations have taken to social networking sites such as Facebook, Twitter, and Instagram (Barreda et al. 2015). Other strategies include word-of-mouth, display advertising, business listings, brand communities, host sponsorship of events for visibility, and print advertising. To add, Forbes (2021) alludes that providing value, the use of podcasts and LinkedIn newsletters, interacting with and incentivising followers, and publishing positive organisational product stories also are strategies to enhance brand awareness. This alludes to the multitude of strategies grocery retailers can adopt in creating PLB awareness.

3.4.1. *Advances in private label brand awareness*

It is argued that brand awareness plays a key role in consumers potentially being associated with private label brands. To enhance brand awareness, grocery retailers in the past have leveraged their advantages in deciding how to disperse shelf space prices, and most importantly, which products to feature on promotional circulars and in traditional and electronic platforms (Armstrong & Kotler 2015). Further to this, extensive investment in widespread marketing communications, and promotional practices. This includes in-store sales promotion, endorsements, and sponsorships, and this can create some advertising alertness (Girard, Trapp, Pinar, Gulsoy & Boyt 2017; Tufa & Workineh 2022). In support, positive brand awareness from consumers is said to form and expand private label brand perceived value propositions among consumers (Calvo-Porrall & Lévy-Mangin 2014). Furthermore, PLB awareness was found to assist in inclining consumers toward private label brands. Grocery retailers have achieved the latter through information asymmetry evaluation, product knowledge, price, content, packaging, and product positioning (Khandelwal 2015). This provides grocery retailers with the advantage of reversing the risk perceptions that have surrounded private label brands in the past and currently, particularly in emerging contexts where consumers are still somehow skeptical of PLBs for not being aptly aware of them.

Contrary to this, brand awareness was found not having an effect on consumers purchasing private label brands (Lawu 2015; Sivaram, Hudaya & Ali 2019). This creates contrasting results of PLB awareness strategies and their success, despite the extant consistent findings in the literature that brand awareness provides benefits. As such, expressing that in emerging economies such as Asia and Middle East countries, consumers in these regions over the years have been underexposed to PLBs; lacking awareness (Nielsen 2018), proving to make grocery retailers within these contexts prone to slow private label growth. It is worth noting that through this contrasting outcome of brand awareness, Ali (2019) concludes that improvement by grocery retailers in this practice and the strategies employed is necessary to achieve private label brands' success. Appraising these assertions, it is fair to note the lethargy of grocery retailers in their brand awareness strategies and the concern with the recommendations of repentance in brand awareness strategies. This includes the known use of in-store promotional activities, social media presence, billboards, TV, and radio advertisements as a means to augment PLB awareness (Ali 2019; Sivaram et al. 2019). Therefore, a need arises to explore the prospects for grocery retailers to consider in the future, to assist them in creating effectiveness with their present brand awareness strategies.

3.4.2. *Prospects for private label brand awareness*

As consumer behaviour changes with time, so does the need for grocery retailers to embrace the changes in their practices by halting or revising their strategies. The introduction of revolutionising aspects such as Industry 4.0, will require effective brand management to successfully position private label brands in the minds of consumers (Kasemsap 2016). This is important as a future point to the transformation of the industry, includes the rise of e-commerce, online and offline store formats, hard discounters, express sales, and delivery (Nie, Greeven, Feng & Wang 2021). These grocery retail industry developments leave marketing practitioners and retailers with questions and opportunities to explore the future for their PLBs. To prevent grocery retailers' brand awareness strategies from becoming obsolete, insight into the possible future is critical (Makrides, Vrontis & Christofi 2020).

It is worth noting that despite the investment in brand awareness, this has yielded varying results for grocery retailers. Hence, Alić, Činjarević and Agić (2020) found that consumers are still largely familiar with national brands as opposed to private label brands. As a result, Ndlovu and Heeralal (2023) encourage grocery retailers in the future to subsidise their investments on private label brand awareness. In the future, to counter this misfortune, grocery retailers can explore various brand awareness enhancement avenues. Consistent with prior practices, consumer behaviour changes over time, first, there is a need for grocery retailers to continuously be in the know of their consumers. In doing so, they can then move on to adopt or alter their existing brand awareness practices. Bergkvist and Taylor (2022) offer that there is a rise in alternatives to creating brand awareness, social media advertising assisted by influencer marketing, and creating E-word-of-mouth for brands. Most importantly, the prospect of brand awareness strategies going forward for grocery retailers is the adoption and inclusion of technology to mediate the enhancement of brand awareness. In recognition, Kupangwa and Mohamed (2019) postulate that brand awareness can be aided by advertising and promotion on television and social media, and retailers' catalogues. In addition, Mostafa and Elseidi (2018) allude that promotion and word-of-mouth through family and friends is significant. However, for grocery retailers, this paper reiterates that new media and technologies provide a new field of opportunities for PLB awareness enhancement. This has the potential to flexibly link consumers and grocery retailers' PLB products, both in online and offline store environments (Gielens et al. 2021). The adoption of these technologically mediated brand awareness strategies and programs can allow the raising of product awareness and choice assortment, tracking, and use of data to create customised awareness materials and influence consumers' private label brand purchases.

4. CONCLUSIONS AND RECOMMENDATIONS

This paper investigated the advancements and prospects in the creation and enhancement of brand awareness, with a particular focus on private label brands. In doing so, brand awareness being the first element of brand equity, a need arose to create a foundation for the discussion of a brand, branding, and brand awareness and further integrate these elements into private label brands. These elements were solely introduced and discussed. Then, the stages of awareness levels were discussed and their significance for brands. With that, this work noted the importance of brands achieving a “top of mind” level status in consumers' awareness of a brand.

As the paper progressed, a discussion on private label branding advanced the discussion, and branding decisions available for private label brands were dwelled upon. More so, the benefits and drawbacks of each branding decision were presented, appraised, and critiqued. It arises

that grocery retailers with their different types of PLBs (standard, economy, and premium) are suited for being branded through the retailer's own name, or "other naming" strategies. In this regard, this work also noted the emergence of newer branding decisions available for grocery retailers, such as new branding decisions and developing brand names for PLB products in different product segments. Therefore, this section of the paper gives a perspective to ponder on the broader decision making, given the assessment of the current state of PLBs.

On private label brands awareness, and its advances, it is noted that in the past and present for creating brand awareness, retailers have largely relied on traditional and non-traditional communication and marketing practices to ensure awareness among consumers. This includes frequent in-store sales promotion, retailers' catalogues, advertising in offline and online channels, billboards, and event sponsorships. This work notes the variation in the effectiveness of these awareness building strategies, as national brands remain more popular "top of mind" brands among consumers. This represents the unequal success of PLBs across the globe, which results from differences in economic conditions giving rise to differences in demand, grocery retail industry structure, and innovation, among other market characteristics that give rise to differences. Therefore, this work provides awareness in the application of brand awareness strategies and programs that are not "size-fits-all" in all grocery industry contexts. Hence, this paper provides prospects for aiding the prominently utilised brand awareness strategies that grocery retailers can consider. This includes consistent analysis of consumer behaviour and shopping patterns, venturing into the latest technological developments such as E-word-of-mouth, and influencer marketing to create further online brand engagement with consumers and potential consumers. These are a few examples of strategic directions that can be prospects to enhance brand awareness for private label brands. With that, it can be concluded that this work adequately explored and integrated literature relevant to brand awareness, also by providing foundations regarding the advancements and prospects of private label brands awareness. The paper's objective to present literature, and the purpose of the paper to integrate the literature in the context of private label brand awareness at grocery retailers, have been met.

5. LIMITATIONS AND PERSPECTIVES FOR FUTURE RESEARCH

Due to the dynamism of economies, consumer behaviour, and industry change, a need arises for further empirical studies on the effectiveness of prominent brand awareness strategies employed by grocery retailers, and their relevance in the current context. It is also fair to note, the author employed an integrative literature review approach in conducting this study. Therefore, this approach poses limitations such as a clear structure and process. Hence, a future systematic review of this topic can possibly yield other interesting insights, due to following a structured and well-defined process of searching, including, excluding, and reviewing the literature.

REFERENCE LIST

- Aaker, D. 1991. Brand equity. *La gestione del valore della marca*, 347:356.
- Aaker, D.A. 1996. Measuring brand equity across products and markets. *California Management Review*, 38.
- Ali, H. 2019. Building repurchase intention and purchase decision: Brand awareness and brand loyalty analysis (Case study private label product in Alfamidi Tangerang). *Saudi Journal of Humanities and Social Sciences*, 4:623-634.

- Alić, A., Činjarević, M. & Agić, E. 2020. The role of brand image in consumer-brand relationships: similarities and differences between national and private label brands. *Management & Marketing. Challenges for the Knowledge Society*, 15:1-16.
- Arce-urriza, M. & Cebollada, J. 2017. Competition between private labels and national brands in a Multichannel Retailer. *Advancing Insights on Brand Management*, 103.
- Armstrong, K. & Kotler, P. 2015. *Marketing: An introduction*. Prentice Hall. England: Pearson Education, Inc.
- Baines, P., Fill, C. & Rosengren, S. 2017. *Marketing*. Oxford University Press.
- Barreda, A.A., Bilgihan, A., Nusair, K. & Okumus, F. 2015. Generating brand awareness in online social networks. *Computers in Human Behavior*, 50:600-609.
- Batra, R. & Sinha, I. 2000. Consumer-level factors moderating the success of private label brands. *Journal of Retailing*, 76:175-191.
- Bergkvist, L. & Taylor, C.R. 2022. Reviving and improving brand awareness as a construct in advertising research. *Journal of Advertising*, 51(3):294-307.
- Bernarto, I., Berlianto, M.P., Meilani, Y.F.C.P., Masman, R.R. & Suryawan, I.N. 2020. The influence of brand awareness, brand image, and brand trust on brand loyalty. *Jurnal Manajemen*, 24(3):412-426.
- Calvo-Porrá, C. & Lévy-Mangin, J.P. 2014. Private label brands: Major perspective of two customer-based brand equity models. *The International Review of Retail, Distribution and Consumer Research*, 24(4):431-452.
- Chovanová, H.H., Korshunov, A.I. & Babčanová, D. 2015. Impact of brand on consumer behavior. *Procedia Economics and Finance*, 34:615-621.
- Cronin, M.A. & George, E. 2023. The why and how of the integrative review. *Organizational Research Methods*, 26(1):168-192.
- Davis, M. 2017. *The fundamentals of branding*. Bloomsbury Publishing.
- Dawson, J. 2006. *Retail trends in Europe. Retailing in the 21st Century*. In M. Krafft, M. & Mantrala, M.K. Berlin: Springer.
- Drummond, G. & Ensor, J. 2006. *Introduction to marketing concepts*. London: Routledge.
- Forbes. 2021. 15 Go-to tactics to expand brand awareness. *Forbes*. Available FROM <https://www.forbes.com/sites/forbescoachescouncil/2021/09/14/15-go-to-tactics-to-expand-brand-awareness/?sh=35c354716af0> (Date accessed 13 July 2023).
- Foroudi, P. 2019. Influence of brand signature, brand awareness, brand attitude, brand reputation on hotel industry's brand performance. *International Journal of Hospitality Management*, 76:271-285.
- Geyskens, I., Keller, K.O., Dekimpe, M.G. & De Jong, K. 2018. How to brand your private labels. *Business Horizons*, 61:487-496.

- Gielens, K., Ma, Y., Namin, A., Sethuraman, R., Smith, R.J., Bachtel, R.C. & Jervis, S. 2021. The future of private labels: Towards a smart private label strategy. *Journal of Retailing*, 97(1):99-115.
- Girard, T., Trapp, P., Pinar, M., Gulsoy, T. & Boyt, T.E. 2017. Consumer-based brand equity of a private-label brand: Measuring and examining determinants. *Journal of Marketing Theory and Practice*, 25(1):39-56.
- Górska-Warsewicz, H. & Kulykovets, O. 2017. Product placement as an effective tool for the brand positioning. *Brand Management Advancing Insights on*, 21.
- Gustafson, T. & Chabot, B. 2007. Brand awareness. *Cornell Maple Bulletin*, 105:1-5.
- Herstein, R., Drori, N., Berger, R. & Barnes, B.R. 2017. Exploring the gap between policy and practice in private branding strategy management in an emerging market. *International Marketing Review*, 34(3):559-578.
- Holden, S.J. 1993. *Understanding brand awareness: Let me give you a C (L) Ue! ACR North American Advances*.
- Hoyer, W.D. & Brown, S.P. 1990. Effects of brand awareness on choice for a common, repeat-purchase product. *Journal of Consumer Research*, 17(2):141-148.
- Ikhsani, K. & Ali, H. 2017. Keputusan pembelian: Analisis kualitas produk, harga dan brand awareness (Studi kasus produk teh botol sosro di Giant Mall Permata Tangerang). *Jurnal Swot*, VII(3):523-541.
- Kasemsap, K. 2016. Retail marketing strategies and brand management: A global retail industry perspective. *International Journal of Social and Organizational Dynamics in IT*, 5(2):66-78.
- Keller, K.L. 1993. Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1):1-22.
- Khandelwal, P. 2015. Private label brands and consumer brand consciousness. *Pacific Business Review International*, 7(8):71-77.
- Khurram, M., Qadeer, F. & Sheeraz, M. 2018. The role of brand recall, brand recognition and price consciousness in understanding actual purchase. *Journal of Research in Social Sciences*, 6(2):219-241.
- Konuk, F. A. 2020. Trust transfer from manufacturer to private label brand: The moderating role of grocery store format. *Journal of Retailing and Consumer Services*, 54:101955.
- Kupangwa, W. & Mohamed, H. Consumer purchase intention on food Private Label Brands (PLBs) in the Eastern Cape Province of South Africa. *International Conference on Business and Management Dynamics*, Paper 18:219-233.
- Lappeman, J., Egan, P., Rightford, G. & Ramogase, T. 2021. *Marketing to South African consumers*. UCT Liberty Institute of Strategic Marketing.

- Latif, W.B., Islam, M.A. & Noor, I.M. 2014. Building brand awareness in the modern marketing environment: A conceptual model. *International Journal of Business and Technopreneurship*, 4(1):69-82.
- Lawu, B.J.L. 2015. Pengaruh Elemen Brand Knowledge dan Brand Equity terhadap Repurchase Intention. *Jurnal Manajemen Maranatha*, 14(2).
- Makrides, A., Vrontis, D. & Christofi, M. 2020. The gold rush of digital marketing: Assessing prospects of building brand awareness overseas. *Business Perspectives and Research*, 8(1):4-20.
- Manikandan, M. 2020. Store brand and perceived risk on private label brand attitude. *Journal of Indian Business Research*, 12(1):133-150.
- Mathur, M. & Gangwani, S. 2021. Mediating role of perceived value on the relationship among perceived risks, perceived quality, and purchase intention of private label brands. *International Journal of Applied Management and Technology*, 20(1):71-87.
- Mostafa, R.H. & Elseidi, R.I. 2018. Factors affecting consumers' willingness to buy private label brands (PLBs): Applied study on hypermarkets. *Spanish Journal of Marketing-ESIC*, 22(3):341-361.
- Ndlovu, S.G. & Heeralal, S. 2023. Exploring the perceptions of grocery retail managers on private label brands in South Africa. *Academic Journal of Interdisciplinary Studies*, (1291):93-101.
- Ngobo, P.V. 2011. Private label share, branding strategy and store loyalty. *Journal of Retailing and Consumer Services*, 18:259-270.
- Nie, W., Greeven, M.J., Feng, Y. & Wang, J. 2021. *The future of global retail: Learning from China's retail revolution*. London: Routledge.
- Nielsen. 2018. *Global Private Label Report. USA: The Nielsen Company*. Available from <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/global-private-label-report.pdf> (Date accessed 21 January 2022).
- Philip, K. & Keller, K.L. 2016. *Marketing Management*. 15th edn., New Jersey: Pearson.
- Sarımehmet, A. & Aydın, S. 2021. Branding of private label products by product category: A model suggestion for FMCG market. *Marketing & Integrated Marketing Communications*, pp.312-324.
- Sharma, V., Kedia, B., Yadav, V. & Mishra, S. 2020. Tapping the potential space-positioning of private labels. *Journal of Indian Business Research*, 12(1):43-61.
- Sivaram, M., Hudaya, A. & Ali, H. 2019. Building a purchase and purchase decision: Analysis of brand awareness and brand loyalty. *Dinasti International Journal of Education Management and Social Science*, 1(2):235-248.
- Souza, M.T.D., Silva, M.D.D. & Carvalho, R.D. 2010. Integrative review: What is it? How to do it? *Einstein (São Paulo)*, 8(1):102-106.

Tufa, F.B. & Workineh, M. 2022. The effect of sales promotion on brand awareness and brand loyalty: Assessment of Walia beer brand management practices. *International Journal of Marketing and Business Communication*, 10(1):35-47.

BACK TO THE FUNDAMENTALS: BRAND RESILIENCE SEMIOSIS

Dora Ivonne Alvarez Tamayo

ABSTRACT

Resilience is a concept widely studied in physics and reinterpreted by psychology to explain the capacity of a human being to recover from a personal affection. Similarly, when a person faces forces that pressure them, the brand coexists in competitive dynamic marketing environments surrounded by uncontrollable forces that influence its branding strategies. Considering that facing times of uncertainty and crisis, designers and brand managers need to have resources to manage branding programmes during the brand's lifetime, the objective is to present a reflection about the metaphor of brand and personal resilience from a pragmatic semiomarketing perspective in order to determine a basis for future development of branding intervention strategies especially in analytical stages of design processes. This desk study explores the brand resilience concept through the analogy between personal and brand resilience. It analyses the social semiosis of brand resilience from the perspective of Verón, considering that the brand is an entity of social signification immersed in processes of production, recognition, representation, and circulation of semantic values. The reflection highlights that the understanding of the brand resilience semiosis allows the incorporation of evaluation and recovery of branding fundamental identity's strengths for strategic branding positioning decision-making.

Keywords/phrases: brand resilience, decision-making, identity, positioning, social semiosis.

1. INTRODUCTION, PROBLEM STATEMENT AND OBJECTIVE

"While companies create Brand identities, people create Brand meaning. Brand meaning refers to the semantic and symbolic properties of a Brand. Symbolism connects us to other things—thoughts and values—by stimulating the imagination through suggestions and associations" (Kompella 2014). The brand features and properties are submitted to interpreters' operations of recognition, differentiation, and meaning because a brand is a sign involved in circulation processes and competitive environments.

Branding implies the self-recognition of identity and style characteristics linked to its origins, motivations, and conceptions. As a sign, a Brand can evoke a wide range of meanings to their audiences. Brand positioning is an effort that requires strategic thinking in order to hold a desirable position in consumer/interpreter's minds in a category. Positioning is not a fast operation; it is a long-distance race that requires consistency and perseverance to generate solidity and loyalty. However, the brand is exposed to controllable and uncontrollable forces that put pressure on it, similar to what a person faces during his/her life.

The brand is exposed to risk when participating in competitive, dynamic marketing environments. In order to stay current and consistent, the brand needs to be resilient in evaluating and recovering its identity's desirable features by reinforcing the positioning strategies' base. Considering that facing times of uncertainty and crisis, designers and brand managers need to have resources to manage branding programmes during the brand's lifetime, the objective of this desk study is to present a reflection on the metaphor of brand and personal resilience from a pragmatic semiomarketing perspective in order to determine a basis for future development of branding intervention strategies especially in analytical stages of design

processes. This document offers a reflection on the social semiosis of brand resilience from Verón's (2004; 2013) perspective to incorporate making an analogy between personal and brand resilience. The comparison allows us to identify the similar factors that brand and personal resilience share that could be considered as criteria for developing the analytical stages and diagnosis for strategic interventions of branding and positioning for corporate brands.

2. BRANDING AS A REPRESENTATION OF ORGANISATION VALUES

In the marketing context, ruled by symbolic values of organisations, products, people, and images, Ries and Trout (2002) introduced the term "positioning," related to an optimal location or position in the consumers' mind according to the organisation's or company's objectives.

Positioning management could help the brand to get loyalty and a good reputation over time if the efforts are consistent despite the circumstances. Reputation constitutes the value and intangible assets of organisations. Reputation implies the recognition of character assessment and institutional features. Reputation is also a deciding factor for a consumer that traduces it in loyalty and Brand equity. Thus, the brand has to be protected (Mayer 2009). Brand positioning conjugates the identity and the value proposition, and both have to be actively communicated to the audiences, showing their competitive advantages (Aaker quoted in García 2005). According to Kim and Maubourgne (2010), in a broad sense, a company competes not just with enterprises of the same genre but with those that generate alternative products or services once they accomplish the same purpose, at least facing the clients' judgement.

The brand, as a sign, represents an organisation, institution, goods, a service, and people that need to be recognised as a part of a category. However, it also designs a difference, a distinctive value. Rossolatos (2012) explains that Brand positioning implies the possibility of offering a set of features that the interpreter organises in his/her mind as value constellations allowing them to distinguish the particular value into a category. The dynamic systems of value as a condition of competitiveness demand monitoring and updating operations, including re-positioning strategies (García 2005).

Re-positioning is necessary when the need to adjust the perceptions inside and outside of the brand is detected; Moreover, it is necessary to spend time and resources to work on evaluating existent links, values, functional features of the image, benefits, objectives, and commercial associations in consumers' minds, extension and understanding of the offer, categorical analysis, diversification possibilities, modifications in the promise of value and the consideration of new market opportunities, among others.

From a semiotic perspective (Floch 1993; Saussure 2010), the positioning work finds fundamentals because setting a Brand in consumers' minds requires the consideration of competitors as other signs share the same category. From this perspective, the signs acquire value in a system of signs that condition their simultaneous presence. Then, the values /meanings are constituted by a differential component and similar elements that are perceived by comparison processes; value assignment occurs ruled by a dynamic of oppositions that allow identifying similitudes and differences in the space of co-existence.

Brand as a sign is an expression that vehicles the relationship between symbolic content-filled contact by contact with the interpreter. A substantial value could be considered persuasive because the semiotic value mobilises a user's will in favour or against the entity that the brand represents. Brands represent interpreters' perceptions and feelings because they play their roles

in the signification field, calling the interpreters a system of beliefs and values. Brands reflect their power regarding capital value for organisations and represent a competitive advantage.

A Brand requires an identifier -denominative, visual, aural, among others- that works as a signature that evokes a set of semantic references that answer to fundamental aspects: denomination: who is it, attributive functions: what is it, how is it, descriptive characteristics and evaluative features: what are its characteristics and style? (Chaves & Belluccia 2008). The semantic content is the result of brand-audience interactions.

Brands and individuals are immersed in social interactions. Discourses function in society, producing sense (Braga 2013; Verón 2004; Verón 2013). Social discourses (Verón 2004) are texts composed of different significant material –like writing, images, and sounds, among others that require extra-textual aspects to analyse them.

The social production of signification implies an integrative vision of the productive system, including articulation, circulation, and consuming procedures. Brands participate in social processes when a system of relationships and conditions of production and receptions are socially produced; it means in circulation (Verón 2004).

Branding efforts are produced considering that it is not enough to get the desired position but stay on it, no matter what variables the brand faces. That is the reason to be strategic all the time. Branding strategies will be oriented to enhance and/or maintain primary Brand meaning related to the identity category and implicit Brand meaning, which includes emotional and psychological implications, significance, psychic resonance, and symbolic values generally ruled by cultural norms. According to Kompella (2014), given that Brands exist in a permanently evolving socio-cultural context and that their meaning for consumers is mediated by constant direct personal experience, it is not unusual for a divergence between company-intended and consumer-perceived Brand meaning. Moreover, today's fragmented and diversified media landscape exacerbates the situation. Kompella's observation highlights the uncertainty as a constant condition of Branding, traduced in hexogen and endogen pressure and maintaining risk perception.

3. SEMIOSIS OF RESILIENCE

Resilience is a concept related to the capacity to recover the original form according to its features once exposed to a force or stress that temporarily modifies its characteristics. The term comes from the Latin "resilience" which means "to recoil." Thus, resilience means rebounding, springing, and having elasticity, flexibility, or recoverability (Kotliarenco, Cáceres & Fontecilla 1997; Taormina 2015).

"Resilience in terms of how interdependence between societies, citizens, and environment creates a need to develop policies, plans, knowledge, competencies, and relationships that progressively support the development of strategies that facilitate the ability of societies and citizens to co-exist with an environment that presents opportunities and amenities, but also challenge and change" (Paton & Johnston 2017:xiii). Resilience applies to individuals, communities, and enterprises as a capability to anticipate, cope with, adapt to, recover from, and learn and develop their fundamentals and features supporting identities, strengths, and weaknesses. The self-recognition helps to go ahead.

Individuals belong to societies. People also participate in the societal resilience process. A community's adaptive capacity characterises societal resilience. Building adaptive capacity

requires an institutional context in which empowerment, knowledge sharing, and well-developed, strong social capital (interpreted as networks of relationships among people in a particular society) enable effective societal functioning (Norris et al. 2008; Paton et al. 2014 quoted in Mamula-Seadon 2017).

From physics, static resilience refers to the ability of the system to maintain a high level of functioning when shocked, and dynamic resilience refers to the ability and speed of the system to recover (Holling 1973; Pimm 1984 quoted in Rose 2017). Inanimate objects can answer to pressure, jumping back to their original form. However, this condition partially works in individuals and enterprises because it is impossible to return to a zero point when it has been displaced into time and space. Then, the concept of resilience functions as a metaphor for physical principles but with specific characteristics in human beings, enterprises, and Brands. In this sense, resilience is an ability to endure and recover from difficulties by investing effort and resources.

Investment is a time-related phenomenon, setting aside resources that could be used for current consumption to re-establish productivity in the future (Rose 2017:56). As an intangible activity of organisations, the brand is contextualised in commercial operations, producing and offering goods. Thus, the brand requires investment to maintain productivity and ensure its positioning. In this sense, the brand supports organisations' actions.

When a company or organisation detects the necessity of reconsidering its positioning, it is necessary to identify a starting point as a reference to recover the inner values. For static and dynamic resilience, "ability" implies a level of attainment will be achieved. Hence, the definitions of economic resilience are contextual—the level of the function must be compared to the level that would have existed had the ability been absent. It means that a reference point must be established. In the case of static economic resilience, it refers to the case where resilience is absent. Dynamic resilience refers to the normal recovery path, where no special resilience is implemented (Rose 2017:57).

There is another opposition regarding resilience: inherent and adaptive. According to Rose (2017), adaptive resilience differs from inherent because, in the first one, resilience arises out of improvisation under stress, looking for conservation necessary to face daily circumstances. On the other hand, inherent resilience is a feature to recover stability when pressure exists. People and organisations are exposed to day-to-day situations and moments of pressure that are potent causes of instability. In the case of Brands, the opposition cost-effectiveness has to be considered to make prudent resource management decisions related to each resilience tactic because the cost is affected by the context.

Following Berkes, Colding and Folk (2003), the resilience process implies the existence of a memory of prior crises that provoke prior learning; then, those memories allow individuals and enterprises to evaluate and incorporate them as part of life. In the case of organisations, good and bad experiences are opportunities to learn and offer the possibility to develop the capacity to produce adaptive responses to uncertain future events.

Why is resilience a necessary competence to survive in uncertain environments? People and organisations are exposed to levels of risk in every decision. Sustainable development implies a sustainable risk of management (Rose 2017). However, uncertainty is produced when changes in context are perceived as risks, and this situation motivates the necessity to evaluate the current status and to make decisions to guarantee position and sustainability. It means uncertainty implies risk, and organisations try to reduce uncertainty and risk through resilience.

Concerning perception of risk appears as a conception of adverse outcomes that motivate individuals' adaptive behaviours and decision-making (Gigerenzer 2010). Perception of being at risk comes from evaluating vulnerability and personal and environmental circumstances. This impact perceptions of their welfare, decision-making, and ability to develop, maintain or achieve independence (Clarke, Rhynas & Taylor 2017:4).

Subjects of resilience are considered open systems (Holling 1973) that reflect the persistence of a kind of intra-system and its relationships. An open system interacts with the environment and can absorb the changes caused by impinging variables. The system naturally seeks for stability to return to equilibrium after a disturbance.

Adaptation is a returning force that allows recovering stability into a "metaphorical centre" to get control without losing the essence (Cummins & Wooden 2014; Holling 1973). In this sense, resilience refers to a dynamic process encompassing positive adaptation in significant adversity (Luthar, Cicchetti & Becker 2007). Brands work with positioning but based on their accurate positions. Resilience demands a return to the initial position to recover essential elements to support the branding concept. Resilience jumping back allows us to re-invent, reconstitute, and re-focus.

4. BETWEEN BRANDING AND PERSONAL RESILIENCE

Brands are essential texts of social discourses. If we compare people and organisations, both are considered signs in the context of social interaction. Interpreters recognise expressions, a product of sensory input associated with contents that help them to figure out a concept, offering elements for intellectual procedures that produce a judge or argument.

Brands detect the necessity of resilience when a risk situation is perceived in the same way that individuals experiment with a state of alert when they perceive risk. Their senses wake up thanks to their reptilian brain. Both are in front of signs that are considered destabilisers. A feeling of uncertainty has been experimented. Uncertainty could be a motivator to look for equilibrium. Individuals and organisations need to generate strategies to recover stability. Their fundamental features are essential to get confidence and to establish a new direction based on the roots.

The origins are evoked consciously through deductive inferential processes. Memories are the input of a jump back to the fundamentals. In the same way that individuals register previous information in memory, organisations need to have a record of their operations; somebody at the organisation has to be responsible for maintaining the record in constant actualisation with reliable data. Then, when a resilience process is needed, it is possible to use previous information as a starting point.

People and organisations can be adaptive; the brand has to accompany the organisation's life story like a person's name is with them throughout their entire life. Names and Brands reflect essential features of individuals and organisations, including identity, values, and styles. The perceived value of a Brand is dynamic. However, fundamentals need to be present in each social interaction to get Brand equity and loyalty in the same way an individual obtains good fame in a social context. Besides, an individual's values function as fundamentals for action and decision-making and allow for establishing the framework of reference for thinking and knowledge. In order to manage Brand positioning strategies, Brand values are the core. Individuals and organisations represented as Brands need to be able to recognise their values and features to be able to reflect them in each social interaction.

According to Kompella (2014), expressions of a Brand or a person are not just the visible signs or the naming; it is necessary to think about the tone of voice, straplines, messages, and stories connected to values. In order to build awareness, loyalty, and affection, stating the desirable differential factor in competitive environments.

Taormina (2015) explains that resilience is multi-dimensional. The author highlights four dimensions of personal resilience that could be transferred to Brand resilience: determination –the willpower of a purpose that impulses decisions-; endurance – strength that one possesses to manage unpleasant situations without giving up; adaptability –the capacity to be flexible and open to adjustments in changing conditions- and recoverability – to return and to re-establish a position of desirable conditions.

5. CRITERIA TO CONSIDER DURING THE ANALYTICAL STAGE OF A BRANDING PROGRAMME INTERVENTION

After a deep review of specialised literature related to a) semiotics, b) resilience, and c) the relation between semiotics, brand, and resilience, a proposal of some criteria to consider during the analytical stage of a strategic design process for branding intervention is presented. The purpose is to show the reader a group of aspects that could guide the investigation and the diagnosis of cases of corporate brands that need to reorient or adjust the current branding strategies during moments of challenge, change, uncertainty, or crisis. The criteria were selected by applying semantic discourse analysis to find the dominance between the information resources (Table 1). The criteria are organised into five categories.

The objectives of the analytical stage are: a) To anticipate, cope with, adapt to, recover from, learn, and develop branding programmes through the recognition of brand fundamentals and features supported by identity features and strengths. b) To identify the elements that facilitate recovery and resilience during uncertainty or crisis. c) To recover the system elements that allow maintaining a high level of functioning when the brand has suffered a shock and needs to speed up recovery. d) To locate the point of return in the company's history. e) Capitalise learning and transform it into branding resilience strategies. During the crisis, we usually learn about branding by identifying the values that could support new scenarios.

TABLE 1: CRITERIA TO CONSIDER INVESTIGATING DURING THE ANALYTICAL STAGE

Categories	Criteria	Goal	Description	Resource or tool
Name	Verbal identity, category of competence, vocative, memorable, declinable.	Evaluate the power of the brand in terms of capital value considering its verbal sign of identity.	The name is a sign that represents the complete concept of the brand, intrinsically connected with its essence.	Naming assessment.

Categories	Criteria	Goal	Description	Resource or tool
Identity brand values	The identity features recognition, deep values recognition, strengths in terms of identity, values, and style, meaning. Emotional and psychological implications, psychic resonance ruled by cultural norms. Rituals, loyalty.	Recognise the strength values, identity and style features that could be the basis of resilience and strategic intervention in branding.	The features of identity and style accomplish two functions: Help audiences to identify in which category the brand is competitive, and to differentiate from other brands that share the category.	Semiotic brand assessment, componential analysis, semiotic opposition system analysis, context analysis, and perception study.
Social interactions	Dominances, consistency of value presence, style, and identity features perceived.	Recover the memories associated with the brand's life. Connect the audience's stories with the brand values. Recognise the social interaction net.	Memories are the input of a jump back to the fundamentals. Memories are fed by contacts and interactions.	Social discourse analysis, analysis using storytelling, and the narrative semiotic square. Interaction net mapping.
Discourses	Dominances, consistency in the narrative, and messages produced by the organisation through different channels.	Evaluate the integrative vision and the specific performance of each discursive line in order to anticipate, cope with, adapt to, recover from, learn and develop discursive strategies considering the brand fundamentals to support and express the identity features and strengths.	The discourses could have different intentions, purposes, and audiences, but it is necessary that these expressions reflect the branding fundamentals and the discursive system presents consistency and integrality.	Sublanguages assessment. Perception study. Semantic mapping, discourse analysis.
Differential factor	Relevance significance of differential factor impact effects.	Identify, recover, and /or reinforce the differential factor as the core of the brand interactions to establish a basis for brand resilience.	The brand needs to show the differential factor and assess the impact perceived by their audiences.	Discourse analysis, opposition system analysis, perception study. Competence mapping.
Basic signals of identification	Sufficiency of brand identifiers signification memorability calling accuracy.	Identify the functioning and performance of the basic signals of identification as semantic and pragmatic references to recover strengths as a basis for resilience and designing positioning strategies.	The basic signals of Identification have functions of denomination, attribution, description, and valuation. They work as expressions connected with semantic references and represent pragmatic habits and beliefs.	Basic signals of identification assessment.

Categories	Criteria	Goal	Description	Resource or tool
Elements that facilitate recovering	Resilience dimensions: Determination endurance adaptability recoverability.	Identify the system elements to maintain a high level of functioning when shocked and dynamic resilience refers to the ability and speed of the system to recover.	Fundamental elements that help the brand to anticipate, cope with, adapt to, recover from, learn and develop strategies supported by identity and strengths.	Context analysis, history mapping, 360 perception analysis.
Identity brand values and brand meaning	History of the company, SWOT.	Locate the point of return in the history of the company. Use the learnings to develop branding strategies during uncertain times and crises. Identify the starting point as a reference to recover the inner values.	Identification of the starting point as a reference to recover the inner values, learning from the past, and projecting to the future since the present conditions through resilience processes.	Historical analysis, abductive perspective, componential analysis, semantic mapping.

Source: Own construction

6. CONCLUSIONS

Resilience is a concept related to the capacity to recover the original form according to its features once exposed to a force or stress that temporarily modifies its characteristics. The cost of each resilience tactic is affected by the context in which it is perceived. Brand resilience is a constant operation of organisations if they wish to be updated and if they want to consolidate them getting loyalty and Brand equity. A jump back to the fundamentals is necessary to lead present efforts to build a prominent future.

In order to develop the adaptive capacity facing the future, organisations need to recognise successes and failures from the past in the same way that a person does. The practice of resilience allows for recovering the fundamentals that originated the brand. Broader recognition of fundamentals and origins allows for authentically expressing identity and style features. Being conscious of the power of meanings produced through messages and actions in social interactions helps make significant contact by contact. A substantial signification allows maintaining of discursive coherence and the performance of more profound identification and differentiation operations in favour of brand loyalty. It is essential to highlight that, according to Kompella (2014), brands that assume the most significant risks have the highest levels of loyalty.

In this sense, brand resilience implies recovery of the fundamental processes faced by the perceived risk. Brand resilience also helps generate lasting and robust Branding processes to resist uncertain environments like a healthy person. Self-recognition of individual stories allows identifying the authenticity and uniqueness factors reflected in one's tone of voice that makes itself resonate in every action, discourse, and decision.

Besides, people are very creative in meaning-making; the recognition of others and the role that one plays in a competitive environment through social interactions requires a process of

meaning production, starting from one's expressions, discourses, meanings, and values to communicate them through Branding. Organisations must focus on touching interpreters' minds and feelings to create loyalty more profoundly because they could become Brand promoters in social interactions.

Brand resilience helps to generate strong and lasting branding processes to resist uncertain environments like a strong person does. The design of strategic programmes for branding intervention requires performing a deep analytical stage that offers elements based on the brand resilience capabilities. To do so, the researcher, the brand manager, and the designer could incorporate a broad group of resources and tools into their strategic design processes. The work of self-recognition of individual and organisational stories allows identifying the authenticity and uniqueness factors to be reflected in one's tone of voice that makes itself resonate in every action, discourse, and decision. The brand manager assumes responsibility to accompany its growth and development over time. In this order of ideas, it would be expected to have the ability to understand the roots and, from there, build, reconfigure, and strengthen the fundamental identity value that gave life to the brand.

REFERENCE LIST

- Berkes, F., Colding, J. & Folke, C. 2003. *Navigating social-ecological systems: Building resilience for complexity and change*. Cambridge: Cambridge University Press.
- Braga, M. L. 2013. La teoría semiológica de Verón. Zechetto, V., Marro, M., Vicente, K. (eds.). *Seis semiólogos en busca del lector*. 2nd edn., Buenos Aires: Epublibre.
- Chaves, N. & Belluccia R. 2008. *La Marca Corporativa. Gestión y Diseño de Símbolos y Logotipos*. Santiago: Paidós.
- Clarke, C.L., Rhynas, S., Schwannauer, M. & Taylor, J. 2017. *Risk and resilience: Global learning across the age span*. London: Dunedin Academic Press.
- Cummins, R. & Wooden, M. 2014. Personal resilience in times of crisis: The implications of SWB Homeostasis and Set-Points. *Journal of Happiness Studies*, 15(1):223-235.
- Floch, J.M. 1993. *Semiótica, marketing y comunicación. Bajo los signos, las estrategias*. Buenos Aires: Paidós comunicación.
- García, M. 2005. *Arquitectura de marcas. Modelo general de construcción de marcas y gestión de sus activos*. Madrid: Esic.
- Gigerenzer, G. 2010. *Rationality for mortals: How people cope with uncertainty*. New York, NY: Oxford University Press.
- Holling, S. 1973. Resilience and stability of ecological systems. *Annual Review of Ecological Systems*, 4:1-23.
- Kim, W.C. & Maurbourgne, R. 2010. *La estrategia del océano azul. Cómo desarrollar un nuevo mercado donde la competencia no tiene ninguna importancia*. Harvard-Colombia: Harvard Business School Press.
- Kompella, K. 2014. *The definitive book of branding*. Thousand Oaks: Sage Publications Pvt. Ltd.

- Kotliarenco, M., Cáceres, I. & Fontecilla, M. 1997. *Estado del arte en resiliencia*. Washington: Organización Panamericana de la Salud.
- Luthar, S.S., Cicchetti, D. & Becker, B. 2007. The construct of resilience: A critical evaluation and guidelines for future work. *Child Development*, 71(3):543–562.
- Mamula-Seadon, L. 2017. Governance for resilience. In Paton, Douglas. & Johnston, David. (eds.). *Disaster Resilience: An Integrated Approach*. Springfield, Illinois: Charles C. Thomas.
- Mayer, J. 2009. Policy space: what, for what, and where? *Development Policy Review*, 27(4):373-395.
- Paton, D. & Johnston, D. 2017. *Disaster resilience: An integrated approach*. Springfield, Illinois: Charles C. Thomas.
- Ries, A. & Trout, J. 2002. *Posicionamiento: la batalla por su mente*. México: McGraw Hill.
- Rose, A. 2017. Construction of an economic resilience. Paton, D. and Johnston, D. (eds). *Disaster resilience: An integrated approach*. Springfield, Illinois: Charles C. Thomas.
- Rossolatos, G. 2012. *Applying structuralist semiotics to brand image research*. Kassel: Disrupt.
- Saussure, F. 2019. *Curso de lingüística general*. México: Akai.
- Taormina, R. 2015. Adult personal resilience: A new theory, new measure, and practical implications. *Psychological Thought*, 8(1):35-46.
- Verón, E. 2004. *La semiosis social. Fragmentos de una teoría de la discursividad*. 3rd edn., Buenos Aires: Gedisa.
- Verón, E. 2013. *La semiosis social 2. Ideas, momentos, interpretantes*. Buenos Aires: Paidós.

A CONCEPT MODEL TO DETERMINE POSITIVE BRAND EQUITY CO- CREATION AMONGST LECTURERS WITHIN THE HIGHER EDUCATION SECTOR

Cornelis Coetzee

Sandra Wiese

ABSTRACT

The importance of education cannot be overstated, and the collective effects of higher education on economic and social aspects attract a broad range of stakeholders' involvement. A conceptual model is proposed that addresses the impact of institutional input (internal branding) on internal brand communities and employee stewardship within higher education institutions. The postulation is that positive stewardship will positively influence internal employee brand equity, which can have a significant impact on the overall branding activities of the educational institution. Proposed internal brand activities that could influence brand communities are identified as internal marketing, brand knowledge, information dissemination, and responsiveness. From an internal stakeholder perspective, reciprocity, responsibility, reporting and relationship nurturing, are identified as moderators of stewardship. This study postulates that employee stewardship will have a significant influence on the co-creation of employee brand equity within an internal brand community at a higher education institution.

Keywords/phrases: brand community co-creation, employee stewardship, higher education, internal brand equity.

1. INTRODUCTION

The problem presented in this paper departs from the premise that lecturers at South African higher education institutions have a relatively passive internal brand-building role. This issue provides the impetus for a new internal branding perspective that recognises lecturers as active participants (co-creators) in the brand equity creation process (Merrilees, Miller & Yakimova 2021). The postulation is that lecturers are part of communities within faculties and departments at higher education institutions. Furthermore, lecturers also act as frontline employees when interacting with stakeholders such as students and, therefore have a significant influence on customer relations (Gummesson 2004).

Given the characteristics of services, the roles of lecturers are much more critical at an educational institution, which is part of the service sector. According to Boateng, Amenuvor, Adam, Agbemabiese and Hinson (2022), the critical role of frontline service employees should not be underestimated as the company is responsible for providing a form of motivation to employees [lecturers] so that services [teaching and learning] can be provided with less difficulty to provide an exceptional service to the consumer [students]. Community psychologists have long recognised the workplace as an important community space. More recently, organisational scholars devoted increasing attention to the topic of developing communities in organisational settings. Successful organisations usually have a sense of community, and we, therefore, need to consider developing an authentic sense of community in [education] institutional settings. Healthy organisations include a sense of belonging, a sense of community, and a preparedness to help others (Boyd & Nowell 2017).

A major premise of the internal branding literature is the recognition of the importance of employees [lecturers] in delivering the brand to consumers [students], thus potentially boosting

the brand equity of the [education] institution (Gill-Simmen, Macinnis, Eisingerich, & Park 2018). In some instances, consumers [students] and other stakeholders may consider the brand's employees [lecturers] as synonymous with the brand (Allison, Flaherty, Jung, & Washburn 2016; Gill-Simmen et al. 2018). Internal branding activities proceed through stages: from internal brand communication to training and finally to brand delivery (M'zungu, Merrilees & Miller 2010). The management goal should therefore be to use internal branding consistently, to deliver the firm brand to consumers, enhancing the employee effort where possible.

Bareket-Bojmel and Shuv-Ami (2019) stated that several scholars have recently suggested the idea of taking a brand equity perspective and incorporating it into the field of human resources and organisational behaviour. Subsequently, organisational commitment was found to be related to employer branding and to contribute to the development of brand advocacy. Employees of strong organisational brands were found to be impacted by the equity of the brand they are working for, and this fact strengthens their organisational engagement (commitment and turnover intentions).

However, how employees become aware of the brand values is still a critical question for researchers (Yang, Chin & Chi 2015). Conversely, brand equity literature is still dominated by two commonly adopted perspectives: customer-based and financial-based brand equity. With the shift from an external view to an inside-out marketing view, service companies have started to consider customer-facing employees as being internal consumers (Yang et al. 2015). Therefore, the employee perspective of brand equity becomes a measure of internal branding efforts. King, Grace, and Funk (2013) defined the concept as “the differential effect that brand knowledge has on an employee's response to internal brand management”. Drawing on the conceptualisation of customer-based brand equity, King and Grace (2010) determined that brand knowledge is the driving force for employee brand equity. Hence, strong brand equity results from brand knowledge effects (Erkmen 2018).

This study proposes a conceptual model for researchers to explore brand equity co-creation from an internal branding perspective to generate positive stewardship within the higher education setting in South Africa.

2. THE HIGHER EDUCATION SETTING IN SOUTH AFRICA

Higher education in South Africa faces significant changes similar to international higher education. These changes include a highly competitive higher education environment, the impact of technology, conflicting opinions on graduate attributes and the rise of sessional academic staff (Prinsloo & Roberts 2022). Additionally, with the shift towards a knowledge-based economy, the South African government relies on higher education institutions to take on a crucial role in the country's development. These institutions are expected to implement various initiatives to boost economic growth, alleviate poverty, and address the shortage of skilled workers (Theron, Barkhuizen & Du Plessis 2014).

The marketisation of higher education is also a widely debated topic (Megginson & Whitaker 2017). Marketisation in higher education can be defined as “the attempt to put higher education provision on a market basis, where the demand and supply of student education, academic research, and other university activities are balanced through the price mechanism” (Brown 2015:5). As competition in higher education intensifies, institutions are implementing business models and employing marketing strategies commonly used by organisations in competitive markets (Kayombo 2021). In addition, there is a growing perception that students are consumers in the higher education market. This trend toward marketisation urges students to

take on the role of informed decision-makers and consumers of their education (Bunce, Baird & Jones 2017).

The South African higher education landscape consists of 503 institutions, consisting of 131 private and 26 public higher education institutions, 50 technical and vocational education and training (TVET) colleges and nine community education and training (CET) colleges, and 287 registered private colleges (South African Government 2014). In 2019, more than 1.2 million students were registered at public and private higher education institutions, with most of the enrolments (1 074 912) at public institutions and 208 978 at private institutions. The South African Department of Higher Education and Training (DHET) published two papers regarding the impact on the education and training provision of HE in South Africa: *The White Paper for Post-School Education and Training* (South African Government 2013) and *the Policy for the Provision of Distance Education in South African Universities in the Context of an Integrated Post-school System* (South African Government 2014). According to these papers, South African universities could expect to enrol approximately 1.6 million students by 2030.

The importance of education cannot be overstated, and the collective effects of higher education on economic and social aspects attract a broad range of stakeholders' involvement. According to (Freeman 2010:46), stakeholders can be defined as “any group or individual who can affect or is affected by the achievement of the organisation's objectives”. These stakeholders include students, parents, donors, non-academic staff, government, other providers or institutions, accrediting agencies, taxpayers, non-government organisations and academic faculty (Marshall 2018).

A major stakeholder that forms the focus of this study is the academic faculty or lecturers. The foundation of a university's value and purpose lies in its academic work. Academic work in HE typically comprises three distinct roles: teaching, research, and service (Fowler 2017). The balance between the roles differs from institution to institution. However, as a norm, academics are expected to be researchers, conduct a high standard of teaching, and engage in a range of service activities. The plethora of roles that academics must fulfil has increased compared to decreased resources (Barkhuizen, Rothmann & van de Vijver 2014). Higher education institutions are also tasked with contributing to the demand for "knowledge workers," as students increasingly view obtaining a qualification as a way to secure employment. The pressure of academics to perform across the entire spectrum adds to their workload.

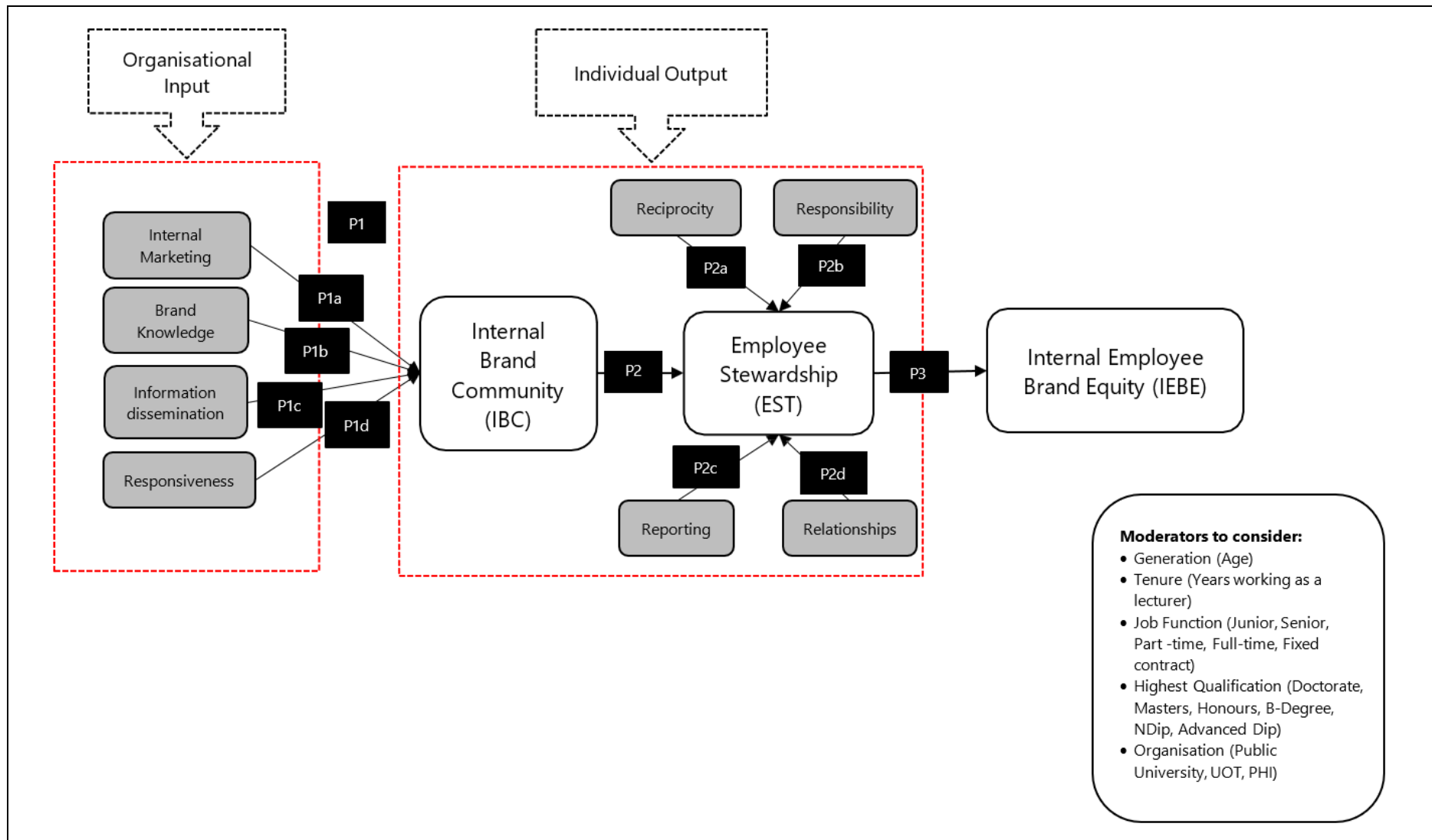
Authors agree that educators perform many complex roles, influencing the quality of their teaching (MacPhail, Ulvik, Guberman, Czerniawski, Oolbekkink-Marchand & Bain 2019). Van Schalkwyk, Cilliers, Adendorff, Cattell and Herman (2011:140) mention that quality teaching in higher education typically describes an educator as one with “strong interpersonal relationships, advanced presentation skills, expert subject knowledge, a dynamic personality and the ability to mediate the so-called teaching/research nexus.”

In the current highly competitive academic environment, institutions must consider how they can attract, develop, and motivate their academics to excel in their multifaceted roles and benefit all stakeholders. Building the foregoing statement, this study proposes that internal branding has a definitive footprint in employee stewardship. Not only could the internal branding efforts of an educational institution influence internal branding communities, but it could also affect employee stewardship which could lead to positive stakeholder management.

3. THEORETICAL BACKGROUND AND CONCEPTUAL FRAMEWORK OF THE STUDY

This study approach employee brand equity co-creation from an internal branding perspective. The conceptual model (Figure 1) postulates that internal branding activities such as internal marketing, brand knowledge dissemination, general organisational information, and responsiveness from managers to employee input (Bailey, Albassami & Al-Meshal 2016; Boukis & Christodoulides 2020; Ikram, Fiaz, Mahmood, Ahmad & Ashfaq 2021), will have a significant effect on internal brand communities. Within the conceptual model, these aspects are perceived as organisational input. It is further suggested that the organisational input will significantly affect employee output. A positive internal brand community will lead to positive employee stewardship (output). Factors affecting stewardship are identified as reciprocity from employees, taking responsibility, reporting on organisational matters, and relationship nurturing with employees (Waters, Bortree & Tindall 2013). The expected outcome is that positive employee stewardship will lead to positive internal employee brand equity.

FIGURE 1: CONCEPTUAL MODEL



Source: Own construction

3.1. INTERNAL BRAND COMMUNITIES (IBC)

There are still many divergent and fragmented conceptualisations of internal branding (Burmamann & Zeplin 2005; Morhart, Herzog & Tomczak 2009) as the field is still developing (Devasagayam, Buff, Aurand & Judson 2010). Additionally, the concept of internal branding is often used interchangeably with related concepts such as employer branding (Foster, Punjaisri & Cheng, 2010) because of the different disciplines that the internal branding concepts stem from. Even in more recent literature on internal branding, the consensus is that there is no clear conceptualisation, understanding, or definition of internal branding (Du Preez, Bendixen, Estelami & Eriksson 2015; Saleem & Iglesias 2016).

Saleem and Iglesias (2016) noted that internal branding occurs through five internal activities, namely brand ideology, brand leadership, brand-centred human resource management, internal brand communication, and brand communities. Brand communities are proposed in this study as a key element of internal branding influencing employee stewardship. Brand communities are traditionally defined as specialised communities bound by social relations amongst followers of a brand. However, in the context of internal branding, brand communities are physical or virtual brand communities within an organisation that could lead to employee identification with the brand and greater support from employees towards branding initiatives. Hence, a viable component of brand identity formation that could aid in the alignment of employee behaviour with brand values (Devasagayam et al. 2010). Garrett, Spreitzer, and Bacevice (2017) further assert that communities are formed for a purpose beyond social connection as a valued end in itself. From this perspective, a community is not formed on the quality of relationships among members, but rather “a set of shared practices to accomplish some intended purpose” (Garrett et al. 2017:823). In the context of the proposed study, this is perceived within the higher education sector as lecturers with a shared practice and intended purpose of co-creating brand equity within the practice of teaching and learning. It is hence postulated that:

P1: Positive input from the organisation will have a significant effect on the co-creation of an Internal Brand Community (IBC).

The following antecedents to internal brand communities from the organisational perspective are identified (Bailey et al. 2016; Boukis & Christodoulides 2020; Ikram et al. 2021):

(a) Internal marketing

The concept of internal marketing was first introduced by (Berry 1981) who presented it as “viewing employees as internal customers and viewing jobs as internal products”. Since then, several authors have engaged in developing the concept (Caruana & Calleya 1998; Snell & White 2009) and in different industries such as bank, financial, and service marketing (Ali, 2012; Narteh 2012), and from different approaches such as employee intention to stay and internal stakeholder communication (Du Preez et al. 2015; Welch & Jackson 2007). Internal marketing is anchored in the view that employees should represent a primary target group for an organisation’s marketing efforts (Bailey et al. 2016). Ikram et al. (2021) further argue that internal stakeholder marketing is as important as marketing to stakeholders outside the organisation. From the perspective of this study, it is postulated that:

P1a: Internal marketing efforts from the organisation will have a significant effect on Internal Brand Communities (IBC).

(b) Brand knowledge

Corporate branding involves using the unique attributes of the organisation's identity by its senior management and making a clearly defined branding proposition to both internal and external stakeholders. A brand is therefore built on the corporate identity which incorporates the organisation's values and characteristics to provide a sense of individuality that can differentiate it from its competitors (Garas, Mahran & Mohamed 2018). Employees' skills and knowledge play an important role in the customers' experience of the brand and subsequently their brand perceptions (Baker, Rapp, Meyer & Mullins 2014; Boukis & Christodoulides 2020). Within the context of the proposed study, it is considered imperative for the internal brand community to not only have extensive knowledge of the brand attributes and values, but also to underwrite it in every aspect of the touchpoint journey such as when engaging with students, and when representing the brand in the external environment of the education institution. It is hence postulated that:

P1b: Knowledge about the brand will have a significant effect on Internal Brand Communities (IBC).

(c) Information dissemination and responsiveness

Information dissemination advances the alignment of employees' attitudes and behaviours with the organisation's goals, while responsiveness implies the use of this information for improving employee job satisfaction and well-being (Boukis & Christodoulides 2020). The organisation's internal branding strategy encourages employees to voluntarily participate in brand development and deal with customers in the best possible ways. It is therefore imperative that employees have a clear understanding and acceptance of the organisation's marketing campaigns (Eid, Al Zaabi, Alzahmi & Elsantil 2019). Du Preez, Bendixen and Abratt (2017:252) state that "internal branding activities can only succeed within a supportive corporate culture in which leaders and employees work together to translate the brand ideologies into brand reality for stakeholders". The overall aim of internal branding is to enhance brand image, evaluations and, eventually, brand reputation (Saleem & Iglesias 2016). Hence, the more employees identify with the organisation, the more internally motivated they would be to engage in behaviours that support the organisation's brand-building efforts – both in the internal and external environments (Lohndorf & Diamantopoulos 2014). The postulation is that:

P1c: Information dissemination efforts from the organisation will have a significant effect on Internal Brand Communities (IBC).

P1d: Organisational responsiveness will have a significant effect on Internal Brand Communities (IBC).

3.2. EMPLOYEE STEWARDSHIP (EST)

Acting in the mutual interest of an organisation's stakeholders, including its internal stakeholders, has become a key component of organisational management. The stewardship theory suggests collaboration between an organisation's management and its stakeholders (Boateng et al. 2022), and is considered one of the most important steps in this relationship management process (Pressgrove 2017). The theory departs from the premise that the entity performing a task within an organisation is intrinsically motivated to do well (Schillemans & Bjurström 2020). First conceptualised by Donaldson and Davis (1989) and Donaldson and Davis (1991), the stewardship theory was introduced as a means of defining relationships based

on behavioural premises. Within the stewardship theory, “the model of man is based on a steward whose behaviour is ordered such that pro-organisational, collectivistic behaviours have higher utility than individualistic, self-serving behaviour” (Davis, Schoorman & Donaldson 1997:24). Since the behaviour of stewards is collective, these individuals seek to attain the objectives of the organisation (Davis et al. 1997). Hence, stewards are intrinsically motivated and “act for the collective good of their firms” (Miller & Le Breton-Miller 2006:74). It is subsequently argued that stewardship behaviours of employees stem from a combination of personal motivations of the individual, and the behavioural philosophies of leaders in an organisation (Neubaum, Thomas, Dibrell & Craig 2016). In the context of the proposed study, it is postulated that:

P2: Internal Brand Communities (IBC) will lead to Employee Stewardship (EST).

According to Torfing and Bentzen (2020) there has been growing interest in how to motivate employees to do good work and produce value for the users of public services and society in general. The stewardship construct consists of four dimensions, namely reciprocity (thanking stakeholders for their efforts), responsibility (using resources wisely in the eyes of stakeholders), reporting (sharing information with stakeholders), and relationship nurturing (remembering and engaging stakeholders over time) (Harrison 2019; Kelly 2001; Li, Men & Yue 2019; Pressgrove 2017; Schepers, Falk, De Ruyter, De Jong & Hammerschmidt 2012; Waters et al. 2013):

(a) Reciprocity

Gratitude and reciprocity have always been at the foundation of mutual benefit and relationships (Allen 2018). Within the organisational context, reciprocity is viewed as a crucial component of stability and quality. Reciprocity can have a positive impact on both employee commitment and satisfaction. In its simplest form, reciprocity is built on the premise of acknowledgement and gratitude to employees and subsequently creating a sense of belonging. These types of actions have been found to increase employees’ attitudes toward the organisation more positively and frequently result in feelings of greater personal and professional fulfilment (Neubaum et al. 2016; Waters et al. 2013). It is therefore postulated that:

P2a: Reciprocity from the education institution will cultivate a positive attitude among lecturers which in turn, will foster positive Employee Stewardship (EST).

(b) Responsibility

Responsibility denotes that an organisation’s activities are conducted in a manner appropriate to its mission (Olinski & Szamrowski 2022). Responsible organisations keep their promises to their stakeholders (Waters et al. 2013) and act in a “socially responsible manner to[ward] publics that have supported the organisation and its goals in the past” (Kelly 2001:285). Within the stewardship construct, responsibility focuses on the importance of not betraying audience trust (Pressgrove 2017) which includes its internal stakeholders such as employees. Measurement indicators for responsibility could include the organisation’s effectiveness in conveying information about their value-driven work, as well as instilling confidence among [internal] stakeholders for the appropriate use of resources (Pressgrove 2017). The types of decisions that organisations make toward their employees can have a significant impact on internal brand communities. To this extent, it is postulated that:

P2b: If an educational institution acts responsibly by creating trust with lecturers, it will foster positive Employee Stewardship (EST).

(c) Reporting

Kelly (2001:285) defined reporting as “the degree to which organisations continually reinforce public confidence in the integrity and effectiveness of their performance”. Pressgrove (2017) transposed this to accountability and transparency about how organisational assets are used. Hence, the measurement items for reporting should focus on transparency and providing information related to fiscal and environmental accountability, as well as institutional policies of the organisation. Waters et al. (2013) further noted that the act of reporting improves the accountability of an organisation and provides general information that can lead to a positive perception of the organisation. Within an organisation, greater communication from management could also lead to higher levels of trust among employees (Thomas, Zolin, & Hartman 2009). It is therefore postulated that:

P2c: Transparency and accountability will lead to higher levels of trust in the education institution and will foster Employee Stewardship (EST).

(d) Relationship nurturing

Harrison (2019) found relationship nurturing frequently mentioned as an organic way to keep in touch with organisations and deepen connections, and labelled it as a “conversation tactic” (Harrison 2019:154). Madden, Harrison, and Vafeiadis (2022) furthermore believe that the mutual benefit derived from good organisational relationships is more about nurturing a common goal rather than exchanging out of obligation. Hence, relationship management recognises the importance of nurturing and maintaining relationships with both internal and external stakeholders. In conjunction with the foregoing, Waters et al. (2013) concur that for employees, offering feedback channels and inviting employee contribution in decision-making will lead to a more positive employer-employee relationship. The postulation therefore is:

P2d: Positive relationships between management and stewards will foster Employee Stewardship (EST).

3.3. INTERNAL EMPLOYEE BRAND EQUITY (IEBE)

The term “employer branding” refers to an organisation’s reputation as an employer and its value proposition to employees (Barrow & Mosley 2011). Since the early 1990s, there has been a growing discourse on employees’ perceptions and changing expectations of their workplaces (Bareket-Bojmel & Shuv-Ami 2019). Several authors have since conducted significant research into the concept of the role of the employee in internal branding. King and Grace (2009), King and Grace (2010) as well as King et al. (2013) developed a scale to measure employee brand equity (EBE) whilst noting that “while traditionally the management of employees is delegated to the human resources department, astute marketers may be wise to focus their energies towards harnessing the power of the employee” (King & Grace 2009:123). Piehler, King, Burmann, and Xiong (2016) investigated the importance of employee brand understanding, brand identification, and brand commitment in realising brand citizenship behaviour to which they concluded that brand commitment and brand understanding have positive effects on internal brand management (IBM) brand citizenship behaviour (BCB). In addition, Harrison (2019) noted that stewardship strategies lead to positive relationship outcomes which make these strategies useful tools for relationship management. Kuttner,

Feldbauer-Durstümmler and Mitter (2021) furthermore found that employee stewardship may explain employee-related activities in order to increase motivation and loyalty, and to ensure that qualified employees remain with the institution for the long run. Building on the stewardship theory, Wei, Sial, Comite, Thu, Badulescu, and Popp (2021) concluded that a positive perception of the organisation by employees acts as a motivating factor that instils in them the notion of stewardship and that they are expected to practice this stewardship orientation on their own.

Considering the process proposed in the concept model, building from the institution’s internal branding activities and how it affects internal brand community building and employee stewardship, it is postulated that:

P3: Proactive employee stewardship will ultimately result in positive Internal Employee Brand Equity (IEBE)

3.4. PROPOSED MODERATORS

Apart from the evident, several industry-specific moderators have been identified which will provide some insightful comparisons to a comprehensive data set.

TABLE 1: PROPOSED MODERATORS

Generation	Instead of the usual age brackets, it is suggested that generational cohorts are used to gain different perspectives from respondents based on their age. The Generational Cohort Theory (GCT) was first conceptualised by Mannheim (1952) and proposes that people who experience the same historical, social, cultural, political and economic events during their coming-of-age years, share common values, preferences and behaviours during their life (Seyedimany & Koksai 2022). It is assumed that respondents from different generational cohorts will display similar and contrasting views.
Tenure	Tenure refers to the years a lecturer has worked as a lecturer. Etzkorn and Braddock (2020) found significant differences that exist between junior and senior faculty in their beliefs about the impact of teaching. In addition, Scherer, Howard, Tondeur, and Siddiq (2021) noted that prior teaching experience is positively related to lecturers’ general self-efficacy and their attitudes toward teaching. It is therefore assumed that tenure will have a significant effect on the responses of different tenure respondents.
Job function	In line with the Stewardship Theory, it is postulated that different levels of job functions will deliver different perspectives from respondents.
	Variables suggested for the job function moderator could be junior, senior, part-time, full-time, or fixed contract functions.
Highest qualification	The highest qualification of the respondent might also provide differentiated responses from respondents. It is assumed that lecturers with different levels of qualification might respond differently. Variables could be Doctorate, Master’s, Honours, B-Degrees, National Diplomas and Advanced Diplomas. This moderator could also be assessed in comparison to the Job Function moderator.
Type of organisation	It is also assumed that the type of institution at which the lecturer is employed will have a significant impact on the responses. Not all education institutions operate in the same way, and it is therefore suggested that variables such as Public Universities, Universities of Technology, Business Schools, and Private Higher Education institutions are included as a moderator to determine different perspectives from the respondents.

Source: Own construction, based on literature

4. PROPOSED METHODOLOGY

Most of the authors consulted (Aishwarya, Aarthy & Senthilmurugan 2021; Boyd & Nowell 2017; Du Preez et al. 2017; Hameli & Ordun 2022; King et al. 2013; Pressgrove 2017; Rigotti, Schyns & Mohr 2008; Waters et al. 2013) conducted quantitative studies, using Likert scaled questionnaires. The Likert scales differed between 5–7-point responses ranging from strongly agree to strongly disagree. However, authors such as Waters et al. (2013) used a 9-point Likert scale. It is suggested that a 5-point Likert scale will suffice for a study such as this. The study will, therefore, employ a survey design using a quantitative web-based questionnaire. Cronbach's α reliability coefficient of the scales was used by nearly all authors to test reliability.

The majority of the analyses were conducted with Confirmatory Factor Analysis (CFA). However, some authors (Pressgrove 2017; Waters et al. 2013) used Exploratory Factor Analysis (EFA) to validate the scale development but then proceeded to use CFA for the final analysis. CFA has the advantage of being able to compare multiple groups in one analysis (Rigotti et al. 2008). Considering the structure of the data and the number of moderators proposed, CFA should be able to provide a rigorous analysis of the data.

The proposed population is lecturers from all higher education institutions. A saturated sample should be drawn from each type of institution such as Public Universities, Universities of Technology and Private Higher Education institutions. The suggestion is that an equal sample be drawn from each of the types of higher education institutions to a saturation point where the data set could be significantly analysed this study, it is recommended that existing scales from studies conducted on internal employee brand equity (King & Grace 2009, 2010; King et al. 2013), internal brand communities (Du Preez et al. 2017; Du Preez et al. 2015; Garas et al. 2018; Kaur & Kaur 2017), and stewardship (Li et al. 2019; Pressgrove 2017; Torfing & Bentzen 2020; Waters et al. 2013) be used as these scales have been tested exhaustively and proven to be sufficient measurements.

5. ETHICAL CONSIDERATIONS

The proposed study will obtain ethical clearance and institutional permission from participant's higher education institutions. Participation is voluntary and anonymous, and consent will be requested. Respondents' personal information, including names, surnames, and personnel numbers, will not be shared. Respondents are not obligated to complete all questions and can do so at their own pace.

6. INDUSTRY AND MANAGERIAL IMPLICATIONS

Whisman (2009) noted that that universities operate outside the realm of conventional businesses and that these institutions are relatively new to systematic and complex branding endeavours. Most higher education institutions concentrate their brand building efforts on “quick fix” solutions such as logo redesigns, catchy taglines, and trendy advertising campaigns. Unfortunately, these outside-in endeavours offer only short-term benefits and tend to subside after the initial awareness campaign. Hence, when communications and marketing professionals (often external or outsourced) develop brand strategies that are not supported internally, stakeholders such as students and employees feel betrayed and frustrated. “Not surprisingly, the reputation of the institution suffers, and the branding initiative becomes a scapegoat for larger problems” (Whisman 2009:367). It is therefore postulated that a study such as this can result in greater awareness for higher education institutions on how to improve their

internal branding strategies to advance positive employee brand equity as a result of positive employee stewardship. Thus, to identify specific weaknesses and disconnect between the organisational input and the individual output to advance positive brand building equity with key stakeholders. It could also lead to higher retention rates of both employees and students by first building quality relationships which inevitably will lead to quality academics, delivering quality education, and ultimately resulting in competitive market differentiation.

A study conducted by Theron et al. (2014) highlights amongst other, emotional recognition, a bonus structure that reflects employee contribution, improved implementation of performance management systems, regular feedback, promotional opportunities, talent management policies, and career development opportunities as turnover risks and potential retention factors that higher education should attend to if they want to retain key and talented academic staff. The majority of these “turnover risks” and “potential retention factors” is addressed in the proposed conceptual model. The postulation is that if a saturated study is conducted across the higher education spectrum, insights from employees could contribute successfully to management strategies to combat these risk and retention factors.

In addition, Musakuro and de Klerk (2021) found that the causes of poor performance management practices in higher education institutions are because of limited implementation of performance management at the institution. To this extent, it is postulated that feedback from a study such as the proposed, could also lead to better insights into the performance assessment of education employees, if not increasing stewardship and subsequent internal employee brand equity.

Lastly, it is postulated that feedback from higher education employees in a study such as proposed, will lead to insightful feedback to the organisation which could be applied to the internal branding output of the organisation to positively influence internal brand communities to the advancement of the higher education institution. As stated by King and Grace (2009), through the adoption of internal brand management practices, organisations can align their internal systems, network, and organisational culture to realise customer expectations that are derived from the organisation’s brand.

REFERENCE LIST

- Aishwarya, N., Aarthy, C. & Senthilmurugan, P. 2021. The effect of organisational cynicism on employee performance: Testing the affective, cognitive and behavioural dimensions. *Journal of Contemporary Issues in Business and Government*, 27(2):4693-4705.
- Ali, N. 2012. An exploratory study into the implementation of internal marketing in small insurance brokers in the United Kingdom. *Journal of Financial Services Marketing*, 17(3):242-254.
- Allen, S. 2018. The science of gratitude. *Greater Good Science Center, White paper submitted to the John Templeton Foundation*, Berkeley:1-72.
- Allison, L., Flaherty, K., Jung, E. & Washburn, I. 2016. Salesperson brand attachment: A job demands-resources theory perspective. *Journal of Personal Selling & Sales Management*, 36(1):3-18.

- Bailey, A.A., Albassami, F. & Al-Meshal, S. 2016. The roles of employee job satisfaction and organizational commitment in the internal marketing-employee bank identification relationship. *International Journal of Bank Marketing*, 34(6):821-840.
- Baker, T.L., Rapp, A., Meyer, T. & Mullins, R. 2014. The role of brand communications on front line service employee beliefs, behaviors, and performance. *Journal of the Academy of Marketing Science*, 42:642-657.
- Bareket-Bojmel, L. & Shuv-Ami, A. 2019. The brand is my workplace. *International Journal of Manpower*, 40(5):818-833.
- Barkhuizen, N., Rothmann, S. & van de Vijver, F.J.R. 2014. Burnout and work engagement of academics in higher education institutions: Effects of dispositional optimism. *Stress and Health*, 30(4):322-332.
- Barrow, S. & Mosley, R. 2011. *The employer brand: Bringing the best of brand management to people at work*. Chichester: John Wiley & Sons.
- Berry, L.L. 1981. The employee as customer. *Journal of Retail Banking*, 3(1):33-40.
- Boateng, H., Amenuvor, F.E., Adam, D.R., Agbemabiese, G.C. & Hinson, R.E. 2022. Exploring customer stewardship behaviors in service firms. *European Business Review*, 34(4):541-555.
- Boukis, A. & Christodoulides, G. 2020. Investigating key antecedents and outcomes of employee-based brand equity. *European Management Review*, 17:41-55.
- Boyd, N. & Nowell, B. 2017. Testing a theory of sense of community and community responsibility in organizations: An empirical assessment of predictive capacity on employee well-being and organizational citizenship. *Journal of Community Psychology* 45(2):210-229.
- Brown, R. 2015. The marketisation of higher education: Issues and irony. *New Vistas*, 1(1):4-9.
- Bunce, L., Baird, A. & Jones, E. 2017. The student-as-consumer approach in higher education and its effects on academic performance. *Studies in Higher Education*, 42(11):1958-1978.
- Burmann, C. & Zeplin, S. 2005. Building brand commitment: A behavioural approach to internal brand management. *Brand Management*, 12(4):279-300.
- Caruana, A. & Calleya, P. 1998. The effect of internal marketing on organizational commitment among retail bank managers. *International Journal of Bank Marketing*, 16(2/3):108-116.
- Davis, J.H., Schoorman, F.D. & Donaldson, L. 1997. Toward a Stewardship Theory of Management. *The Academy of Management Review*, 22(1):20-47.
- Devasagayam, P.R., Buff, C.L., Aurand, T.W. & Judson, K.M. 2010. Building brand community membership within organizations: A viable internal branding alternative? *Journal of Product & Brand Management*, 19(3):210-217.

- Donaldson, L. & Davis, J.H. 1989. CEO governance and shareholder returns: Agency theory or stewardship theory. *Paper presented at the Academy of Management*, Washington, DC.
- Donaldson, L. & Davis, J.H. 1991. Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16(1):49-65.
- Du Preez, R., Bendixen, M. & Abratt, R. 2017. The behavioral consequences of internal brand management among frontline employees. *Journal of Product & Brand Management*, 26(3):251-261.
- Du Preez, R., Bendixen, M.T., Estelami, H. & Eriksson, K. 2015. The impact of internal brand management on employee job satisfaction, brand commitment and intention to stay. *International Journal of Bank Marketing*, 33(1):78-91.
- Eid, R., Al Zaabi, A., Alzahmi, R. & Elsantil, Y. 2019. Integrating internal branding antecedents, customer and job satisfaction in the public sector. *International Journal of Organizational Analysis*, 27(5):1480-1503.
- Erkmen, E. 2018. Managing your brand for employees: Understanding the role of organizational processes in cultivating employee brand equity. *Administrative Sciences*, 8(52):1-15.
- Etzkorn, K.B. & Braddock, A. 2020. Are you my mentor? A study of faculty mentoring relationships in US higher education and the implications for tenure. *International Journal of Mentoring and Coaching in Education*, 9(3):221-237.
- Foster, C., Punjaisri, K. & Cheng, R. 2010. Exploring the relationship between corporate, internal and employer branding. *Journal of Product & Brand Management*, 19(6):401-409.
- Fowler, J.L. 2017. Academics at work: mentoring in research, teaching, and service. *The International Journal for Academic Development*, 22(4):319-330.
- Freeman, R.E. 2010. *Strategic management: A stakeholder approach*. Cambridge: Cambridge University Press.
- Garas, S.R.R., Mahran, A.F.A. & Mohamed, H.M.H. 2018. Internal corporate branding impact on employees' brand supporting behaviour. *Journal of Product & Brand Management*, 27(1):79-95.
- Garrett, L.E., Spreitzer, G.M. & Bacevice, P.A. 2017. Co-constructing a sense of community at work: The emergence of community in coworking spaces. *Organization Studies*, 38(6):821-842.
- Gill-Simmen, L., Macinnis, D., Eisingerich, A. & Park, C. 2018. Brand-self connections and brand prominence as drivers of employee brand attachment. *AMS Review*, 8:128-146.
- Gummesson, E. 2004. Return on relationships (ROR): The value of relationship marketing and CRM in business-to-business contexts. *The Journal of Business and Industrial Marketing*, 19(2):136-148.

- Hameli, K. & Ordun, G. 2022. The mediating role of self-efficacy in the relationship between emotional intelligence and organizational commitment. *European Journal of Management Studies*, 27(1):75-97.
- Harrison, V. 2019. "It's a delicate dance": understanding CSR relationships from the nonprofit perspective. *Journal of Communication Management*, 23(2):142-158.
- Ikram, A., Fiaz, M., Mahmood, A., Ahmad, A. & Ashfaq, R. 2021. Internal corporate responsibility as a legitimacy strategy for branding and employee retention: A perspective of higher education institutions. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(52):1-12.
- Kaur, S. & Kaur, K. 2017. Search Engine Optimization techniques with website perspective. *International Arab Journal of e-Technology*, 4(3):103-108.
- Kayombo, J. 2021. *The marketisation of higher education and quality assurance dilemma in Tanzania. Quality assurance in higher education in eastern and southern Africa*. 1st edn., Routledge: 54-65.
- Kelly, K.S. 2001. Stewardship: The missing step in the public relations process. In Heath, R.L., ed. *Handbook of Public Relations*. Thousand Oaks: Sage Publications Inc: 279-290.
- King, C. & Grace, D. 2009. Employee based brand equity: A third perspective. *Services Marketing Quarterly*, 30(2):122-147.
- King, C. & Grace, D. 2010. Building and measuring employee-based brand equity. *European Journal of Marketing*, 44(7/8):938-971.
- King, C., Grace, D. & Funk, D.C. 2013. Employee brand equity: Scale development and validation. *Journal of Brand Management* 20:350–354.
- Kuttner, M., Feldbauer-Durstümmler, B. & Mitter, C. 2021. Corporate social responsibility in Austrian family firms: Socioemotional wealth and stewardship insights from a qualitative approach. *Journal of Family Business Management*, 11(2):238-253.
- Li, P., Men, L.R. & Yue, C.A. 2019. An exploratory study of stewardship for Chinese nonprofit organizations. *International Journal of Nonprofit and Voluntary Sector Marketing* 25(2):1-12.
- Lohndorf, B. & Diamantopoulos, A. 2014. Internal branding: Social identity and social exchange perspectives on turning employees into brand champions. *Journal of Service Research*, 17(3):310-325.
- M'zungu, S.D., Merrilees, B. & Miller, D. 2010. Brand management to protect brand equity: A conceptual model. *Journal of Brand Management*, 17(8):905-617.
- MacPhail, A., Ulvik, M., Guberman, A., Czerniawski, G., Oolbakkink-Marchand, H. & Bain, Y. 2019. The professional development of higher education-based teacher educators: Needs and realities. *Professional Development in Education*, 45(5):848-861.

- Madden, S., Harrison, V. & Vafeiadis, M. 2022. Relational care in communication as the basis of nonprofit fundraising: Theorizing professional ethics based in stewardship and ethics of care. *Journal of Philanthropy and Marketing*, 28:e1762:1-11.
- Mannheim, K. 1952. The problem of generations. In Kecskemeti, P., ed. *Essays on the Sociology of Knowledge*. Oxford: Oxford University Press: 276–322.
- Marshall, S. 2018. *Shaping the university of the future: Using technology to catalyse change in university learning and teaching*. Singapore: Springer.
- Megginson, D. & Whitaker, V. 2017. Clarifying continuing professional development. In Megginson, D. & Whitaker, V., eds. *Continuing professional development*. New York: Kogan Page: 3-19.
- Merrilees, B., Miller, D. & Yakimova, R. 2021. Building brands through internal stakeholder engagement and co-creation. *Journal of Product & Brand Management*, 30(6):806-818.
- Miller, D. & Le Breton-Miller, I. 2006. Family governance and firm performance: Agency, stewardship, and capabilities. *Family Business Review*, 19(1):73-87.
- Morhart, F.M., Herzog, W. & Tomczak, T. 2009. Brand-specific leadership: Turning employees into brand champions. *Journal of Marketing*, 73:122-142.
- Musakuro, R.N. & de Klerk, F. 2021. Academic talent: Perceived challenges to talent management in the South African higher education sector. *SA Journal of Human Resource Management*, 19(0):1-13.
- Narteh, B. 2012. Internal marketing and employee commitment: Evidence from the Ghanaian banking industry. *Journal of Financial Services Marketing*, 17(4):284-300.
- Neubaum, D.O., Thomas, C.H., Dibrell, C. & Craig, J.B. 016. Stewardship climate scale: An assessment of reliability and validity. *Family Business Review*:1-24.
- Olinski, M. & Szamrowski, P. 2022. Using websites to cultivate online relationships: The application of the stewardship concept in public benefit organizations. *Journal of Nonprofit & Public Sector Marketing*, 34(2):149-176.
- Piehler, R., King, C., Burmann, C. & Xiong, L. 2016. The importance of employee brand understanding, brand identification, and brand commitment in realizing brand citizenship behaviour. *European Journal of Marketing*, 50(9/10):1575-1601.
- Pressgrove, G. 2017. Development of a scale to measure perceptions of stewardship strategies for nonprofit organizations. *Journalism & Mass Communication Quarterly*, 94(1):102-123.
- Prinsloo, P. & Roberts, J. 2022. *Analysis of Higher Education (HE) systems' approach in South Africa: National infrastructures for digital educational resources*. Open Books: EdTech Books.
- Rigotti, R., Schyns, B. & Mohr, G. 2008. A short version of the Occupational Self-Efficacy Scale: Structural and construct validity across five countries. *Journal of Career Assessment* 16(2):238-255.

- Saleem, F.Z. & Iglesias, O. 2016. Mapping the domain of the fragmented field of internal branding. *Journal of Product & Brand Management*, 25(1):43-57.
- Schepers, J., Falk, T., De Ruyter, K., De Jong, A. & Hammerschmidt, M. 2012. Principles and principals: Do customer stewardship and agency control compete or complement when shaping frontline employee behavior? *Journal of Marketing*, 76:1-20.
- Scherer, R., Howard, S.K., Tondeur, J. & Siddiq, F. 2021. Profiling teachers' readiness for online teaching and learning in higher education: Who's ready? *Computers in Human Behavior*, 118:1-16.
- Schillemans, T. & Bjurstrøm, K.H. 2020. Trust and verification: Balancing agency and stewardship theory in the governance of agencies. *International Public Management Journal*, 23(5):650-676.
- Seyedimany, A. & Koksai, M.H. 2022. Segmentation of Turkish wine consumers based on generational cohorts: An exploratory study. *Sustainability*, 14:1-16.
- Snell, L. & White, L. 2009. An exploratory study of the application of internal marketing in professional service organizations. *Services Marketing Quarterly*, 30(3):195-211.
- South African Government. (Dhet), D.O.H.E.a.T. 2013. White paper on post-school education and training. Pretoria.
- South African Government. (Dhet), D.O.H.E.a.T. 2014. Policy for the provision of distance education in South African universities in the context of an integrated post-school system. Pretoria.
- Theron, M., Barkhuizen, E. & Du Plessis, Y. 2014. Managing the academic talent void: Investigating factors in academic turnover and retention in South Africa. *SA Journal of Industrial Psychology*, 40(1):1-14.
- Thomas, G.F., Zolin, R. & Hartman, J. 2009. The central role of communication in developing trust and its effect on employee involvement. *Journal of Business Communication*, 46(3):287-310.
- Torfing, J. & Bentzen, T.Ø. 2020. Does stewardship theory provide a viable alternative to control-fixated performance management? *Administrative Sciences*, 10(4):1-19.
- Van Schalkwyk, S., Cilliers, F., Adendorff, H., Cattell, K. & Herman, N. 2011. Journeys of growth: Towards the professional learning of academics: understanding the role of educational development. *International Journal for Academic Development*, 18(2):139-151.
- Waters, R.D., Bortree, D.S. & Tindall, N.T.J. 2013. Can public relations improve the workplace? Measuring the impact of stewardship on the employer-employee relationship. *Employee Relations*, 35(6):613-629.
- Wei, S., Sial, M.S., Comite, U., Thu, P.A., Badulescu, D. & Popp, J. 2021. An examination to explain the mechanism of employees' environment-specific behavior through CSR and work engagement from the perspective of Stewardship Theory. *International Journal of Environmental Research and Public Health*, 18:1-19.

- Welch, M. & Jackson, P.R. 2007. Rethinking internal communication: A stakeholder approach. *Corporate Communications: An International Journal*, 12(2):177-198.
- Whisman, R. 2009. Internal branding: a university's most valuable intangible asset. *Journal of Product & Brand Management*, 18(5):367-370.
- Yang, J.T., Chin, S.W. & Chi, W.W. 2015. Effect of internal branding on employee brand commitment and behavior in hospitality. *Tourism and Hospitality Research*, 15(4):267-280.

POSTGRADUATE STUDENT RETENTION IN SOUTH AFRICA: HOW CAN STUDENT EXPERIENCE HELP?

*Carly Kim Smith
Chantal Rootman
Janine Krüger*

ABSTRACT

It is critical to counter postgraduate (PG) student dropouts to ensure the completion of postgraduate qualifications, since these often lead to benefits for the students themselves, higher education institutions and nations' societies and economies. However, student retention rates are often low, especially in the emerging economy of South Africa. This study aims to investigate how higher education service quality and service design influence student experience, and the influence of student experience on student retention. Through convenience sampling a self-administered, web-based questionnaire was distributed to PG students at Public Higher Education Institutions (PHEIs) in South Africa. A quantitative data analysis was conducted of data from 435 respondents, to identify whether statistically significant relationships exist between the variables of the study's hypothetical model. The study's aim was to answer the research question "Postgraduate student retention in South Africa: How can student experience help?" This paper presents the literature that informed the empirical investigation as well as the results of the empirical investigation. In addition, the paper describes strategies as well as recommendations to PHEIs and other industry role players on how to improve student experience to ensure an increase in student retention levels, especially at postgraduate level. Ultimately, higher student retention levels are not only beneficial to the higher qualified PG students, but also advantageous to the national economy and society in general.

Key words/phrases: higher education service quality, service design, student experience, student retention.

1. INTRODUCTION AND PROBLEM STATEMENT

Public higher education institutions (PHEIs) provide tuition that adjusts to the changing needs in the job market. Considering the job shedding that has occurred in the last few years due to a number of socio-economic factors (such as Covid 19; looting in two South African provinces namely Gauteng and KwaZulu Natal and the effects of the national loadshedding in South Africa) affecting the job market, it has necessitated more than ever before the need for fostering entrepreneurial skills at PHEIs (Malatjie 2020:113; Petersen 2021). The personal, academic and skills development of postgraduate (PG) students garnered through the research outputs of their studies are also imperative for implementation in a knowledge-based economy (Lange, Wodon & Carey 2018:14). Furthermore, PG student skills can be applied to society to address societal issues such as energy production, poverty, food security and sustainability (Petersen, 2021; Van Der Akker & Spaapen 2017:7). Petersen (2021) adds that PHEIs should not only mould good employees and thinkers but should also mould good leaders who can bring innovation about while being ethical and supporting positive social transformation values. However, PG students not completing their studies translates into a loss of research outputs. The research outputs, and the quality thereof, affects the reputation of the institution as potential enrolments, rankings and related research income are linked to research outputs (Henry 2018:4). In addition, the importance of retaining PG students is clear as the cost of

attracting new students is higher than recruiting students that completed their undergraduate qualifications at the same PHEI (Jancy & Burns 2013:312).

Although there are many personal advantages for students to pursue PG studies, many students drop out in their first year of their PG studies due to various challenges. Challenges that lead to dropout include personal circumstances (limited financial funding, transport limitations and a lack of social support); personal academic challenges (poor academic performance, incorrect choice of study and lack of self-discipline); issues relating to encounters with the institution (delayed student support, a lack of academic engagement and lack of social integration) and teaching and learning issues (curriculum at incorrect level and lack of quality supervision) (Gaffoor & Van Der Bijl 2019:33; Karsten, Van Der Merwe & Steenekamp 2020:39; Roberts, 2018; Sondlo 2013). In order to address the various challenges that PG students may encounter throughout the student journey, PHEIs need to consider why students discontinue their studies. Knowing the reasons why students drop out will assist PHEIs to have proactive measures in place to counter the decision of discontinuing with studies. Therefore, it is important to create an inclusive, supportive and collaborative educational environment where a standard for quality and service offering is set which all stakeholders should uphold, and includes teaching and course content, administrative services, academic facilities, campus infrastructure and support services. The standard of the service offering can be established through higher education service quality as it relates to the standard of the service delivered (Gupta & Kaushik 2018:16) which influences student experience and ultimately influences student retention (Dziewanowska 2015:23; El Alfy & Abukari 2020).

Following this, the objective of this study will be to ascertain how higher education service quality and service design influence student experience for student retention in the South African higher education context.

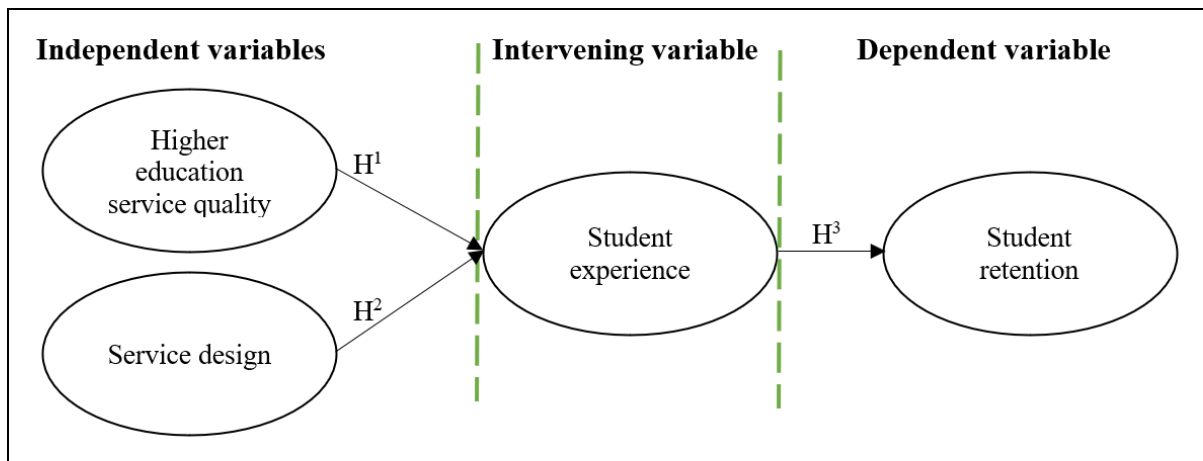
Therefore, the study's main objective formulated as a research question is the following:

How do higher education service quality and service design influence PG student experience and ultimately PG student retention in South African PHEIs?

2. LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESES

Previous research, which will be unpacked in the sections to follow, found that student retention is critical and requires a suitable strategy to support it. Student experience has been suggested as an appropriate strategy for student retention. In addition, the variables higher education service quality and service design are variables that are suggested as antecedents of student experience. This study investigates the influence of higher education service quality and service design on student experience for student retention (see Figure 1).

FIGURE 1: HYPOTHESISED MODEL



Source: Own construction

2.1. STUDENT RETENTION

Student retention refers to a student's progression or ongoing enrolment for a qualification from admission until completion (Cele 2021:57). Student retention is marred by personal circumstances, student actions, institutional obstacles and curriculum challenges which students must overcome in order to successfully continue at a PHEI until completion of a qualification (Mzindle 2015:79; Ramathan & Pillay 2015). To address the various challenges or dispositions that students encounter, several student retention models have been created. The student retention models address the interrelated challenges students encounter throughout the student journey that make qualification completion difficult (Burke 2019:3). Student retention models strive to address student dropout and provide resolutions for dispositions. Existing student retention models address the circumstantial, environmental, external, social, cognitive and institutional dispositions (Aljohani 2016; Artif, Richards & Bilgin 2013; Manyanga, Sithole & Hanson 2017). The most commonly cited student retention model was created by Tinto as it explains students' withdrawal from the PHEI and why the PHEI cannot retain the student (Aljohani, 2016; Artif et al. 2013; Burke 2019:3; Manyanga et al. 2017). Consequent student retention models have largely been based on Tinto's model, which includes the student attrition model, Astin's theory of involvement and Swail's geometric model of student persistence and achievement. Although there are differences in the angle from which the successive models perceive student attention, existing student retention models are not commonly used to study a marketing-related variable that possibly influences student retention (Aljohani 2016; Mbuva 2011). As PHEIs strive to attract and retain students in a competitive market, PHEIs have to understand and meet the students' needs, therefore necessitating marketing-related tactics to achieve, in particular, student retention (Ayuk & Jacobs 2018:3).

Bornschlegl and Cashman (2018:62) indicated that greater competition amongst PHEIs to attract PG students has meant that marketing-related strategies become increasingly important. Competition among PHEIs has increased due to the increased options (institutions and modes of delivery) available to complete a qualification such as public and private HEIs, online learning and access to global institutions. PHEIs must further factor in that undergraduate (UG) students also have a wider range of HEIs from which to select from when considering their PG qualification. Thus, PHEIs must also strive to retain UG students to encourage them to enrol for PG qualifications as it is more affordable to retain existing students than to market to potential PG students (Stukalina 2016:1082). Tan, Muskat and Zehrer (2016:209-210) suggest

that student experience is an appropriate marketing-related strategy for student retention, whereby a positive student experience in terms of the PHEIs' teaching, learning, assessment and support services contribute to the retention of PG students. According to D'Emidio, Klier, Wagner and Weber (2019) as well as Fontella (2019) and Morgan (2018), a positive student experience in relation to the PHEI and its service offerings leads to a more fulfilled student. The student will more likely remain enrolled with the PHEI in order to complete their PG qualification. Therefore, student experience is considered an appropriate marketing-related strategy to support student retention.

2.2. STUDENT EXPERIENCE

Student experience refers to the encounters with higher education support services, teaching, learning and assessments (Tan et al. 2016:209-210). Student experience also includes the encounters that students have outside the PHEI such as their lifestyles, external challenges, their social circle and the additional services to enrich the PHEI circumstance (Henry 2018:18). Being in the PHEI setting, students are considered the customers, who the PHEI and the staff should create a student-centered approach for in order to create an appealing service offering (Guilbault 2016:132; Henry 2018:18; Jancy & Burns 2013:312). A student-centered approach encourages students to actively participate in the lectures and the PHEI-wide events to enrich the student experience (Henry, 2018:18). Student encounters cumulatively add to the quality of the student experience as the product and service delivery is enriched by the positive encounters (Farhan 2019:158; McColl-Kennedy McColl-Kennedy, Gustafsson, Jaakkola, Klaus, Radnov, Perks & Friman 2015:431; Scott 2005:8). Each encounter or touchpoint influences the student journey which are made up of the collective touchpoints. The student journey starts from when the student first becomes aware of the PHEI to student registration, enrolment, orientation, student events, teaching and learning, assessments to graduation and alumni communication and events (Jeffery, Hancock & Hare 2018:1; Koris 2014:37; Martin, Ritzhaupt, Kumar & Budhrani 2019:36). Throughout the student journey, student experience dimensions or responses to the touchpoint occur. Student experience dimensions include cognitive, affective, relational, behavioural and physical dimensions. The cognitive dimension refers to the mental response to an interaction in the form of higher mental processing of critical thinking, abstract thinking or language (Keiningham Ball, Benoit, Bruce, Buoye, Dzenkovska, Nasr, Ou & Zaki 2017:150-152). The emotions and moods as responses to a touchpoint relates to the affective dimension, while the associations with references or cultural groups are linked to relational dimension (Hwang & Seo 2016:2220; Schmitt & Zarantonello 2015:33). The behaviours and lifestyle resulting from the consumption of the product or service links to the behavioural dimension, while the senses stimulated in the physical environment such as sight and sound are linked to the physical dimension (Bustamante & Rubio 2017:891; Teixeira, Patricio, Nunes, Nóbrega, Fisk & Constantine 2012:364).

Each touchpoint and the subsequent student journey influence students' decision to remain at the PHEI to complete the qualification (Chuah & Lim 2018:63). To ensure that the student experience is positive throughout the student journey, the PHEI can create positive service quality and appropriately design the services, which is addressed by higher education service quality and service design respectively.

2.3. HIGHER EDUCATION SERVICE QUALITY

Higher education service quality refers to the value added in education where the educational service offering is of high quality and meets or exceeds students' expectations (El Alfy & Abukari 2020:4; Khan & Ali 2015:141). Higher education service quality is evaluated by

comparing the perceived service quality against that of the expected service quality, the difference indicating what type of changes to be made. As varying perceptions of quality exist, this necessitates quality assurance methods for the management of quality and performance measures (Khan & Ali 2015:141). Higher education service quality is constantly being improved to meet students' ever-changing wants and needs, thus becoming a competitive advantage when PHEIs strive to create a unique learning experience in order to attract and retain students (Latif et al. 2019:771). Several service quality models of higher education exist that consider overlapping or context-specific elements. The importance of perception approach (IPA) considers programme issues, physical elements, academic reputation, career opportunities, location and time. The SQM-HEI considers teaching methods, physical study resources, disciplinary action and student's employability. HEDPERF considers non-academics, academics, reputation, access and programme issues. EduQUAL is a technical model that considers learning outcomes, responsiveness, physical facilities, personality development and academics. PERSPERF looks at school of physical education, sports science, empathy and access. EDUSERVE considers empathy, school facilities, reliability, responsiveness and assurance. Measurement of engineering programme quality considers industrial focus, industrial readiness and the programme quality element. HESQUAL considers administrative, physical environment, core educational, support facility quality and transformative quality. UnivQaul considers curriculum, skills development and institutional services and facilities. HiEduQual considers teacher quality, administrative services, knowledge services, activities, continuous improvement and leadership quality (Gupta & Kaushik 2018; Mandal & Gupta 2017:354; Mattah, Kwarteng & Mensah 2018:39). The various models are specific to technical HEIs or country and curriculum specific. The most suitable service quality measurement for higher education was found to be HiEduQual as it measures students' perceptions of teacher quality, administrative services, knowledge services, activities, continuous improvement and leadership quality (Gupta & Kaushik 2018:16). Higher education service quality evaluates students' expectations and perceptions of the PHEIs' service quality (Mattah et al. 2018:37-38). The difference between expectations and perceptions indicates where improvements can be made to service quality (Stukalina 2016:1082). Higher education service quality was selected for inclusion in the hypothesised model as a variable that influences student experience. Based on the discussion, the following hypothesis was developed:

H₁: There is a significant relationship between *higher education service quality* and *PG student experience* in South African PHEIs.

2.4. SERVICE DESIGN

Service design also plays an essential role in influencing student experience, as it provides the design for the service delivery process and the related touchpoints (Becker 2018:470). The service design is a plan for service delivery that stipulates the different roles each staff member and each student plays at each touchpoint (Peng & Li 2021:329). Each touchpoint along the student journey is considered in the service design where cross-departmental collaboration could influence the student experience (Fanderl & Maechler 2016). The service design stipulates the roles each staff member plays in delivering the service, as the internal processes and policies guide the service design which can positively influence student experience (Chong & Ahmed 2013:50). Not only is a service design proactive, but it can also be reactive where changes are made to address students' wants and needs throughout the service delivery (Bustamante & Rubio 2017:885; Goodman-Bhyat 2017). The PHEI processes, touchpoints, as well as each staff and student role are planned, and this can positively influence student

experience. Bustamante and Rubio (2017:887) as well as Schmitt and Zarantonello (2015) suggest that a positive student experience is created through the memorable impressions at each touchpoint which lead to personal relevance, novelty and surprise. The cognitive, affective, relational, behavioural and physical dimensions of student experience are influenced by each touchpoint throughout the service delivery process (Keiningham et al. 2017:150-152). Therefore, service design was selected for inclusion in the hypothesised model and the formulation of the following hypothesis is relevant:

H₂: There is a significant relationship between *service design* and *PG student experience* at South African PHEIs.

Furthermore, when considering the discussion in the literature review of the influence of student experience on student retention, the following hypothesis is formulated:

H₃: There is a significant relationship between *PG student experience* and *PG student retention* at South African PHEIs.

3. RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

A positivistic philosophy (Saunders, Lewis & Thornhill 2019:136) was selected for this study to provide a strict empirical method that yields pure data and fact without research bias. Positivism is appropriate since the relationships to be found among the variables employed for this study could potentially be generalised to other PHEIs and may assist in increasing the retention rate of PG students. This study utilised the deductive approach (Kennedy 2018:50) as the theory relating to the variables of this study was deduced from student experience and student retention literature as well as existing student retention models. Mono-method quantitative research was conducted through an empirical assessment with numerical measurements and statistical analyses (Zikmund & Babin 2010:133). The study tested the proposed variables' relationships with student experience for student retention. A survey strategy (Polonsky & Waller 2019:182; Saunders et al. 2019:182) was used to collect data on student experience and student retention, to test proposed variables' relationships, and aid the presentation of empirical results in the form of statistical outputs. A cross-sectional (Burns & Bush 2010:150; Saunders et al. 2019:200) time frame was utilised for this study as it intended to describe PG students' perceptions of student experience and PG student retention at one point in time (registered PG students at South African PHEIs at the time of this study).

3.2. DATA COLLECTION AND ANALYSIS

In addition to the secondary data collected for the literature review, to collect primary data, a questionnaire (Saunders et al. 2019:440) was used to gather the perceptions of South African PHEI PG students. The questionnaire was web-based and self-administered, as well as self-developed. A questionnaire is suitable since the data was gathered: over a large geographical area (PG students from all PHEIs that provided ethical clearance or approval were invited), data was gathered from a large sample, bias was minimised through self-administration, and it was affordable compared to other data collection methods (Koris & Nokelainen 2015:128; Saunders et al. 2019:441). The questionnaire utilised for this study consisted of four sections with closed-ended questions. Section A consisted of questions concerning the independent variables, Section B consisted of questions regarding the intervening variable and Section C consisted of questions regarding the dependent variable. The Likert-type scale options on the

ordinal scales in Sections A, B and C ranged from strongly disagree (1) to strongly agree (5). The items in the measuring instrument were based on existing scales and also consisted of self-developed items based on the literature study. Section D consisted of items to be answered on a nominal scale to gather information on the respondents (biographic and demographic characteristics) including their gender, age, level of education, duration of study and PHEI information. Before PG students were invited to participate, ethical clearance was obtained from the relevant PHEIs and permission was obtained from the relevant gatekeepers. The DHET releases reports on the full number of PG students (160 244 students were enrolled in 2020 as per the last publicly available report at the time of the study) which informed the population of the study, with the unit of analysis being the individual PG students enrolled for PG qualifications. It was identified that a minimum of 384 respondents are required. A non-probability sampling technique, convenience sampling, was utilised to distribute the questionnaire. Each PG student received a cover letter and consent form which stipulated confidentiality, anonymity, and withdrawal without penalty.

Descriptive and inferential data analyses were conducted by using Statistical Package for the Social Sciences (SPSS). Descriptive statistics were conducted to summarise the sample as well as to summarise the variables by using frequencies, means and standard deviations. An exploratory factor analysis (EFA) was conducted to measure construct validity and minimum factor loadings of 0.5 (Hair, Black, Babin & Anderson 2014:115) were regarded as acceptable. Cronbach Alpha (CA) coefficients were calculated to measure the reliability of the measuring instrument, and CA revealed reliability if these were 0.7 or higher (Farmer & Farmer 2021:91). Pearson's correlations were used to assess the strength and direction of relationships between variables (Saunders et al. 2019:534). Regression analyses were done to identify statistically significant relationships between the variables in order to perform the hypothesis testing. Prior to conducting a MRA, it is important to determine whether the data is suitable for this. Therefore, the assumptions of MRA, namely homoscedasticity and multicollinearity, were considered. Finally, t-tests (Leedy & Ormrod 2016:241) and analysis of variance (ANOVA) tests were conducted to identify differences in perceptions regarding the study variables among different groups of respondents (Wagner & Gillespie 2019:137).

4. EMPIRICAL RESULTS

4.1. DEMOGRAPHIC PROFILE OF THE SAMPLE

Table 1 shows the respondents' demographic profile. The results show that 40% of the respondents were female while 57.01 were male. The largest age group represented are those in the 30 – 39 categories, with 36.55% of the respondents within that category. The majority of the respondents were registered for honours qualification at 31.26%. Two-thirds (61.84%) of the respondents were registered at a comprehensive PHEI. The results show that 80.92% of the respondents did not consider leaving the PHEI where they are currently registered, while 13.10% of respondents indicated that they were previously registered at another PHEI before continuing their qualification at the current PHEI.

TABLE 1: RESPONDENTS' DEMOGRAPHIC PROFILE

Gender	n = 435	%
Male	174	40.00
Female	248	57.01
Other	2	0.46
Not willing to say	4	0.92
Missing	7	1.61
Age	n = 435	%
18 – 19	3	0.69
20 – 29	148	34.02
30 – 39	159	36.55
40 – 49	83	19.08
50+	40	9.20
Missing	2	0.46
Qualification	n = 435	%
Postgraduate Diploma	93	21.38
Honours	136	31.26
Course Work master's	28	6.44
Magister Technologiae (MTech)	6	1.38
Master of Business Administration (MBA)	9	2.07
Research master's (e.g. MCom)	78	17.93
Course Work Doctorate	1	0.23
Doctor Technologiae degree (DTech)	0	0.00
Doctor of Business Administration (DBA)	1	0.23
Research Doctorate (e.g. PhD)	81	18.62
Missing	2	0.46
PHEI currently registered at for PG qualification	n = 435	%
Traditional PHEI	116	26.67
University of technology	4	11.03
Comprehensive PHEI	269	61.84
Not willing to say	2	0.46
Consider leaving current PHEI	n = 435	%
Yes	71	16.32
No	352	80.92
Missing	12	2.76
Previously registered at another PHEI, but continued with current PG qualification where currently registered	n = 435	%
Yes	57	13.10
No	349	80.23
Not willing to say	28	6.44
Missing	1	0.23

Source: Own construction, based on analysis

4.2. DESCRIPTIVE AND INFERENTIAL VARIABLE RELATIONSHIP STATISTICS

According to Hair et al. (2014:115), minimum factor loadings of 0.5 is acceptable to confirm validity of the measuring instrument, since the study had a sample of over 400. In addition, Cronbach's Alpha coefficients was deemed evidence of reliability when these values were at least 0.7 (Farmer & Farmer 2021:91).

A total of 86 items were developed to measure higher education service quality, service design, student experience and student retention. Only those that met the factor loadings minimum cut-off of 0.5 were retained for further analyses and are illustrated in Table 2.

TABLE 2: VALIDITY AND RELIABILITY OF VARIABLES

Higher education service quality	CA = 0.9706
	Factor loadings
has supervisors/lecturers who provide suitable consultation opportunities.	0.80249
has supervisors/lecturers that share knowledge in an understandable way during consultations.	0.81949
has supervisors/lecturers who are willing to answer questions and queries.	0.80881
has supervisors/lecturers who pays attention to students' research interests.	0.81546
has supervisors/lecturers who provides interpretable feedback at the different PG study phases.	0.81135
has supervisors/lecturers who provides updated tools and methods during the consultation process.	0.75361
delivers according to the communicated timeline.	0.53210
has standardised and simplified supervision processes (e.g. supervisor allocation, feedback, etc.).	0.55286
my supervisors/lecturers make me reflect on my PG studies.	0.76253
my supervisors/lecturers encourage curiosity for further research.	0.78811
my supervisors/lecturers encourage creativity in my studies.	0.71591
my supervisors/lecturers bring interesting ideas to mind.	0.78513
my supervisors'/lecturers' enthusiasm inspires me to improve on my PG studies performance.	0.80988
the available research topics interest me.	0.54378
I feel good about the service offering.	0.59810
I feel happy about the supervisor/lecturer and student interactions.	0.75511
my supervisors/lecturers make me feel optimistic about my studies.	0.74879
I am thrilled with the guidance provided by my supervisors/lecturers.	0.78703
Service design	CA = 0.8998
	Factor loadings
has stable online systems.	0.590427
has administrative departments (e.g. student admissions, finance, etc.) knowledgeable about departmental operations (they can answer queries or refer student appropriately).	0.545267
has opportunities in place for students to improve writing skills and/or research skills.	0.506388
has staff that provides prompt service.	0.522046
has a user-friendly website.	0.616707
has a website with up-to-date institutional and study information.	0.566455
has an easy and understandable online application and registration process.	0.527554
provides clear information on postgraduate studies, requirements and pre-requisites.	0.571310
has clear postgraduate study processes in place (e.g. ethical clearance, modules to take, etc).	0.563519
I am thrilled with the website's presentation.	0.521680
Student experience	CA = 0.9287
	Factor loadings
I advise other PG students who ask my opinion on the service offering.	0.788387
I ask the opinions of fellow PG students.	0.584930
I share opinions with fellow PG students.	0.787470
I interact with fellow PG students.	0.794459
I consider myself a member of the PG student community.	0.688952
I give my opinion to employees on service improvements.	0.705452
I receive advice from employees regarding administrative matters.	0.623870
I ask the opinions of employees regarding administrative matters.	0.660361
I share my opinions with employees on speed of service.	0.747737
I interact with employees from various departments.	0.668608
I am energised by PG graduation rates to complete my PG studies.	0.545982

Student retention attitudes	CA = 0.9359
	Factor loadings
make positive comments about my current PHEI.	0.511518
consider my PHEI as my first choice.	0.507694
consider my PHEI as the best choice.	0.530776
Do NOT complain to others about my current PHEI.	0.648565
will NOT switch to another PHEI.	0.726505
am willing to even pay higher tuition fees due to the service I get at this PHEI.	0.777429
feel a strong emotional tie to my current PHEI.	0.677127
will, in future, apply for another qualification at my current PHEI.	0.686940
the administrative staff impress me with their efficiency.	0.621653
I feel comfortable with the administrative processes in place.	0.707360
I have a sense of wellbeing when thinking about the standard of the institution.	0.571437
Student retention studies	CA = 0.8872
	Factor loadings
want to graduate from my current PHEI.	0.744185
am confident that I can overcome obstacles encountered while studying at my current PHEI.	0.755725
will finish my studies at my current PHEI.	0.783348
would NOT quit my studies at my current PHEI.	0.743625

Source: Own construction, based on analysis

Table 2 indicates the items that were retained following the factor analysis since these items loaded on distinct factors with factor loadings above 0.5. Firstly, 7 of the original 17 designed to measure higher education service quality loaded together. In addition, 1 service design item and 10 student experience items loaded onto the same factor. However, each of these items' loading with higher education service quality items can be explained, since the items consider the quality students experience in relation to supervision, available research topics and student interactions.

The second distinct factor included 5 of the 10 items originally developed to measure service design. In addition, 4 items developed for higher education service quality and 1 service experience items loaded onto the same factor. These 5 items' content to the design of PHEIs services as it considered system, website and other service support designs.

All the items that loaded together on the next factor were student experience items.

Finally, the last two factors revealed a split between the items originally developed for student retention. One of these two factors had 8 original student retention items as well as 3 original student experience items. Upon investigation, these 11 items all reflected students' attitudes regarding student retention. The other factor had 4 student retention items that loaded together and all these related to students' perception on retention at their current PHEI based on their own study situation.

Based on the factor analysis results, 5 distinct factors were named higher education quality, service design, service experience, student retention studies and student retention attitudes.

Furthermore, the Cronbach's Alpha coefficients for the factors (shown in Table 2) were all higher than 0.7, and therefore the reliability of this study's measuring instrument was confirmed. The highest Cronbach's Alpha was obtained for higher education service quality (0.9706), thus showing that the items measuring this variable are deemed most reliable. Based on the inclusion of the items per factor, Table 3 indicates the operationalisation for each variable of this study.

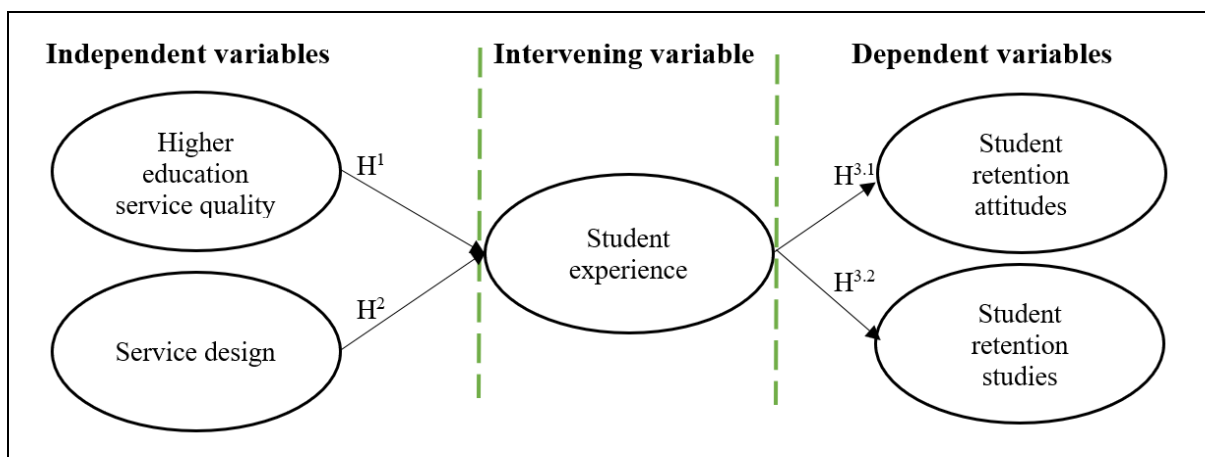
TABLE 3: OPERATIONALISATION OF VARIABLES

Variable	Operationalisation based on factor loadings
Higher education service quality (HESQ)	Lecturing and supervision services delivered according to communicated timelines by competent PHEI academics.
Service design (SD)	Efficient study processes and systems.
Student experience (SE)	Feeling of having encouragement and assistance from PHEI staff and fellow students.
Student retention attitudes (SRA)	Remaining at a PHEI based on institutional perceptions thereof.
Student retention studies (SRS)	Remaining at the current PHEI based on own study progress.

Source: Own construction

The factor loadings also led to a revised hypothetical model as per Figure 2.

FIGURE 2: REVISED HYPOTHESISED MODEL AFTER EFA



Source: Own construction

Based on Figure 2, one of the study’s hypotheses was re-formulated to form two separate hypotheses. Therefore, the study’s hypotheses were stated as follow:

- H₁: There is a significant relationship between *higher education service quality* and PG *student experience* in South African PHEIs.
- H₂: There is a significant relationship between *service design* and PG *student experience* in South African PHEIs.
- H_{3.1}: There is a significant relationship between *student experience* and PG *student retention attitudes* in South African PHEIs.
- H_{3.2}: There is a significant relationship between *student experience* and PG *student retention studies* in South African PHEIs.

Table 4 indicates the mean scores, standard deviations as well as the Pearson’s correlation coefficients relating to the five variables in the study.

TABLE 4: VARIABLE DESCRIPTIVE STATISTICS AND PEARSON'S CORRELATIONS

Variable	Mean	St. dev.	HESQ	SD	SE	SRA	SRS
HESQ	3.7258	0.8805	1.0000				
SD	3.5848	0.8169	0.7055	1.0000			
SE	3.3703	0.8457	0.5180	0.5446	1.0000		
SRA	3.4930	0.9619	0.6803	0.7113	0.6141	1.0000	
SRS	4.4730	0.7049	0.4653	0.4445	0.3246	0.4654	1.0000

Source: Own construction, based on analysis

The results indicate that four of the five factors namely, higher education service quality, service design, student experience and student retention attitudes had mean scores ranging from 3.38 to 3.73, which suggest respondents had 'neutral towards slightly agreeing' perceptions regarding these variables' statements. Student retention studies has the highest mean score of 4.47, which suggests a level of agreement with this variable's statements. The standard deviations range between 0.70 and 0.96 and indicated a low spread between responses. Thus, respondents have similar perceptions on higher education service quality, service design, service experience and student retention studies. Student retention attitudes shows the highest variation in responses with a standard deviation of 0.96.

The Pearson's correlations in Table 4 show only one weak correlation, which is between student experience and student retention studies (0.3246). All other correlations are either moderate (between 0.4 and 0.6) or strong (above 0.6). The strongest correlation is visible between service design and student retention attitudes.

4.3. REGRESSION RESULTS FOR HYPOTHESIS TESTING

Two multiple regression analyses (MRA) were performed. Firstly, a MRA was completed where higher education service quality and service design were the independent variables, and student experience the dependent variable. Secondly, a MRA was conducted where student experience was the independent variable and both student retention attitudes and student retention studies were the dependent variables.

Prior to conducting MRAs, the MRA assumptions of homoscedasticity and multicollinearity must be satisfied. Homoscedasticity was met as the standard deviations (see Table 4) were not above two. For multicollinearity, the VIF and tolerance levels were tested. VIF values must be less than 10 and tolerance values must be greater than 0.1 for low collinearity (De Jongh, De Jongh, Pienaar, Gordon-Grant, Oberholzer & Santana 2015:28). The VIF and tolerance levels for the variables higher education service quality (3.22 | 0.31), service design (3.51 | 0.26), student experience (1.50 | 0.67), student retention attitudes (1.61 | 0.62) and student retention studies (1.12 | 0.89) indicated low collinearity.

The results for the MRAs are shown in Table 5.

TABLE 5: REGRESSION ANALYSES

Dependent variable: Student experience		R-square = 0.33	
Independent variables	Beta (b)	t-value	Sig. (p)
Higher education service quality	0.2558	4.8004	0.0000
Service design	0.3693	6.4303	0.0000
Dependent variable: Student retention attitudes		R-square = 0.37	
Independent variable	Beta (b)	t-value	Sig. (p)
Student experience	0.6985	16.1913	0.0000
Dependent variable: Student retention studies		R-square = 0.11	
Independent variable	Beta (b)	t-value	Sig. (p)
Student experience	0.2706	7.1424	0.0000

Source: Own construction, based on analysis

Table 5 indicates that the independent variables explain 33% of the variance in student experience. The relationships of the two independent variables higher education service quality ($b = 0.2558$, $p < 0.01$) and service design ($b = 0.3693$, $p < 0.01$) with student experience are positive and statistically significant. Therefore, indicating that improvements in higher education service quality and service design will improve student experience. In addition, it is evident from Table 5 that student experience has positive, statistically significant relationships with both student retention attitudes ($b = 0.6985$, $p < 0.01$) and student retention studies ($b = 0.2706$, $p < 0.01$). Thus, if student experience improves, postgraduate students' retention attitudes and specifically their retention perceptions regarding their own studies, will both improve. The 37% R^2 and the higher t-value of 7.1424 show that student experience has the most influence on student retention attitudes. The regression analysis confirms the Pearson's correlation results which also showed that the variables have the strongest relationship with student retention attitudes.

Based on the significant relationships between study's selected variables, all hypotheses (H_1 , H_2 , $H_{3.1}$ and $H_{3.2}$) are accepted.

4.4. T-TEST AND ANALYSIS OF VARIANCE RESULTS

T-tests provide results on the comparison of two groups in relation to the same subject (Leedy & Ormrod 2016:241). Based on the t-test mean scores, there are significant differences ($p < 0.01$) in the perceptions of males and females with regard to all variables. However, Cohen's D results show that all these are of small practical significance. Contrary, males ($M = 3.70$) agree more than females (3.35) on statements regarding student experience, and this has medium practical significance (Cohen's $D = 0.37$).

ANOVA tests the mean score differences across independent groups (Wagner & Gillespie 2019:137). However, based on the ANOVA results, there are no significant differences in relation to PG students' age groups. Also, the ANOVA results show different responses to student experience for PG students at different study year levels, however none of these differences are practically significant.

5. DISCUSSION AND CONCLUSIONS

This study's aim was to investigate whether higher education service quality and service design influence PG student experience and ultimately PG student retention in South African PHEIs. Following the empirical investigation's primary data collection, it is clear that student retention

can be viewed in two ways namely linked to students' retention attitudes and students' retention perceptions regarding their own studies. The study's research question was:

How do higher education service quality and service design influence PG student experience and ultimately PG student retention in South African PHEIs?

The paper addressed this question and revealed that both higher education service quality and service design influence PG student experience. In addition, student experience influence both angles of student retention (attitudes and perceptions on own studies). The results are in line with previous studies on the relationship between higher education service quality and student experience (Gupta & Kaushik 2018:16) as well as the relationship between service design and student experience (Wolfe 2020). Thus, the results show that the antecedents of student experience are higher education service quality and service design. Furthermore, previous studies on the relationship between student experience and student retention (Lekena & Bayaga 2018:167) are also aligned to this study's regression results. A further result of interest was that males significantly differed from females regarding their student experience perceptions. Males agreed more with the student experience statements.

6. MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The suggested managerial implications and recommendations of this study have been formulated based on the data analysis results. In addition, these are discussed within the South African emerging market context to ensure that suggestions are relevant and practical to implement in emerging market PHEIs.

The dropout rate amongst PG students is high in South Africa, especially in the first year of registration (Council on Higher Education 2021). Therefore, PHEIs should implement a strategy to improve student retention. Student experience has found to be an effective strategy for student retention (Gupta & Kaushik 2018:16; James & Yun 2018:119; Lekena & Bayaga 2018:167; Oliveira 2017:314; Wolfe 2020). In addition, since the study found that higher education service quality and service design positively influence student experience, the paper's recommendations focus on strategies for PHEIs relating to improving service quality and service design in order to positively impact student experience for student retention.

- For PHEIs to implement improved higher education service quality, they should ensure that academic staff are competent in providing support to students in terms of consultation, feedback, guidance, encouragement, spaces for creativity, their knowledge and interactions with PG students as well as ensure that this support is provided within the discussed timelines. Regular teaching training and supervision workshops should be conducted for PHEI lecturers and PG research supervisors to prepare them for these higher education service quality measures.

As mentioned before, as service delivery and student experience had the strongest significant relationships with student retention attitudes, the study's recommendations focus on these areas.

- Service design related to efficient study processes and systems. Therefore, service design aspects can be improved by having clear information on PG processes and skills improvement opportunities for students, prompt service delivery and a user-friendly website. It is thus clear that PHEIs' administrative systems should be updated for effective use thereof by students.

- PHEIs should provide student experience improvements in order to improve and reinforce student retention, especially student retention attitudes, which means the chance that students will remain at PHEIs based on institutional perceptions of these institutions. As evident, more positive student experiences are realised with these are feelings of receiving encouragement and assistance from PHEI staff and fellow students. PHEIs should create spaces throughout the student journey where students can ask and share opinions as well as give and receive advice to and from PHEI staff and fellow students. Interactions among PG students are important so that they feel part of the PG student community. Opportunities for these spaces throughout the journey could be created by means of PG workshops, outings, recreational or sporting events.
- It is recommended to further investigate why female students have lower agreement levels when it comes to their perceptions regarding student experience. As male and female PG students may, in the traditional gender sense, have different roles to play in society, these two groups of students may have different perceptions of what is expected from PHEIs in order to have positive experiences during their PG studies journey.

7. LIMITATIONS, FUTURE RESEARCH AND FINAL CONCLUSION

Using web-based questionnaires due to the geographical spread of PHEIs located in South Africa could have limited the in-depth insight that can be gathered with interviews or focus groups. Further research can be conducted to address this limitation such as conducting a longitudinal study to investigate the changes in PG students' perceptions of student experience for student retention over a period of time. The study can be enriched with focus groups for in-depth insights. The socio-economic factors influencing student experience for student retention were not investigated in this study and could be considered for future research.

However, despite its limitations, it is proposed that this study made a vital contribution in terms of providing strategies towards positive student experience for student retention at South African PHEIs. If implemented, the country's PHEIs could increase their student experience and student retention levels positively, and thus reap the benefits of retaining PG students.

REFERENCE LIST

- Aljohani, I. 2016. A comprehensive review of the major studies and theoretical models of student retention in higher education. *Higher Education Studies*, 6(2):1-18. doi: 10.5539/hes.v6n2p1
- Artif, A., Richards, D. & Bilgin, A. 2013. A student retention model: Empirical, theoretical and pragmatic considerations. *Conference paper at 24th Australasian Conference on Information Systems*, 4-6 December 2013, Melbourne.
- Ayuk, P.T. & Jacobs, G.J. 2018. Developing a measure for student perspectives on institutional effectiveness in higher education. *South African Journal of Industrial Psychology*, 44:1-12. <https://doi.org/10.4102/sajip.v44i0.1485>
- Becker, L. 2018. Methodological proposals for the study of consumer experience. *Qualitative Market Research: An International Journal*, 21(4):465-490. <https://doi.org/10.1108/QMR-01-2017-0036>

- Bornschlegl, M. & Cashman, D. 2018. Improving distance student retention through satisfaction and authentic experiences. *International Journal of Online Pedagogy and Course Design*, 8(3):60-77. DOI: 10.4018/IJOPCD.2018070105
- Burke, A. 2019. *Student retention models in higher education: A literature review*. Available from https://www.researchgate.net/publication/280860447_A_Student_Retention_Model_Empirical_Theoretical_and_Pragmatic_Considerations (Date accessed: 28 March 2020).
- Burns, A.C. & Bush, R.F. 2010. *Marketing research*. Upper Saddle River, New Jersey: Pearson.
- Bustamante, J.C. & Rubio, N. 2017. Measuring customer experience in physical retail environments. *Journal of Service Management*, 28(5):884-913. <https://doi.org/10.1108/JOSM-06-2016-0142>
- Cele, N. 2021. Big data early alert systems as means of enhancing university student retention and success. *South African Journal of Higher Education*, 35(2):56-72. <https://dx.doi.org/10.20853/35-2-3899>
- Chong, Y.S. & Ahmed, P. 2013. A phenomenology of university service quality experience: Uncovering the essence of meaning among business undergraduates in Malaysia. *International Journal of Educational Management*, 28(1):36-52. <https://doi.org/10.1108/IJEM-01-2013-0004>
- Chuah, P. & Lim, P. 2018. Applying quality tools to improve student retention supporting process: A case study from WOU. *Asian Association of Open Universities Journal*, 13(1):60-72. <https://doi.org/10.1108/AAOUJ-01-2018-0003>
- Council on Higher Education (CHE). 2021. *VitalStats Public Higher Education 2019*. Available from <https://www.che.ac.za/publications/vital-stats/vitalstats-public-higher-education> (Date accessed: 20 April 2022).
- D'Emidio, T., Klier, J., Wagner, J. & Weber, T. 2019. *The public sector gets serious about customer experience*. Available from <https://www.mckinsey.com/industries/public-sector/our-insights/the-public-sector-gets-serious-about-customer-experience> (Date accessed: 8 October 2020).
- De Jongh, P.J., De Jongh, E., Pienaar, M.P., Gordon-Grant, H., Oberholzer, M. & Santana, L. 2015. The impact of pre-selected variance in ation factor thresholds on the stability and predictive power of logistic regression models in credit scoring. *ORiON*, 31(1):17-37.
- Dziewanowska, K. 2015. Dimensions of real and virtual consumer experiences. *Faculty of Management Working Paper Series 9*, 4:1-56.
- El Alfy, S. & Abukari, A. 2020. Revisiting perceived service quality in higher education: Uncovering service quality dimensions for postgraduate students. *Journal of Marketing for Higher Education*, 30:(1):1-25. <https://doi.org/10.1080/08841241.2019.1648360>
- Fanderl, H. & Maechler, N. 2016. *Why the customer experience matters*. Available at <https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Marketing%20>

and%20Sales/Our%20Insights/Why%20the%20customer%20experience%20matters/Why-the-customer-experience-matters.pdf (Date accessed: 1 June 2019).

- Farhan, B.Y. 2019. Managerial decisions to enhance student/customer retention: The case of Ontario's academic institutions. *Interchange*, 50:155-174. <https://doi.org/10.1007/s10780-019-09351-7>
- Farmer, A.Y. & Farmer, G.L. 2020. *Research methods for social work: A problem-based approach*. Thousand Oaks, California: Sage.
- Fontella, C. 2019. *10 Customer experience statistics & trends to Watch in 2019*. Available from <https://blog.hubspot.com/service/customer-experience-trends> (Date accessed: 8 September 2020).
- Gaffoor, A. & Van Der Bijl, A. 2019. Factors influencing the intention of students at selected TVET college in the Western Cape to complete National Certificate (Vocational) Business Studies programme. *Journal of Vocational, Adult and Continuing Education and Training*, 2(2):23-42. DOI: 10.14426/jovacet.v2i2.70
- Goodman-Bhyat, D. 2017. *South African retailers slacking on customer experience strategy*. Available from <http://www.bizcommunity.com/Article/196/458/163681.html> (Date accessed: 23 May 2020).
- Guilbault, M. 2016. Students as customers in higher education: Reframing the debate. *Journal of Marketing for Higher Education*, 26(2)132-142. <https://doi.org/10.1080/08841241.2016.1245234>
- Gupta, P. & Kaushik, N. 2018. A study on the quality parameters in higher education setting. *Apeejay Journal of Management & Technology*, 13(1):12-20.
- Hair, J., Black, W., Babin, B. & Anderson, R. 2014. *Multivariate data analysis: Pearson new international edition, 7th edn.*, Pearson Prentice Hall, Upper Saddle River, New Jersey.
- Henry, M. 2018. *The online student experience: An exploration of first year university students' expectations, experiences and outcomes of online education*. (Unpublished doctoral thesis), Australia: Edith Cowan University.
- Hwang, J. & Seo, S. 2016. A critical review of research on customers experience management: Theoretical, methodological and cultural perspectives. *International Journal of Contemporary Hospitality Management*, 28(10):2218-2246. <https://doi.org/10.1108/IJCHM-04-2015-0192>
- James, M. & Yun, D. 2018. Exploring student satisfaction and future employment intentions: Case study examination: Is there a link between satisfaction and getting a job? *Higher Education, Skills and Work-Based Learning*, 8(2):117-133. <https://doi.org/10.1108/HESWBL-03-2017-0019>
- Jancy, J. & Burns, S. 2013. Institutional factors and the postgraduate student experience. *Quality Assurance in Education*, 21(3):311-322. <https://doi.org/10.1108/QAE-Nov-2011-0069>

- Jeffery, S., Hancock, R. & Hare, S. 2018. *Designing the student journey and building a student-centric organisation*. Available from <https://www.pwc.com/m1/en/industries/education/publications/reimagining-the-student-journey.pdf> (Date accessed: 24 March 2021).
- Karsten, I., Van Der Merwe, M. & Steenekamp, K. 2020. Empowering accounting students to enhance the self-determination skills demanded by the fourth industrial revolution. *South African Journal of Higher Education*, 34(2):36-58. <https://dx.doi.org/10.20853/34-2-3487>
- Keiningham, T., Ball, J., Benoit, S., Bruce, H.L., Buoye, A., Dzenkowska, J., Nasr, L., Ou, Y. & Zaki, M. 2017. The interplay of customer experience and commitment. *Journal of Services Marketing*, 31(2):148-160. <https://doi.org/10.1108/JSM-09-2016-0337>
- Kennedy, B.L. 2018. *The SAGE handbook of qualitative data collection*. Thousand Oaks, California: Sage.
- Khan, M.K. & Ali, A. 2015. Quality of education in higher educational institutions: A comparative study of perceptions and expectations of business students. *Journal of Quality and Technology Management*, XI(II):137-162.
- Koris, R. & Nokelainen, P. 2015. The student-customer orientation questionnaire (SCOQ): Application of customer metaphor to higher education. *International Journal of Educational Management*, 29(1):115-138. <https://doi.org/10.1108/IJEM-10-2013-0152>
- Koris, R. 2014. *Customer orientation at a higher educational institution: The perspective of undergraduate business students in Estonia*. (Unpublished doctoral thesis). Estonia: University of Technology.
- Lange, G., Wodon, Q. & Carey, K. 2018. *The changing wealth of nations 2018*. Washington DC, Washington: World Bank.
- Latif, K.F., Latif, I., Latif, I., Sahibzada, U.F. & Ullah, M. 2019. In search of quality: Measuring Higher Education Service Quality (HiEduQual). *Total Quality Management & Business Excellence*, 30(7-8):768-791. <https://doi.org/10.1080/14783363.2017.1338133>
- Leedy, P. & Ormrod, J. 2016. *Practical research: Planning and design*. Essex, England: Pearson Education.
- Lekena, L.L. & Bayaga, A. 2018. Trend analysis of first year student experience in university. *South African Journal of Higher Education*, 32(1):157-175. <http://dx.doi.org/10.20853/32-2-1934>
- Malatjie, I. 2020. The role of South Africa's Universities and higher education in entrepreneurship development. *International Conference on Public Administration and Development Alternatives (IPADA)*, 7-9 October 2020, Virtual Conference.
- Mandal, K. & Gupta, H. 2017. Service quality gap measurement in pharmaceutical educational institutes: An empirical analysis for model development. *Indian Journal of Pharmaceutical Education and Research*, 52(3):351-362. DOI: 10.5530/ijper.52.3.41

- Manyanga, F., Sithole, A. & Hanson, S. 2017. Comparison of student retention models in undergraduate education from the past eight decades. *Journal of Applied Learning in Higher Education*, Spring, 7:29-41.
- Martin, F., Ritzhaupt, A., Kumar, S. & Budhrani, K. 2019. Award-winning faculty online teaching practices: Course design, assessment and evaluation, and facilitation. *The Internet and Higher Education*, 42:34-43. <https://doi.org/10.1016/j.iheduc.2019.04.001>
- Mattah, P.A.D., Kwarteng, A.J. & Mensah, J. 2018. Indicators of service quality and satisfaction among graduating students of a higher education institution (HEI) in Ghana. *Higher Education Evaluation and Development*, 12(1):36-52. <https://doi.org/10.1108/HEED-10-2017-0006>
- Mbuva, J.M. 2011. An examination of student retention and student success in high school, college, and university. *Journal of Higher Education Theory and Practice*, 11(4):92-101.
- McColl-Kennedy, J.R., Gustafsson, A., Jaakkola, E., Klaus, P., Radnov, Z.J., Perks, H. & Friman, M. 2015. Fresh perspective on customer experience. *Journal of Services Marketing*, 29(6/7): 430-435. <https://doi.org/10.1108/JSM-01-2015-0054>
- Morgan, B. 2018. *Forbes: Five trends shaping the future of customer experience in 2019*. Available from <https://www.forbes.com/sites/blakemorgan/2018/12/05/five-trends-shaping-the-future-of-customer-experience-in-2019/#1eb3e467b6b1> (Date accessed: 8 March 2020).
- Mzindle, D. 2015. You cannot talk about us without us: A voice from student dropout. *Alternation Special Edition*, 17:77-90.
- Oliveira, S.M. 2017. The academic library's role in student retention: A review of the literature. *Library Review*, 66(4/5):310-329. <https://doi.org/10.1108/LR-12-2016-0102>
- Peng, Y. & Li, J. 2021. The effect of customer education on service innovation satisfaction: The mediating role of customer participation. *Journal of Hospitality and Tourism Management*, 47:326-334. <https://doi.org/10.1016/j.jhtm.2020.12.014>
- Petersen, F. 2021. *Higher education: the vital role of universities on the battlefield of unexpected economic calamities*. Available from <https://www.dailymaverick.co.za/opinionista/2021-09-21-higher-education-the-vital-role-of-universities-on-the-battlefield-of-unexpected-economic-calamities/> (Date accessed: 15 May 2023).
- Polonsky, M.J. & Waller, D.S. 2019. *Designing and managing a research project: A business student's guide*. 4th edn., Thousand Oaks, California: Sage.
- Ramrathan, L. & Pillay, D. 2015. Re-imagining and expanding the discourse of student access, throughput and attrition within the South African higher education context. *Alternation Special Edition*, 17:6-27.
- Roberts, J. 2018. Professional staff contributions to student retention and success in higher education. *Journal of Higher Education Policy and Management*, 40(2):140-153. <https://doi.org/10.1080/1360080X.2018.1428409>

- Saunders, M.N.K., Lewis, P. & Thornbill, A. 2019. *Research methods for business students*. 8th ed. Harlow, Essex: Pearson.
- Schmitt, B. & Zarantonello, L. 2015. Consumer experience and experiential marketing: A critical review. *Review of Marketing Research*, 10:25-61. [https://doi.org/10.1108/S1548-6435\(2013\)0000010006](https://doi.org/10.1108/S1548-6435(2013)0000010006)
- Scott, G. 2005. *Accessing the student voice: Using CEQuery to identify what retains students and promotes engagement in productive learning in Australian higher education*. Available from https://www.uws.edu.au/__data/assets/pdf_file/0010/63955/HEIPCEQueryFinal_v2_1st_Feb_06.pdf (Accessed 4 December 2020).
- Shadfar, S. & Malekmohammadi, I. 2013. Application of Structural Equation Modeling (SEM) in restructuring state intervention strategies toward paddy production development. *International Journal of Academic Research in Business and Social Sciences*, 3(12):576-618. <http://dx.doi.org/10.6007/IJARBSS/v3-i12/472>
- Sondlo, M. 2013. *A comparative study of student retention and throughput in a postgraduate distance education programme*. (Unpublished Masters Dissertation). South Africa: University of Pretoria.
- Stukalina, Y. 2016. Modelling student satisfaction and motivation in the integrated educational environment: an empirical study. *International Journal of Educational Management*, 30(6):1072-1087. <https://doi.org/10.1108/IJEM-01-2015-0008>
- Tan, A.H.T., Muskat, B. & Zehrer, A. 2016. A systematic review of quality of student experience in higher education. *International Journal of Quality and Service Sciences*, 8(2):209-228. <https://doi.org/10.1108/IJQSS-08-2015-0058>
- Teixeira, J., Patricio, L., Nunes, N.J., Nóbrega, L., Fisk, R.P. & Constantine, L. 2012. Customer experience modelling: From customer experience to service design. *Journal of Service Management*, 23(3):362-376. <https://doi.org/10.1108/09564231211248453>
- Van Der Akker, W. & Spaapen, J. 2017. Productive interactions: Societal impact of academic research in the knowledge society. *LERU position paper*. Available from <https://www.leru.org/publications/productive-interactions-societal-impact-of-academic-research-in-the-knowledge-society> (Date accessed: 22 April 2020).
- Wagner, W.E. III & Gillespie, B.J. 2019. *Using and interpreting statistics in the social, behavioural and health sciences*. Thousand Oaks, California: Sage.
- Wolfe, K. 2020. Service design in higher education: A literature review. *Perspectives: Policy and Practice in Higher Education*, 24(4):121-125. <https://doi.org/10.1080/13603108.2020.1792573>

REVITALISING THE SOUTH AFRICAN WOODEN FURNITURE MANUFACTURING INDUSTRY IN THE SOUTHERN CAPE

Marianne Doubell

Richard Muller

ABSTRACT

Weakened by growing headwinds, the once thriving Southern Cape furniture manufacturing industry has lost its competitive edge (Brink & Rayner 2008; Business Tech 2018; Department of Trade and Industry 2014; 2016). The closing of several furniture manufacturing firms led to job losses and also negatively affected businesses in the supply chain. The International Labour Organization (2021) cautions that the damaging impact of negative occurrences in any market suppresses the potential for economic growth and development. The impact is more intensely experienced in emerging markets and developing economies (EMDEs). Furniture manufacturing firms in South Africa are mostly classified as small businesses and therefore more vulnerable than those in more advanced economies to the ripple effects of negative occurrences (International Labour Organization 2021; World Bank 2022).

The target population for the study included furniture manufacturing firms, furniture retailers, timber suppliers, and industry experts. A mixed method approach was employed to collect both quantitative and qualitative data on the status quo of the local industry. In response to the present economic contraction of the wooden furniture manufacturing industry in the Southern Cape; existing resource accessibility; and current marketing approaches employed, the purpose of this explorative research was to suggest managerial implications for revitalising the industry.

Key words/phrases: furniture, industry revival, market competitiveness, market disruptions, resource accessibility.

1. INTRODUCTION AND PROBLEM STATEMENT

Furniture manufacturing firms (FMFs) in South Africa are mostly classified as small businesses. As such, they not only face challenges associated with operating in an emerging economy, they are also more vulnerable than advanced economies to the ripple effects of negative occurrences that disrupt business. Diseases and political events are known to suppress the potential for economic growth and development, more intensely experienced in emerging markets and developing economies (EMDEs) (International Labour Organization 2021; World Bank 2022). The Covid-19 pandemic and the Russian/Ukrainian conflict has as a result severely impacted small business in South Africa and has exacerbated the already deceleration in output from FMFs (Munemo 2022). The International Labour Organization (2021) further cautions that the survival of small business firms following a crisis extends beyond short-term disruption, which can potentially erode future economic growth and social stability.

The Southern Cape region of the Western Cape Province, historically known for its quality timber resources and products, was previously a major role player in the Western Cape regional economy. The output and productivity of the once thriving Southern Cape furniture manufacturing industry has however been weakening since 1998 (Brink & Rayner 2008; Business Tech 2018; Department of Trade and Industry 2014; 2016). As a labour-intensive industry, furniture manufacturing potentially provides a range of employment opportunities (Van Loggerenberg 2017). Furniture exports furthermore contribute to foreign currency inflows into the country. The Department of Trade and Industry (DTI) (2014; 2016) however

report that FMFs are no longer performing competitively in the manufacturing and sales of furniture products. The closing of several furniture manufacturing firms not only led to job losses within the industry, but the reduced output also negatively affected businesses in the supply chain that offer specialised services such as tool sharpening, transport, and engineering (Van Loggerenberg 2017).

In response to the present economic contraction of the wooden furniture manufacturing industry in the Southern Cape; existing resource accessibility; and current marketing approaches employed, the purpose of this explorative research was to suggest managerial implications for revitalising the industry.

2. RESEARCH OBJECTIVES

The primary objective of the study was to determine measures that can be taken to revitalise the performance of FMFs in the Southern Cape in terms of input, production, output, and sales. To achieve the primary objective, the secondary objectives were as follow:

SO₁ To assess the current accessibility of wooden furniture manufacturing resources in the Southern Cape;

SO₂ To determine the efficacy of current marketing strategies employed by FMFs in the Southern Cape; and

SO₃ To identify managerial implications for the wooden furniture manufacturing sector based on the findings of the study.

3. LITERATURE OVERVIEW

A literature review of wooden FMFs emphasise the importance of geographical location for optimal performance, due to the effect that high transportation cost has on timber investment returns (Audy, Rönqvist, D'Amours & Yahiaoui 2023; Chimucheka & Mandipaka 2015; Keramati, Lu, Sobhani & Haji Esmaeli 2020; Nieman & Nieuwenhuizen 2014). The literature further points to a range of resources essential to wooden furniture manufacturing, as well as the requisite for product marketing. These aspects are briefly discussed in the paragraphs that follow.

3.1. AVAILABILITY OF TIMBER

In South Africa, commercial timber is extracted from established plantations, covering approximately 1.3 million hectares planted with exotic softwood (*Pinus*) and hardwood (*Eucalyptus* and *Acacia*) (Ledger 2017). An inadequate log supply, constraining both present demands and future needs, is however an increasing concern, expected to intensify with promoting wood as alternative source for green building and energy supply (Department Trade, Industry and Competition 2020). Additional factors that affect the supply of timber include climatic conditions; veld fires; soils; and regulations (Ledger 2017).

3.1.1. Climatic conditions

Climate change will foreseeably have a large impact on forests globally, with ecosystems likely to transform in structure and composition in the future (Tian, Sohngen, Kim, Ohrel & Cole 2016). Chugunkova and Pyzhev (2020) state that forest degradation is accelerated by factors

such as drought, wind storms and shortening soil frost duration, which negatively affect the forest.

3.1.2. Forest fires

Forest fires, exacerbated by climate change, are the biggest threat to the availability of timber in the Southern Cape, accounting for over 80 percent of timber losses within plantations in South Africa (Chugunkova & Pyzhev 2020).

3.1.3. Soils

Soil affects the growth and yield of timber from commercial and native forests. According to Louw (1991) the Southern Cape region has soil with low fertility characteristics which present multiple nutritional imbalances, as well as low water-holding capacities, both of which retard the growth of trees for commercial forests.

3.1.4. Regulations

Forestry in South Africa is a highly regulated industry and is subject to National Forests Act 84/1998 that regulates land use, and the Water Act 36/1998 that regulates water use (Ledger 2017). Difficulty in the licensing of forests and obtaining environmental approval has hampered the development of new forestry plantations.

3.2. HUMAN RESOURCES

The performance and competitiveness of furniture manufacturing firms are anchored in the level at which they invest in human capital (Ameyaw, Peprah & Anowuo 2019). An appropriately skilled and productive workforce, together with technological innovation, is a determinant factor for manufacturing competitiveness (Williams, Cunningham & De Beer 2014). Williams et al. (2014) further claim that advanced equipment and new technologies require workers with high competence levels. A skills shortage however continues to affect furniture manufacturing firms in the Southern Cape in the absence of local furniture manufacturing training institutions accredited by Fibre Processing & Manufacturing Sector Education Training Authority (FP&M SETA) (Garisch & Spies 2017).

3.3. MACHINERY AND TECHNOLOGY

The efficiency and conversion rates of sawmills are crucial for maintaining a sustained timber supply (Caldera & Amarasekera 2015; Ledger 2017; Ofoegbu, Ogbonnaya & Babalola 2014). The fourth industrial revolution (4IR) brought about a significant improvement in furniture manufacturing processes through innovative technologies in the field of digitalisation and automation (Talić & Čehić 2019). These include artificial intelligence in combination with information communication technology, cyberspace virtual systems and cyber physical systems, to form an intelligent furniture factory (Wang, He & Xu 2017). Other benefits include lower wastage of resources, rapid response to market demand, lower labour, and lower logistics costs (Wang et al. 2017). Flexible and versatile robotic equipment can furthermore be used to perform dangerous and strenuous tasks safely, increase competitiveness and reduce costs (Bahrin, Othman, Azli & Talib 2016; Wang, et al. 2017).

3.4. ACCESS TO FINANCIAL RESOURCES

Firms require finance from the establishment stage through to the growth stage (Madula 2017; Ngcobo 2017; Penttilä & Ankrah 2017). Private financing is mainly provided by the commercial banks, retail banks and financial credit schemes. Access to finance for small firms is however often hindered due to incomplete collaborative information such as accounting records and financial statements (Ngcobo 2017). Although multiple public funding programmes created through government support schemes exist, small firms are frequently not aware of them (Boateng & Poku 2019; Rungani & Potgieter 2018).

3.5. ENERGY RESOURCES

The South African Electricity Supply Commission (Eskom), currently South Africa's main power supplier, relies on the supply of coal to generate electricity. Regular power cuts due to coal shortages and generation capacities since 2007 have hampered the development of firms by disrupting work and shutting down equipment (Dyasi & Phiri 2019; Kimemia & Annegarn 2013). The inadequate power supply can be alleviated by switching to solar, wind and biomass energy (Barnard 2014; Middleton 2018). To address this, South Africa's Just Energy Transition (JET) Investment Plan paves the way for phasing out fossil fuels and investing in renewable and green energy sources (Van Diemen 2022).

3.6. TRANSPORT INFRASTRUCTURE IN THE SOUTHERN CAPE

Efficient transport systems with a shortened turnaround time on delivery reduce transport costs, which thereby positively affects the profitability of firms (Lombard, Behrens & Viruly 2017). The Southern Cape has sufficient road transport, with a total length of 1538 km (George Municipality 2018). George Airport further facilitates faster delivery of furniture products to markets.

George, Mokoena and Rust (2018) emphasise the strategic importance of good rail networks for cost-effective and efficient transportation of goods. South Africa has an extensive rail network, however, insufficient funding for maintenance have led to its deterioration, exacerbated by an increasing trajectory in theft and vandalism (George, Mokoena & Rust 2018; Mathabatha 2015). In addition to road, air, and rail networks, the Mossel Bay Port in the Southern Cape is able to handle commercial vessels and provides a direct link to important markets and industrial zones in South Africa (Transnet 2018).

3.7. SKILLS DEVELOPMENT PROGRAMMES

Bhattacharyya and Mukherjee (2019) argue that business success in the manufacturing industry is reliant on both theoretical knowledge and the appropriate skills for the task. The furniture manufacturing industry in South Africa has however been negatively affected by a skills shortage, especially furniture designers, wood machinists, upholstery, and machine operators (The Department of Trade and Industry 2016). Emerging markets are further hindered by a scarcity in management and entrepreneurship skills; technical knowledge; and market research (Chimucheka & Mandipaka 2015; Ledger 2017). According to Ledger (2017), the average age of the skilled worker in the furniture manufacturing industry in South Africa is close to retirement age, while the number of skilled employees to replace them is inadequate.

The Furniture Technology Centre Trust (Furntech) was established in South Africa under the accreditation of the FP&M SETA in 2000 to improve technical skills and incubate furniture

manufacturing firms (Furntech n.d.). The facility which officially opened in the Southern Cape, George in 2002, however relocated to Cape Town in 2009, leaving the furniture industry with very limited training facilities in the area (Garisch & Spies 2017; Kraak 2017).

3.8. MARKETS

Globalisation and competition from the Chinese low-cost standardised furniture industry have impacted the furniture industry since the 1980s and 1990s (Barnard 2014; Kraak 2017). By 2016, furniture retailers in South Africa had lost over fifty-four percent of the market share they possessed in 2005 (Bureau of Market Research 2018). In the Southern Cape, many furniture manufacturing firms closed, whilst others continue to struggle.

Furniture manufacturing firms in South Africa appear to have good potential export markets in the European Union (EU) and in other parts of Africa such as West Africa (Ledger 2017). However, the EU has strong regulations around the provenance of wood and timber products imported into the EU and export is regulated through a certification scheme (Ledger 2017). Despite the challenges, it remains crucial for furniture manufacturing firms to be part of the global value chain Munemo (2022). Munemo (2022) argues that international trade integration into parts of the value chain provides opportunities for specialisation, diversification, and enhanced access to capital and technology.

3.9. PRODUCT MARKETING

Marketing trends have evolved over decades from traditional advertisements to email marketing in the 1990s and to social media platforms at the turn of the 21st century. Social media platforms exploitable to businesses for marketing their brand have burgeoned over the past decade. An online presence on platforms such as Facebook, blogs, TikTok and YouTube enables businesses to not only increase their local visibility, but to also establish or expand their national and global geographic reach. Li, Larimo and Leonidou (2020) argue that the role of social media has evolved to a marketing intelligence source, enabling firms to scrutinise and forecast customer behaviours. Marketers can thus leverage social media to attain competitive advantage. According to Li et al. (2020), it is imperative to not only have a social media presence, but to integrate this with the firm's marketing strategy, thus developing a social media marketing strategy (SMMSs) which entails engaging with customers and building long-term relationships. The ability of businesses in emerging market economies (EMEs) to develop a SMMS, is however challenged by limited resources (Rana 2020). A further limitation for EMEs is lack of information and experience in international marketing (Samiee & Chirapanda, 2019). Existing skills development programmes mostly do not include training in international marketing strategy.

4. RESEARCH DESIGN AND METHODOLOGY

The research design provides a framework for collecting, measuring, and analysing data (Sekaran & Bougie 2016). Due to the dearth of published literature on the topic, the research conducted for this study was explorative. The study investigated the extent to which the Southern Cape has the resource accessibility to perform competitively in wooden furniture manufacturing. The study further explored the nature of current marketing strategies that SC FMFs employed and the extent to which they were perceived to be efficient. A mixed method approach was employed, therefore both qualitative and quantitative data were collected. An interpretive paradigm was selected to interpret qualitative data collected and a positivist paradigm was used for the quantitative component of the study.

4.1. STUDY AREA

The study was conducted in the Eden District Municipality situated in the Southern Cape. This area incorporates the local municipalities of Kannaland (Ladismith, Calitzdorp and Zoar), Hessequa (Riversdale, Heidelberg, Albertinia, and Still Bay), Mossel Bay, George, Oudtshoorn, Bitou (Plettenberg Bay) and Knysna (Eden District Municipality 2017). Figure 1 presents the five areas included for the current study. The furniture industry was historically well established in the George, Knysna, and Plettenberg Bay corridor.

FIGURE 1: MAP OF THE SOUTHERN CAPE INDICATING AREA OF STUDY



Source: Afrigis (2019)

4.2. POPULATION AND SAMPLING METHOD

The target population for the study was limited to furniture manufacturing firms, furniture retailers, timber suppliers, and industry experts in George, Knysna, Plettenberg Bay, Mossel Bay, and Riversdale. Participants were either the owner, or a high-ranking manager of the firm. Table 1 presents a summary of participants.

TABLE 1: SUMMARY OF PARTICIPANTS

Participants	Participants' code name	Number of participants	Research instrument
Furniture manufacturing firms	FMF	25	Questionnaire
Furniture retailers	FR	10	Interview schedule
Timber suppliers	TS	5	Interview schedule
Industry Experts	IE	12	Interview schedule

Source: Own construction

Simple random sampling was adopted to select furniture manufacturing firms from a list obtained from Garden Route Furniture Manufacturing Association to collect both qualitative and quantitative data using a questionnaire. The targeted sample size was thirty furniture manufacturing firms, however, twenty-five responded to the request to participate in the research.

Sampling methods to select participants for the semi-structured interviews included purposive and snowball sampling. Snowball sampling was used in conjunction with purposive sampling because the study was explorative, and it allowed for selecting participants using referrals (Newing 2011). As shown in Table 1, an interview schedule was used to conduct interviews with participants from furniture retail shops, timber suppliers, and industry experts to collect qualitative data. The schedule was semi-structured to allow for delving deeper into topics.

4.3. DATA COLLECTION

Ethical approval for the study was granted by the Nelson Mandela University (NMU) (Clearance reference number H19-SCI-NRM-002). Informed consent was obtained from participants prior to collecting data. Respondents were ensured that participation was voluntary and that they would remain anonymous.

Quantitative data was collected using a self-administered questionnaire containing interval scale and dichotomous questions. Open-ended questions were included to collect qualitative data. Data was collected on demographic information, firm information, timber resources, human resources, machinery and technology, financial resources, energy resources, transport infrastructure, skills development programmes, and markets. Semi-structured interviews were conducted using an interview schedule to collect qualitative data from 27 participants, as indicated in Table 1.

4.4. DATA ANALYSIS

Statistical tests on empirically collected qualitative and quantitative data were conducted to determine whether sufficient evidence existed to draw conclusions on the postulated association between local resource availability and the performance of FMFs in the Southern Cape. The IBM SPSS Statistics system was used to analyse quantitative data obtained from the questionnaires. The quantitative data was entered in a Microsoft Excel spreadsheet in string format and thereafter exported to the IBM SPSS software. The data was used to conduct a chi-square test to test for associations between variables (see Table 2) identified in previous studies to influence performance.

Qualitative data was analysed using ATLAS.ti software. Recordings were first exported into the ATLAS.ti system and transcribed to generate codes, search for themes, and lastly, reporting the findings. Each factor had a code family where codes and code descriptor or rules were created to allocate meaning and context under a proper code family.

5. RESULTS

Empirical data analysis employed included both statistical analysis and content analysis.

5.1. QUANTITATIVE RESULTS

Quantitative data was collected from twenty-five FMF respondents. Descriptive statistics were calculated, and a Chi-square test conducted.

5.1.1. *Demographic profile of participants*

Ninety-two percent of participants were men, pointing to a need for greater gender inclusivity in Southern Cape FMFs. Eighty-eight percent were in possession of at least a matric qualification, with the majority (52%) in possession of a degree or diploma. Seventy-two

percent were owners, who either were a founder, or have inherited, or acquired the firm. Fifty-six percent had more than fifteen years' experience in furniture manufacturing and twenty-eight percent had less than 10 years' experience. This may be indicative of the low entry of young innovative entrepreneurs into the industry. Most (92%) of the furniture manufacturing firms in the Southern Cape are either small-sized or micro-firms. Furniture manufacturing activity is mainly in George (36%), followed by Riversdale (24%), and Plettenberg Bay and Knysna (20%) each. There were no furniture manufacturing firms in Mossel Bay at the time of the research.

5.1.2. Descriptive results pertaining to resources

- Timber resources

The results show that softwood, especially the Pinus species, was used most frequently (19.3%) for furniture manufacturing. The most frequently used hardwood species are oak (18.2%), and blackwood (14.8%). Twelve percent of the participants used entirely softwood, while eighty-eight percent used both softwood and hardwood. Participants rated the quality of timber sourced from timber suppliers on a scale of one to five. A reasonably high mean score of 3.52 for quality was obtained.

- Human resources

Eighty percent of the participants indicated that there is a critical shortage of skilled labour for furniture manufacturing in the Southern Cape. Skills shortages most prevalent are furniture making (woodworking) (34%), spray painting (17%), machining (14%), and furniture design (12%). Most (72%) employees did not attend any off-site training to advance their skills as managers prefer in-house or on-the-job training. Furthermore, twenty-one (84 percent) of the participants claim that there are no training institutions that offer cabinet making, woodwork, or furniture manufacturing courses in their locality.

- Machinery and technology

Only 64 percent of participants indicated that they had purchased new machines during the previous five years. These were however mostly manual machines (56.3%), with 37.5 percent semi-automatic and only 6.25 percent automatic computerized numerically controlled (CNC). In addition to the high cost of automation, the reluctance to invest in automated machines was attributed to a lack of skilled machine operators.

- Financial resources

Most participants (60 %) indicated that access to finance is not very challenging as most banks have branches in the Southern Cape. Sixteen percent however stated that the cost of borrowing is too high and four percent raised concerns related to red tape. More than half (52%) of the participants appeared to be unaware of government led financial institutions and incentive schemes available to furniture manufacturing firms.

- Transport infrastructure

Although Southern Cape is accessible by means of sufficient roads, a port and an airport, participants highlight that the Southern Cape is far from major markets. Eighty-six percent indicated that transport costs are high due to the long distances from the Southern Cape to

major markets.

- Market

Data was collected from participating firms regarding both the local market, and export target markets. Fifty-six percent (14) reported that their target market is high-end. Sixty percent (15) indicated that they supply furniture to both the local and export markets, whilst forty percent (10) supply furniture to the local market only. Exports made to other markets were, however, individual purchases in limited volumes through the internet.

- Product marketing

Participating firms marketed their furniture products mainly through social media such as Facebook and Instagram (68%) and the internet (52%). Only two participants (8%) displayed their products at exhibitions to market their furniture products and none of the participants used television media.

- Development programmes

Fifty-two percent (13) of the participants were not satisfied with the support of government for development programmes. This could however be ascribed to a lack of awareness of the availability of government support.

5.1.3. Chi-square test results

Chi-square tests were conducted to determine if there is a significant relationship between the performance of furniture manufacturing firms in the Southern Cape and factors asserted in the literature to affect performance. The results are presented in Table 2.

TABLE 2: CHI-SQUARE TEST RESULTS FOR FACTORS RELATED TO PERFORMANCE OF SOUTHERN CAPE FURNITURE MANUFACTURING FIRMS

Main factors	Chi-square Test results(2-sided)	
Timber	df=4	0.012
Human resources	df=4	0.0095
Machinery	df=4	0.0085
Financial resources	df=4	0.0080
Access to local market	df=3	0.272
Access to export market	df=16	0.621
Development programmes	df=45	0.018

Significance level = 0.05

Source: Own construction, based on analysis

As illustrated by p-values presented in Table 2, a significant difference was found on five factors, namely: availability of timber (p=0.012); availability of human resources (p=0.0095); machinery (p=0.0085); availability of financial resources (p=0.0080); and development programmes (p=0.018). Factors that show no significant differences include access to the local market (p=0.272); and access to export (p=0.621). The latter two factors included transport infrastructure.

5.2. QUALITATIVE RESULTS

The ATLAS.ti software was used to analyse qualitative data collected. Code family, code, and descriptors or rules were created in ATLAS.ti (see Table 3). To determine significance of a particular factor, frequency counts and code co-occurrence was done in ATLAS.ti. Data was collected from furniture manufacturing firms (code name FMF), furniture retail companies (code name FR), Industry Experts (code name IE), and timber suppliers (code name TS). A deductive and inductive approach was employed for data analysis. Inductive coding was used to analyse emergent findings or factors. Data are presented thematically based on common trends and sub-themes that emerged from interviews.

TABLE 3: CODE FAMILIES AND DESCRIPTORS FOR QUALITATIVE DATA

Code family	Code	Code descriptor/rule
Timber	Resources (timber availability)	Reference to the availability of timber for furniture manufacturing firms (FMFs) in the Southern Cape (SC)
Capital (financial)	Resources (capital availability)	Reference to the ease of access to capital for FMFs in the SC
Human resources	Resources (skilled labour availability)	Reference to the availability of skilled labour for FMFs in the SC
Location	Location (available infrastructure)	Reference to availability of infrastructure that supports the performance of furniture manufacturing in the SC
Market	Local market	Reference to availability of local market for FMFs in the SC
	Product marketing	Marketing manager/officer/agent
	Wooden furniture imports	Reference to prevalence of import of furniture products for FMFs in the SC
	Export market	Reference to exploitation of export market for FMFs in the SC
	Accessing export market	Reference to ease of accessing the export market for FMFs in the SC Reference to lack of knowledge
Development programmes	Skills development programmes	Reference to availability of skills development programmes
	Performance development programmes	Reference to development programmes improving performance of FMFs in the SC

Source: Own construction, based on analysis

The following section presents transcribed responses collected from semi-structured interviews and FMF responses to open-ended questions.

- Timber resources

Furniture manufacturing firms highlighted that it is becoming increasingly challenging to secure locally grown indigenous hardwood timber and that contracted companies harvest and extract a negligible volume of timber from indigenous forests. In support Industry Expert 2 (IE2) said:

“...the current company that was awarded a tender to harvest and extract locally grown hardwood has shown lack of capacity of executing the tender awarded.”

- Human resources

Participants ascribed the shortage of skilled labour to the trend amongst the youth to aspire mainly to white-collar jobs. They indicated that the current generation has fewer young people who are interested in taking furniture manufacturing as a career. In support, IE2 said:

“...furniture manufacturing is no longer seen as a career of choice and there is a need to make furniture manufacturing interesting for example having a designcentre equipped with automated programmes such as AutoCAD.”

This concurs with the observation made by participants from furniture retail shops in the Southern Cape who claim that:

“...local furniture manufacturing firms in the Southern Cape are producing products with outdated designs which are not attractive, and this could be because the people in furniture manufacturing firms are from old generation.”

IE2 discussed one of the major causes by saying that:

“...furniture manufacturing firms in the Southern Cape are not paying competitive rates and this makes the majority of people not to be motivated to work in most furniture manufacturing firms in the Southern Cape.”

FMF participants highlighted the absence of training facilities in the Southern Cape due to the relocation of Furntech at Nelson Mandela University, George Campus to Cape Town in 2009. Furniture manufacturing firms in the Southern Cape cannot afford to send their staff for training to Cape Town due to high costs such as accommodation, transport and production downtime which is accrued whilst the staff member is away on training. FMF participants argued that it is more cost-effective to do on-the-job training. These claims are supported by Garisch and Spies (2017), Kraak (2017) and Ledger (2017), who claim that the Southern Cape has no furniture manufacturing programmes accredited by FP&M SETA or formalised training.

Furniture manufacturing firms also raised concern about the high levels of absenteeism:

“...People are not motivated to work and it is difficult to get people with work ethics who are committed to doing their jobs because at the end of the month they still get social grants.”

These claims are inconsistent with a report by Ferreira (2017) which indicates that there is little empirical evidence to support that grants make people lazy and dependent on the government.

- Machinery

Two out of twenty-five FMFs indicated that they have computer numerical control machines (CNC). The results show that furniture manufacturing firms in the Southern Cape are mostly equipped with manual machines due to a lack of funding to upgrade. The results resonate with findings by Kraak (2017) who finds that upgrading traditional manufacturing sectors such as furniture manufacturing, heavily depends on training institutions, technology, and quality diffusion centres. The lack of training institutions accredited to offer furniture making courses, technology, and innovation centres is deterring the technological advancement of furniture manufacturing firms in the Southern Cape. In support, Chimucheka and Mandipaka (2015) claim that firms often face challenges of accessing appropriate technologies and information.

- Financial resources

Furniture manufacturing firms were probed on the ability to access finance. The general comment was that it is not difficult to access financial resources in the Southern Cape. However, one FMF participant made the following remark:

“...it is difficult to get funding for your firm because banks no longer have personalised relationships with companies, contrary to previous years where companies would engage with banks. Personal relationships with bank managers would yield some level of attention to your business thereby getting sound financial advice because the bank manager will be in full understanding of your business needs. Currently, banks now have almost the same rules and procedures that treat businesses the same whether big or small.”

This statement may indicate that there is a disjoint between the financial sector and the Southern Cape furniture-manufacturing sector. Another FMF participant said:

“...most financial schemes that are government-related only consider applications that are above R1 million hence small businesses struggle to access finance.”

The comments above illustrate that there is a lack of information on institutions that offer financial assistance to micro, small, and medium enterprises, which are the categories within which most furniture manufacturing firms in the Southern Cape fall under. The Department of Small Business Development assists micro, small, and medium-sized businesses that require business loans ranging from fifty thousand rands to five million rands (Hendricks 2019).

It was noted that not all participants who knew of a financial scheme, applied due to reasons of red tapes in connection with broad-based black economic empowerment (BBBEE). One of the FMF participants was quoted saying:

“...the BEE programme is racially selective and me being white, most government-led financial programmes for entrepreneurs excludes white South Africans hence I don't make effort to participate in any government-related entrepreneurship programmes that can assist my furniture manufacturing firm.”

- Market

There is potential for furniture manufacturing firms in the Southern Cape to penetrate other markets. However, this is dependent on the ability of Southern Cape furniture manufacturing firms to produce furniture products that are competitive in the local and export market.

- Local market

FMFs highlighted the challenges related to competition and the influx of Asian imports in most South African markets. This finding corroborates with Edwards and Jenkins (2015) who state that furniture imports from China grew from 6.1 percent of the total imports in the year 2000 to 48.1 percent in 2010. One of the reasons for this growth was found in the same response from three FMF participants, namely:

“...local customers believe that products made outside of South Africa have superior quality than locally made products.”

Industry Expert one (IE1) outlines the same thoughts in support of the above statement.

“...people in the market think that if something is made from countries like Europe, it is of superior quality whilst local furniture manufacturing firms can meet the same quality levels.”

However, interviewee FR1 attributes the change to a young generation who prefers more affordable products. Other FR participants expressed concern about the dated designs of locally produced products. However, IE2 had a different view, highlighting that:

“...furniture produced by furniture manufacturing firms in the Southern Cape is designer furniture and the quality is very good. The challenge is that the Southern Cape high-end market is very small, hence it is important to penetrate into other local markets like Cape Town or markets in Gauteng Province.”

All FMF participants highlighted that they did not employ a substantive marketing manager or officer; marketing is done through agents and interior designers. Ninety- two percent of FMF participants indicated that they sell to customers directly and eight percent of FMF participants operate their own furniture retail shops in the Southern Cape. Only one furniture manufacturing participant confirmed that they have a retail shop in the Southern Cape and outside of the Southern Cape. The reason 80 percent of FMF participants provided for not selling to retail outlets who buy in bulk, was insufficient capacity for producing the quantities ordered by furniture retail outlets in South Africa.

- Export market

Challenges faced by FMFs in the export market, was major competition from Asian furniture producers. In support, IE1 said that:

“...furniture manufacturing firms in the Southern Cape are facing challenges of access to markets and competition from Asian furniture producers because furniture producers from Asian countries like China are subsidised and incentivised by their government. This creates the capacity and ability for Chinese furniture manufacturing firms to produce furniture products that are competitive in the global markets.”

Government support enables furniture manufacturing firms in China to achieve economic order quantities at low production costs (Van Niekerk 2019). IE1 commented, saying:

“...currently South African furniture manufacturing firms cannot compete in the global markets. However, there is an opportunity for Southern Cape furniture manufacturing firms to export their furniture products to countries like Australia.”

Niche markets could be created in countries that do not have furniture products produced from South African indigenous timber like yellowwood or ironwood. These indigenous timbers are managed and harvested on accredited sustainable principles. Southern Cape FMFs must therefore look for something unique that China cannot duplicate or replicate as far as furniture manufacturing is concerned (Van Niekerk 2019). In support, IE2 claimed that there are opportunities to supply to other African countries such as Namibia, Mozambique, or Mauritius. However, IE2 said:

“...indigenous timber resources in the Southern Cape are mainly concentrated in the Knysna area, but currently there is no active harvesting taking place. Such disturbances in the supply chain affect the furniture manufacturing firms, hence the furniture produced by Southern Cape

furniture manufacturing firms become uncompetitive in the global market because furniture manufacturing firms in the Southern Cape have failed to adapt to market changes.”

IE2 further suggested that access to export markets could be achieved if efforts to market products were done collectively. However, the IE1 highlighted that Wesgro (official tourism, trade and investment promotion agency for Cape Town and the Western Cape) has an Export Advancement Programme (EAP), which educate firms on the basics of gaining access to international markets and the opportunities available in the international market.

- Development programmes

FMFs indicated that support structures are available in the form of government institutions such as Local Municipality Economic Development departments, SEDA and DTI. Table 4 presents the responses of Industry Experts.

TABLE 4: RESPONSES OF INDUSTRY EXPERTS ON SUPPORT OFFERED

Participants	Support offered
Industry expert 2	<ul style="list-style-type: none"> • We are assisting local furniture manufacturing firms to form a cluster. • We have funded for development of a cluster for furniture manufacturing firms. • We are in the process for engaging EU to fund the cluster and officials from EU have since visited. • We are investing in marketing and consumer education to furniture manufacturing firms. • We are offering subsidies for apprenticeship programmes to furniture manufacturing firms. • We paid a retired qualified furniture maker to train unemployed people. • Incentives are available for firms from all sectors and furniture manufacturing firms can benefit from those incentives.
Industry expert 3	<ul style="list-style-type: none"> • We have an organisation that coordinate and facilitate between all municipalities in the region. • We organised an export development programme in which all firms from different sectors were expected to participate. • Currently we don't have specific policies and development programmes for furniture manufacturing firms in the Southern Cape. • Our role as an organisation is to develop strategies and programmes for conducive environment. • We are yet to transition to look at specific sectors to come up with specific intervention programmes.
Industry expert 6	<ul style="list-style-type: none"> • Currently as an organisation we are not aware of any needs from the furniture manufacturing firms in our locality. • We organised a roadshow with the support of DTI but the turn up was poor. • We are aware of furniture manufacturing firms in the town and furniture manufacturing firms are aware of our organisation but there is no proper communication. • We called out for firms to bring their products for showcasing in George but only two brought their products.
Industry expert 7	<ul style="list-style-type: none"> • Currently we are in the process of coordinating and facilitating the formation of a cluster for furniture manufacturing firms in the Southern Cape.
Industry expert 8	<ul style="list-style-type: none"> • We have one furniture manufacturing firm we assisted by subsidizing for workspace. • We assist by advising and writing loan applications to expand their firms, but most people are not willing to take the risk. • We also assist firms on compliance for example tax returns. • No one approaches us for any assistance especially from furniture manufacturing firms.
Industry expert 9	<ul style="list-style-type: none"> • We don't have any policies and incentives for furniture manufacturing firms, currently our focus is on Tourism industry.

Source: Own construction, based on analysis

Industry Expert 5 (IE5) indicated that cooperation and participation of furniture manufacturing firms on matters that improve their performance is not satisfying. IE5 supported the claims by providing the minutes of one of the meetings held which indicated that:

“...person X expressed concern that only one furniture manufacturing firm was present although eight others accepted the invitation to the meeting.”

This statement is of concern, as it points to a lack of interest from furniture manufacturing firms on programmes meant for the development of the furniture manufacturing industry in the Southern Cape.

6. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The integrated results, followed by managerial implication are presented here.

6.1. CONCLUSIONS

Conclusions were drawn from integrating the results of the quantitative and qualitative analysis, presented in Table 5.

TABLE 5: INTEGRATED QUANTITATIVE AND QUALITATIVE RESULTS

Resource	Result
Timber	Quantitative: Significant p-value of 0.012
	Qualitative: A shortage of hardwood timber in the Southern Cape necessitated import through an agent, resulting in higher input costs.
Human	Quantitative: Significant p-value of 0.0095.
	Qualitative: Production is constrained by a shortage of skilled labour.
Financial/capital	Quantitative: Significant p-value of 0.0080
	Qualitative: There was general consensus that it is not difficult to access financial resources. There appears however to be a lack of awareness regarding available support for small businesses.
Machinery and Technology	Quantitative: Significant p-value of 0.0085
	Qualitative: Dated machinery and lack of furniture manufacturing training facilities has led to shortage of labour skilled in the use of new technologies.
Development programmes	Quantitative: Significant p-value of p=0.018
	Qualitative: Development programmes available are mainly offered by government-led institutions. Participation of FMFs is however unsatisfactory. This could be attributed to lack of awareness (see Table 4).
Access to markets (local)	Quantitative: Insignificant p-value of p=0.272
	Qualitative: Competition from Asian imports. Perception that furniture products from other countries are of better quality, affecting the performance of furniture manufacturing firms. Also trend amongst younger generation for more affordable and modern furniture.

Resource	Result
Access to markets (export)	Quantitative: Insignificant p-value of p=0.621 (Barriers to optimising export opportunities may have influenced the result – see qualitative result.)
	Qualitative: FMFs are not exporting furniture products in large volumes. They receive minimal support from the government compared to FMFs in countries like China. Lack of knowledge on exporting products is a further barrier to penetrating export markets.
Transport infrastructure	Quantitative: Integrated with access to markets. No significant p-value.
	Qualitative: Southern Cape has a good transport infrastructure but is far from major markets. Transportation of raw materials from suppliers and of finished products to major markets is a challenge.

Source: Own construction, based on analysis

Concluding from both the literature review and empirical findings presented in Table 5, the current availability of timber in the Southern Cape is inadequate. The significant p-values obtained from the quantitative results for most of the variables measured supported the qualitative results. Both results indicated that, in addition to a shortage in timber supply, the sustainability and growth of the industry is hampered by a skills shortage, also of staff skilled in the use of advanced technology; absence of local accredited training facilities/institutions; a lack of awareness of access to financial support; and dated equipment due to the high cost of updating technology. Although access to markets, including integrated responses to transport did not present with significant p-values, the qualitative results clearly pointed to barriers to accessing export markets; transport challenges to and from major local markets; and insufficient monitoring of consumer furniture preferences and current market trends.

6.2. MANAGERIAL IMPLICATIONS

Based on the conclusions, the following managerial implications are suggested:

The financial sector needs to engage more with the furniture manufacturing sector to increase the awareness of the business needs so that they can provide a more tailor-made financial product to suit the Southern Cape furniture manufacturing firms. The financial sector could also provide sound financial advice to furniture manufacturing firms.

- Strategic partnerships between firms and various municipalities within the Southern Cape can provide a platform to establish a public-private partnership to develop the Mossel Bay port for exporting purposes.
- FMFs in the Southern Cape could coordinate shipping of their furniture products in large quantities with the cost being shared to increase profitability.
- Furniture manufacturing firms should make greater use of institutions such as DTI, who offer incentives programmes like the Manufacturing Competitiveness Enhancement Programme (MCEP) aimed at supporting manufacturing firms to upgrade production facilities, employee skills, market access, and product development.
- Furniture manufacturers should be made aware that design trends are an essential part of maintaining and growing the market share. Therefore, furniture manufacturers need to monitor current market trends closely by seeking variations or changes that appeal to customers in the market.
- Managers should pay greater attention to consumer preferences in a fast-changing global consumer market.

- Managers should actively seek opportunities to penetrate other South African, African, and European markets.
- Managers should consider employing a marketing manager or agent to expand their geographic reach, both nationally and globally.
- Managers should integrate their social media presence with their marketing strategy. This would entail developing a social media marketing strategy through which they engage with customers to build long-term relationships.
- Managers can implement forward integration by opening their own retail shops, as has been done by for example Block and Chisel, Hartmann and Kepler, and Classic Revivals.
- The government needs to intervene and protect the local furniture producers by controlling the influx of furniture products in the South African market.
- The Department of Forestry, Fisheries and Environment (DFFE) should appoint a long-term lease to a reputable agent to replant and manage 22 500 ha of plantation, the so-called VECON areas. This area consists mostly of fire torn temporarily unplanted plantations in the Southern Cape.
- The auction based sales of accredited and sustainable harvested indigenous timbers should be re-instated as it proved to be a catalyst for a healthy furniture industry.

7. FUTURE RESEARCH

Because the study was explorative and the sample limited to the Southern Cape area, the aim was not to generalise the results to the whole population. Future research topics thus identified for further study include the following:

- Exploring further variables that may impact furniture manufacturing firms.
- Broadening of the current research to a comparison with furniture manufacturing firms in other regions in South Africa.
- Researching strategies for interesting the youth and woman in a career in furniture manufacturing.
- Investigating the impact of furniture imports from other countries into South African furniture markets.
- Analysing the impact of land reform on the future availability of furniture grade timber to South African furniture manufacturing firms.
- Developing a suitable cluster model for the furniture manufacturing industry to augment business cooperation, foster collaboration and stimulate innovation.

8. FINAL CONCLUSION

Small firms, in particular those operating in emerging markets and when confronted by disruptive events, require solid proficiencies to survive and grow. This study was driven by the need for a formalised study on revitalising wooden FMFs in the Southern Cape following its deceleration. The study has the prospect of contributing to efforts of creating and implementing strategies that can strengthen the performance capacity of wooden FMFs. It expands on the information and data required by regulating bodies and institutions for the furniture manufacturing industry such as the South African Furniture Initiative (SAFI), a joint initiative of industry, labour and government, and the DTI. Improvements in performance by furniture manufacturing in the Southern Cape not only creates employment, but also benefits the Western Cape government through revenue generation. It is hoped that this research is informative for both Industry Experts and researchers in the academic arena.

REFERENCE LIST

- AfriGis. 2019. *Southern Cape map*. Available from [https://www.google.com/maps/place/South Cape](https://www.google.com/maps/place/South+Cape) (Date accessed: 18 August 2019).
- Ameyaw, D.A.K., Peprah, W.K. & Anawuo, I. 2019. Human capital development and organisational performance: A conceptual human capital development and organisational performance - A conceptual review. *International Journal of Innovative Research and Development*, 8(1):49-54.
- Audy, J.F., Rönqvist, M., D'Amours, S. & Yahiaoui, A.E. 2023. Planning methods and decision support systems in vehicle routing problems for timber transportation: A review. *International Journal of Forest Engineering*, 34(2):143-167. DOI:10.1080/14942119.2022.2142367
- Bahrin, K.A.M., Othman, F.M., Azli, N.H.N. & Talib, F.M. 2016. Industry 4.0: A review on industrial automation and robotic. *Jurnal Teknologi*, 78 (6-13):137-143.
- Barnard, B. 2014. *A profile of the furniture sub-sector*. Available from http://www.fpmseta.org.za/downloads/FP&M_sub-sector_furniture_final.pdf (Date accessed: 15 June 2019).
- Bhattacharyya, S. & Mukherjee, A. 2019. *Importance of skill development in Indian agriculture*. (Unpublished PhD). New Delhi: Iniam Agriculture Research Institute.
- Boateng, S. & Poku, K.O. 2019. Accessing finance among women-owned small businesses: Evidence from lower Manya Krobo Municipality, Ghana. *Journal of Global Entrepreneurship Research*, 9(5):1-17.
- Brink, A. & Rayner, I. 2008. *Furniture manufacturing industry profile 2008*. Cape Town: Productivity SA.
- Bureau of Market Research. 2018. *Macro-economic and retail trade sales forecast for South Africa: (Report 493)*. Pretoria: Bureau of Market Research.
- Business Tech. 2018. *South Africa enters recession after GDP declines for a second quarter*. Available from <https://businesstech.co.za/news/finance/269235/south-africa-enters-recession-after-gdp-declines-for-a-second-quarter/> (Date accessed: 10 June 2019).
- Caldera, H.T.S. & Amarasekera, H.S. 2015. Investigation of Sawmill management and technology on waste reduction at selected sawmills in Moratuwa, Sri Lanka. *Journal of Tropical Forestry and Environment*, 5(1):71-82.
- Chimucheka, T. & Mandipaka, F. 2015. Challenges faced by small, medium and micro enterprises in the Nkonkobe Municipality, *International Business & Economics Research Journal*, 14(2):309-315.
- Chugunkova A.V. & Pyzhev, A.I. 2020. Impacts of global climate change on duration of logging season in Siberian Boreal forests, *Forests*, 11(756):1-18.
- Department of Trade and Industry. 2014. Industrial Policy Action Plan. *Economic Sectors and Employment Cluster IPAP 2014/15-2016/17*, Sunnyside: Pretoria.

- Department of Trade and Industry. 2016. *Industrial policy action plan 2016-2019*. Pretoria: DTI.
- Department Trade, Industry and Competition. 2020. *Master Plan for the Commercial Forestry Sector in South Africa 2020-2025*. 17 September 2020.
- Dyasi, P. & Phiri, A. 2019. A sectoral approach to the electricity-growth nexus in the Eastern Cape province of South Africa. *International Journal of Energy Economics and Policy*, 9(6):269-276.
- Eden District Municipality. 2017. *Eden district spatial development framework - 2017*. George: Eden District Municipality.
- Edwards, L. & Jenkins, R. 2015. The impact of Chinese import penetration on the South African manufacturing sector. *Journal of Development Studies*, 51(4):447-463.
- Ferreira, L. 2017. *Factsheet: Social grants in South Africa - separating myth from reality*. Available from <https://africacheck.org/factsheets/separating-myth-from-reality-a-guide-to-social-grants-in-south-africa/> (Date accessed: 20 February 2020).
- Furntech. n.d. Available from <https://furntech.org.za/> (Date accessed: 24 February 2020).
- Garisch, C. & Spies, M. 2017. Proposal 1 research project information gathering to support the FP&M SETA in building strategic and innovative partnerships with TVET Colleges. Pretoria: FP&M SETA.
- George Municipality. 2018. *Municipal spatial development framework (review)*. George: George Municipality.
- George, T.B., Mokoena, R. & Rust, F.C. 2018. A review on the current condition of rail infrastructure in South Africa. *Paper Presented at the 2018 37th Southern African Transport Conference*, 9-12 July 2018 Pretoria, South Africa.
- Hendricks, J. 2019. Discussion on performance of furniture manufacturing firms in the Southern Cape. (*Personal communication*, 9 December 2019).
- International Labour Organization, 2021. *A framework to support small firms in developing countries navigate crises and build resilience*. Geneva: ILO. Available from file:///F:/small%20businesses%20in%20developing%20countries%20wcms_831842.pdf (Date accessed: 21 November 2022).
- Keramati, A., Lu, P., Sobhani, A. & Haji Esmaeili, S.A. 2020. Impact of forest road maintenance policies on log transportation cost, routing, and carbon-emission trade-offs: Oregon case study. *Journal of Transportation Engineering, Part A: Systems*, 146(5), p.04020028.
- Kimemia, D.K. & Annegarn, H.J. 2013. SMME development through productive use domestic energy resources, *21st Domestic Use of Energy Conference*: 1-5.
- Kraak, A. 2017. *Contradiction in the ecosystem: Understanding the decline of the Southern Cape furniture industry*, 10th International conference on researching work and learning, 6-8 December. Rhodes University, Grahamstown: South Africa.

- Ledger, T. 2017. *Case study on the forestry regional value chain in Southern Africa: South Africa, Mozambique and Tanzania*. Pretoria: Trade and Industry Policy Strategies.
- Li, F., Larimo, J. & Leonidou, L.C. 2021. Social media marketing strategy: definition, conceptualization, taxonomy, validation, and future agenda. *Journal of the Academy of Marketing Science* 49:51-70. <https://doi.org/10.1007/s11747-020-00733-3>
- Lombard, S., Behrens, R. & Viruly, F. 2017. Value creation around transport infrastructure in South Africa: The case of Gautrain. *36th Southern African Transport Conference (SATC 2017)*. Cape Town; SATC.
- Louw, J. H. 1991. The relationship between site characteristics and *Pinus radiata* growth on the Tsitsikamma plateau, South Africa. *South African Forestry Journal*, 158(1):37-45.
- Madula, M. 2017. *Does trade credit facilitate access to bank finance? Empirical evidence from South Africa*. (Unpublished MCom). Pretoria: University of South Africa.
- Mathabatha, D. 2015. *Rail transport and the economic competitiveness of South Africa: Timeous delivery of goods and demurrage*. (Unpublished Master in Business). Potchefstroom: North-West University.
- Middleton, B. 2018. Energy transition goals set by Eden District Municipality and local municipalities. *The Gremlin*. 18 April 2018. Available from <https://www.thegremlin.co.za/2018/04/18/> (Date accessed: 16 June 2019).
- Munemo, J. 2022. *Africa faces hard knocks as rich countries take manufacturing back home*. Available from <https://theconversation.com/africa-faces-hard-knocks-as-rich-countries-take-manufacturing-back-home-181490> (Date accessed: 26 January 2023).
- Municipal Demarcation Board (MDB). 2018/2019. Available from <https://www.demarcation.org.za/wp-content/uploads/2021/06/MDB-Annual-Report-2018-19.pdf>. (Date accessed: 16 January 2020).
- Newing, H. 2011. *Conducting research in conservation: Social science methods and practice*. Oxon: Routledge.
- Ngcobo, R.N. 2017. Credit provision by banks: A case study analysis of small businesses in South Africa, *Bank and Bank System*, 12(4):65-74.
- Nieman, G. & Nieuwenhuizen, C. 2014. *Entrepreneurship: A South African perspective*. Pretoria: Van Schaik.
- Ofoegbu, C., Ogbonnaya, S. & Babalola, F. 2014. Sawmill conversion efficiency and wood recovery of timber species in cross river state Nigeria. *Agriculture & Forestry*, 60(1): 105-113.
- Penttilä, J. & Ankrah, P. 2017. Investing in forest plantations in Africa: Indufor and Winniwood Consulting. *African Forestry Investment Conference*. Ghana, 13-14 June 2017. Accra: Indufor.
- Rana, S. 2020. Business practices and lessons from emerging markets. *FIIB Business Review*, 9(3):149-151. DOI: 10.1177/2319714520958216

- Rungani, E.C. & Potgieter, M. 2018. The impact of financial support on the success of small, medium and micro enterprises in the Eastern Cape province, *Acta Commercii*, 18(1): a591. Available from <https://doi.org/10.4102/ac.v18i1.591>
- Samiee, S. & Chiraoanda, S. 2019. International marketing strategy in emerging-market exporting firms. *Journal of International Marketing*, 27(1):20. DOI:10.1108/978-1-80043-744-920210005
- Sekaran, U. & Bougie, R. 2016. *Research methods for business: A skill building approach*, United Kingdom: John Wiley & Sons.
- Talić, H. & Čehić, M. 2019. The application of new technologies in the furniture manufacturing process on the way to 4.0 industry. *11th Research/Expert Conference with International Participants, 14 - 16 June 2019*. Neum: Bosnia and Herzegovina.
- Tian, X., Sohngen, B., Kim, J.B., Ohrel, S. & Cole, J. 2016. Global climate change impact on forests and markets. *Environmental Research Letter*, 11(3):1-10.
- Transnet. 2019. *National ports plan 2019*. Available from <https://www.transnet.net/Divisions/Documents/NPP%202019.pdf> (Date accessed: 26 July 2022).
- Van Diemen, E. 2022. *Ramaphosa calls for less talk and more action on global climate pledges to countries with 'greatest need'*. Available from <https://www.dailymaverick.co.za/article/2022-11-08-ramaphosa-calls-for-less-talk-and-more-action-on-global-climate-pledges/> (Date accessed: 9 November 2022).
- Van Loggerenberg, J. 2017. Discussion on furniture manufacturing industry in the Southern Cape. (*Personal communication*, 5 May 2017).
- Van Niekerk, P. 2019. Discussion on factors affecting furniture manufacturing industry in the Southern Cape. (*Personal communication*, 3 December 2019).
- Wang, L., He, J. & Xu, S. 2017. The application of Industry 4.0 in customized furniture manufacturing industry. *Matec*, 3022(2017):2-5.
- Williams, G., Cunningham, S. & De Beer, D. 2014. Advanced manufacturing and jobs in South Africa: An Examination of perceptions and trends. *International Conference on Manufacturing-Led Growth for Employment and Equality*. Johannesburg, South Africa 20- 21 May.
- World Bank. 2022. *Global Economic Prospects, June 2022*. Washington, DC: World Bank. DOI: 10.1596/978-1-4648-1843-1. License: Creative Commons Attribution CC BY 3.0 IGO.

THE EFFECT OF WORD-OF-MOUTH COMMUNICATION ON THE PURCHASE DECISIONS OF SPAZA SHOP CUSTOMERS IN MEADOWLANDS

Joseph Molete Moseki

ABSTRACT

Spaza shops are small retail convenience shops that sell small quantities of groceries, sweets, cigarettes, snacks, bread and fast-food. WOM presents an opportunity for customers to share information about products and brands offered by spaza shops and has the potential to influence the purchase decisions relating to spaza shops. This study aim is to investigate the effect of positive WOM as well as observed (observed) consumer purchase, on the purchase intention of spaza shop customers. A self-administered survey was utilised with a convenience sample of 292. The results show that positive WOM and observe consumer purchase have significant positive impacts on purchase intention. Both PWOM and observe consumer purchase are predictors of purchase intention, and actual purchase is an outcome of the purchase intention of spaza shop customers in the Meadowlands area, Soweto. The paper proposes implications and recommendations to spaza shops, in particular, regarding positive WOM and observe consumer purchase in order to improve their marketing communication to increase their customers' purchase intention and ultimately actual purchases.

Keywords/phrases: observe consumer purchase, spaza shop; spaza shop customers; purchase decisions, purchase intention, word-of-mouth (WOM).

1. INTRODUCTION

South African spaza shops are small retail convenience shops that sell small quantities of groceries, sweets, cigarettes, snacks, bread and fast-food. Charman and Petersen (2018) assert that spaza shops are home-based shops selling basics products to customers living in townships. Spaza shops present an essential element of the informal sector in South African townships (Mokgabudi 2020). Spaza shops play an important part in the economy of South Africa by creating employment for more than 145 000 people in South Africa (Zanker & Moyo 2020). Fourie and Skinner (2018) notes that although there is no reliable statistics on the size of the spaza shop sector, but the sector is estimated to contribute 2.7% of retail trading that is equal to R8 billion to the South African economy.

Tengeh and Iwu (2018) argue that spaza shops experience major challenges such as the lack of marketing skills. Chipunza and Phalatsi (2019) mention that inadequate marketing skills lead to a loss of business income. As a result, Makhubela (2019) argues that it negatively affects their communication strategies as traditional marketing communication methods are too costly. Makhubela (2019) further argues that spaza shop owners are struggling to stimulate business through marketing communication. Mannak (2018) believes that for them to survive, they need to consider creative ways of attracting customers and communicating. Previous research by Tapanainen, Thanh and Trung (2021) indicates that WOM is an essential marketing communication method.

Chipunza and Phalatsi (2019) report that WOM has turned out to be a critical method of marketing communication for spaza shops globally. Adam (2020) mention that spaza shops consider WOM as a suitable marketing communication method. It is considered responsive, flexible and innovative (Franco, de Santos, Ramalho & Nunes 2014). In South Africa, research

by Kallier (2017) shows that great marketing communication presents great opportunities for spaza shop owners to interact with customers.

Customers use WOM to express their views of and involvement with products, with friends and family members (Rogan & Skinner 2018). WOM information is perceived to be trustworthy and reliable, and customers engage actively by sharing their experiences (To'th, Nieroda & Koles 2020). Unfortunately, Erkan and Evans (2016) oppose that these experiences may result in information overload that can confuse customers. Nam, Baker, Ahmad and Goo (2018) in contrast, observes that spaza shops' customers benefit from WOM communication and regard it as reliable source to make informed product purchase decisions. Rahmadany (2022) argues that WOM is a preferred method of communication above any other marketing communication. Chipunza and Phalatsi (2019) observe that more than 50 percent of purchasing decisions of spaza shop customers in South Africa occur because of WOM and customers rely on it to make informed purchase decisions.

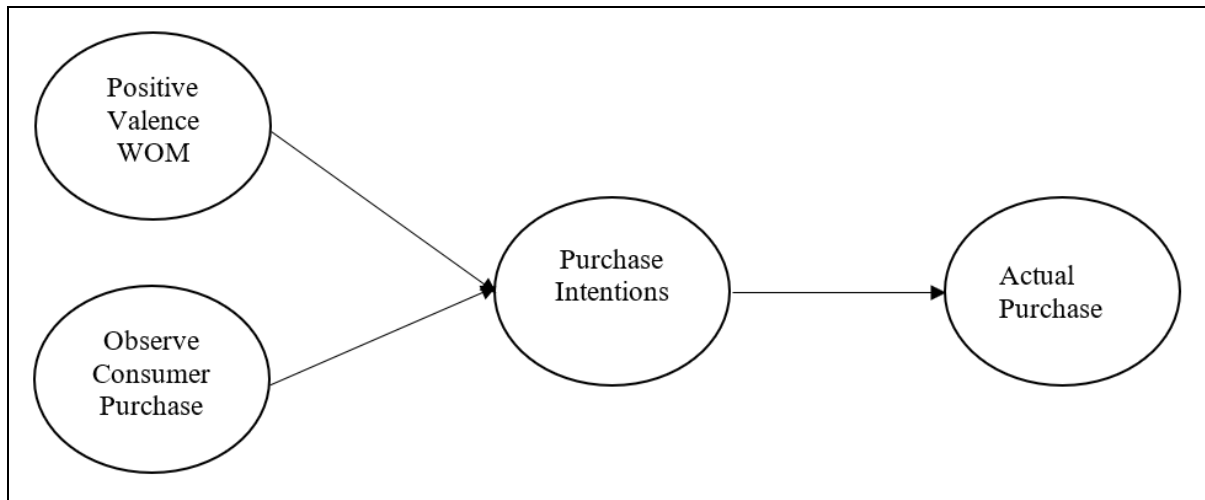
Filieri, Raguseo and Vitari (2018) indicate that an understanding of how customers use WOM to share information about brands, their opinion of brands and spaza shop experiences is critical. Furthermore, Sukaris, Hartini and Mardhiyah (2020) note that WOM contributes to most spaza shop customer purchase decisions. It seems that spaza shops need this communication method to ensure survival. It is against this background that this study aims to determine the role of purchase decisions of spaza shop customers in Meadowlands, Soweto. Meadowlands was chosen as the preferred research area as limited similar research was conducted as well as the fact that since 2010, the number of spaza shop in the Meadowlands township has increased by 10% (City of Johannesburg 2015). There were approximately 400 spaza shops operating in Meadowlands (Spaza news 2015) and it is an area situated within Soweto which has a population of more than 300 000 residents (Stats SA 2016).

2. THEORETICAL FRAMEWORK

This research is grounded in the Theory of Reasoned Action (Ajzen & Fishbein 1980). According to this theory, attitude and subjective norms influence intention to purchase. The theory has been used for predicting individual's behaviour in different fields of study. Subjective norms can be described as the social pressures based on what other people say about the manner in which an individual is expected to behave in a particular situation and it relates to the perceived expectations of others and how much the individual values those expectations (Ajzen & Fishbein 1980).

In the application of this theory to this research, subjective norms are considered from an WOM perspective. The model has been extended to consider WOM as a key construct in shaping purchase intention. The use WOM in the model allows for a more comprehensive understanding of the complex decision-making process consumers undertake when intending to shop in an informal retail store, and the model provides a better understanding of the factor that influences purchase intention. Previous research has confirmed that WOM strongly influences purchase intention (Fitria 2022). The Theory of Reasoned Action's model has been criticised regarding the constructs of attitude and subjective norms that are in some instances regarded as being the same constructs. This consideration is the key basis for the adaptation of the Theory of Reasoned Action model in this research to evaluate positive word-of-mouth (subjective norms) as a key predictor of purchase intention, as shown in Figure 1.

FIGURE 1: THEORETICAL MODEL ADAPTED FROM THEORY OF REASONED ACTION



Source: Own construction

According to Rahim, Fong and Jin (2019), purchase intention form part of the decision-making process that is crucial when deciding to purchase a particular product item or service. The complexity of decision-making is influenced by external factors that will determine how consumers behave and perceive the product or service they intend to purchase and their attitudes towards purchasing the product item or service (Mirabi, Akbariyeh & Tahmasebifard 2015). These influencing factors are largely grounded in a consumer's positive word-of-mouth when making purchases, particularly in an informal retail context. Previous research has found that WOM influences purchase intention and the purchasing of product items and services (Zang & Wang 2020).

2.1. POSITIVE WORD OF MOUTH AND PURCHASE INTENTION

PWOM refers to the opinions and recommendations made by customers relating to pleasant and/or novel product or service experiences (Thuengsuk & Nurittamont 2019). Chang, Tsai, Wong, Wang and Cho (2015) indicate that positive word-of-mouth relates to the favourable experiences that customers had with particular products (Thuengsuk & Nurittamont 2019). Bustamante and Rubio (2017) posit that positive WOM is the strengths of a product/service and encourages people to adopt a product/service.

In spaza shops, customers share their experiences about the products they have purchased and consumed. Customers use WOM to discuss product-related issues or share product-related information (Mbango & Makhubela 2016). Wang and Yu (2017) reported that spaza shop customers share information through word-of-mouth regarding the variety merchandise items that they intend to purchase from the spaza shop.

Kerin and Hartley (2017) confirm that positive word-of-mouth has an effect on the purchase intention of the customers. A study by Wang and Yu (2017) found that positive word of mouth positively effects the purchasing intentions of consumers. It is therefore proposed that:

H₁: Positive WOM significantly influences the purchase intention of spaza shop customers.

2.2. OBSERVED CONSUMER PURCHASES AND PURCHASE INTENTION

Observe, or observed, consumer purchase is described as the manner in which consumers seek information by observing other consumers when they make purchases of product items and observing the behaviour of other consumers, when they engage in purchasing activities (Catedrilla 2017).

Consumers gather information by observing the purchasing behaviour of other customers when making purchases of product items (Wang & Yu 2017). Catedrilla (2017) mention that consumers who lack product knowledge observe the purchases made by other consumers prior to making a purchase decision.

A study conducted by (Catedrilla 2017) in the Philippines revealed that observe consumer purchase positively affects the purchase intention of consumers. This is supported by the study of Zhang et al. (2020). Wang and Yu (2017) found that observe consumer purchase of on-line consumers in Taiwan significantly influenced their purchase intention of product items they purchase on social networks. Therefore, the researcher proposes the following hypothesis:

H₂: Observe consumer purchase significantly influences the purchasing intention of spaza shop customers.

2.3. PURCHASE INTENTIONS AND ACTUAL PURCHASE

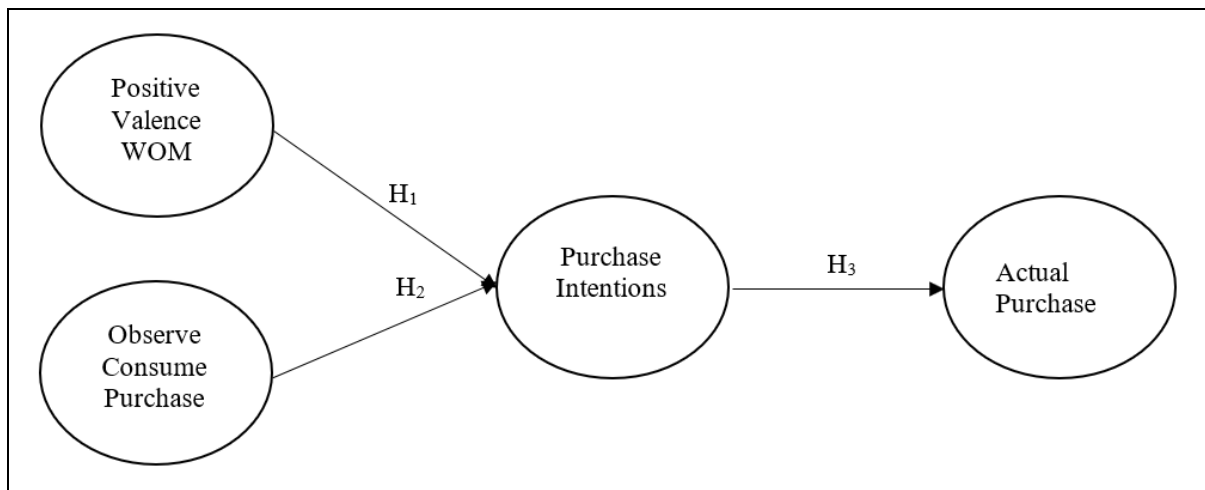
Purchase intention is the process through which a consumer engages in the pre-purchase mode by searching and comparing the information obtained from various platforms and channels (Wang & Yu 2015). Purchase intentions is an indication that the customer is ready to make a purchase (Huete-Alcocer 2017). Purchase intentions signals the demonstration of whether a customer will continue to utilise a company's services or switch to a different provider (Barreda, Bilgihan & Kageyama 2015).

According to the study Wang and Yung (2015), purchase intention significantly impacts the actual purchases of consumers. This shows that consumers will purchase a product and share their product review and user experience as they have a strong intention to purchase the product items on social commerce sites. Based on this evidence, the H₃ hypothesis is proposed:

H₃: Purchase intentions significantly affect the actual purchases of spaza shop customers.

Based on the hypotheses developed from the review of previous research, a conceptual framework has been developed, as shown in Figure 2.

FIGURE 2: RESEARCH CONCEPTUAL FRAMEWORK



Source: Own construction

3. RESEARCH METHODOLOGY

This research is employed a positivist research philosophy because it utilised the scientific measurable facts and numbers of data is collected to provide evidence to test the hypotheses of this research with the help of numbers (Saunders, Lewis & Thornhill 2019). South Africa served as the research area since it experiences an increasing number of informal retail stores (spaza shops).

3.1. STUDY DESIGN AND SAMPLE CHARACTERISTICS

A self-administered questionnaire was considered for collecting data. Self-administered questionnaires were administered outside spaza shop shops in the Meadowlands area when the customers visited spaza shops. For this study, non-probability sampling was used because of the lack of a sample frame or list of spaza shop customers in the Meadowlands area. Convenience sampling was considered because it is cost effective, and the population is readily available to collect data from, it is easy to measure, and the data collection can be done in a short period of time. 292 respondents completed the self-administered questionnaires. In total, about 50.9 per cent of the respondents were female. Also, most of the respondents were aged between 46 and 55 years (27.9%). See the study sample’s demographic information in Table 1.

TABLE 1: DEMOGRAPHIC INFORMATION ABOUT THE PARTICIPANTS

Characteristic	Frequency (N)	Percentage (%)
Gender		
Female	149	50.9%
Male	143	49.1%
Age		
18-35	70	24.1%
36-45	74	25.5%
46-55	81	27.9%
55-65	65	22.4%
Gross monthly income		
	Less than R2 000	41.1%
	R2 000 -R4 999	22.5%
	R5 000 – R 6 999	16.1%
	R7 000 – R9 999	9.5%

Characteristic	Frequency (N)	Percentage (%)
	R10 000 and above	10.9%
Frequency of purchase in the last 3 months		
Yes	292	100%
1-5 times in last 3 months	55	7%
6-10 times in last 3 months	47	14.4%
6-10 times in last 3 months	47	18.6%
11- 15 times in last 3 months	70	18.9%
16-20 times in last 3 months		20.4%

Source: Own construction, based on analysis

3.2. MEASURES

A cross-sectional survey was designed to solicit data regarding the key variables of positive word of mouth (PWOM), purchase intention (PI), observe consumer purchase (OCP), and actual purchase (AP) to cover the variables in the conceptual model of this study. The first part of the survey collected demographic information such as age, gender, gross monthly income, frequency of purchase in the last 3 months. The second part of the survey solicited data on the independent variables which are the participants' positive word of mouth (PWOM), purchase intention (PI), observe consumer purchase (OCP), and actual purchase (AP). Items for positive word-of-mouth was adopted from Basardien, Parker, Bayat, Friedrich and Appoles (2014). Items for observe consumer purchase were adopted from Wang and Yu (2017). Positive WOM was measured with four items. Purchase intention was measured with four items from Erkan and Evans (2016). All questions were measured using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). Lastly, items for actual purchase was adopted from Wang and Yu (2017) and questions were also measured using a 5-point Likert scale.

3.3. DATA ANALYSIS

Analysis was conducted using SPSS version 22 to prepare the data, provide the profile and characteristics of respondents as well as carry out exploratory factor analysis of the constructs in the model. SPSS Amos version 25 was used to conduct confirmatory factor analysis of the constructs to test the model fit and reliability of the model. It was then used to conduct structural equation modelling to understand the impact of positive word-of-mouth and observe consumer purchase on purchase intention as well as the mediating role of purchase intention. SPSS version 22 was used to test the moderation effect of purchase intention in the relationships between positive word-of-mouth, observe consumer purchase and actual purchase.

3.4. VALIDITY AND RELIABILITY OF THE MEASUREMENT MODEL

Confirmatory Factor Analysis (CFA) was performed on the constructs to ascertain their validity utilising SPSS AMOS version 25. The results show the initial four-factor model did not produce acceptable model fitness. A refined model was reproduced using modification indices. The reproduced model showed that all measures yielded an overall good fit for the data (NFI = 0.95, CFI = 0.969, TLI = 0.960, RMSEA = 0.073, AGFI = 0.872). All variables in the refined model showed loadings above .60. All variables have CR values greater than 0.70. See Table 2 for all constructs with their respective standardised loadings and reliability scores.

TABLE 2: RELIABILITY AND CONVERGENT VALIDITY ASSESSMENT

Constructs	Items	Factor loadings	Corrected Item-Total Correlation	Composite reliability (CR)	Cronbach's alpha	Average variance extracted (AVE)	Number of total items and initials
Purchase intention	PI1	0,843	0,800	0.904	.900	0.704	4 (4)
	PI2	0,904	0,830				
	PI3	0,901	0,819				
	PI4	0,691	0,650				
Positive WOM	PWOM1	0,783	0,805	0.920	.928	0.742	4 (4)
	PWOM2	0,842	0,858				
	PWOM3	0,937	0,871				
	PWOM4	0,877	0,793				
Actual purchase	AP1	0,916	0,842	0.929	.941	0.765	4 (4)
	AP2	0,903	0,830				
	AP3	0,82	0,867				
	AP4	0,857	0,904				
Observe consumer purchase	OCP1	0,854	0,757	0.863	.860	0.679	4 (3)
	OCP2	0,872	0,769				
	OCP3	0,74	0,673				

Source: Own construction, based on analysis

Additionally, the AVE values for all variables were greater than .50, however, as suggested by Fornell and Larcker (1981), AVE values more than 0.40 are acceptable depending on the CR for the variable. Cronbach's coefficient alpha was calculated for all constructs. According to George and Mallery (2003), the commonly accepted criterion for internal consistency requires Cronbach's alpha results to be greater than .70 to be acceptable. The results of the reliability study for the model indicate that all four constructs, positive word-of-mouth, observe consumer purchase, purchase intention and actual produced acceptable results. The Fornell-Larcker criterion for discriminant validity was met since the square root of the AVE was greater than the paired inter-factor correlation.

4. RESULTS REGARDING HYPOTHESES

Structural equation modelling was performed with SPSS AMOS version 25 to test the hypothesised influence of positive word-of-mouth (PWM), observe consumer purchase (OCP) and purchase intention (PI) on actual purchase (AP), and the mediating role of WOM in those relationships. The model fit indices for the path analysis show that the model fit results for both models fell within the acceptable range CMIN/df = 2.197, TLI = .945, CFI = .956, GFI = .897 and RMSEA = .0876. The results of the path coefficient analysis are shown in Table 3.

TABLE 3: STANDARDISED REGRESSION WEIGHTS

Dependent variables		Independent variables	Estimate	P	Conclusion
Purchase Intention	<--	Observe Consumer Purchase	0.198	***	H ₂ is supported
Purchase Intention	<--	Positive WOM	0.707	***	H ₁ is supported
Actual Purchase	<--	Purchase Intention	0.902	***	H ₃ is supported

Source: Own construction, based on analysis

The study assessed the impact of positive word-of-mouth and observed consumer purchase on purchase intention. In terms of the impact of positive WOM on purchase intentions it was found that there is significant positive relationship between positive WOM and the purchase intention of spaza shop customers, hypothesis H₁ is therefore accepted. The relationship between observe consumer purchase and purchase intention was also positive and significant, supporting H₂. The relationship between purchase intention and actual purchase was shown to be positive and significant, thus, confirming H₃.

5. EDUCATIONAL/THEORETICAL IMPLICATIONS

Based on these findings, useful insights regarding theoretical implications are provided. The findings of prior studies highlight that WOM communication can facilitate consumers' intention to buy a product in retail store settings. However, there is a lack of understanding on how consumers use WOM communication to interact with each other, and whether interactions between consumers will lead to actual purchase behaviour in the context of spaza shops. Grounded in relevant literature, this study illustrates how WOM consumer interactions affect consumers' purchase intention and behaviour in terms of purchases. The research results highlight the importance of WOM communication and observed consumer purchase as they affect purchase intention and results in the likelihood of actual purchase behaviour. Thus, this study provides strong evidence to bridge this gap of WOM and actual purchases in the context of spaza shops.

Second, the concept of the PWOM communication construct has contributed to the deeper understanding of how consumers interact with each other prior to making a purchase decision in a spaza shop setting. In this study, we investigated the impact of both PWOM communication and observing consumer purchase on individual decision making in terms of intention and actual purchase, which more fully captures social interaction.

6. MANAGERIAL IMPLICATIONS

For marketers, spaza shop owners and managers who are using PWOM communication in their business, this study provides strong evidence to support the importance of PWOM communication in improving consumers' purchase intention. The results of this study can be implemented to improve the use of PWOM communication and to develop marketing strategies for spaza shops. The findings indicates that the purchase intention and actual purchase behaviour of consumers are encouraged by PWOM communication that is shared among consumers. Therefore, PWOM communication should improve consumers' interactive functions, and it is convenient for consumers to gather information and share their purchase experiences more easily. Therefore, spaza shops are advised to use PWOM communication to impart information and source feedback from consumers. This study found that the effect of observed consumer purchase intensifies purchase intention, which leads to increase actual purchases.

7. CONCLUSION AND RECOMMENDATIONS

The focus of the study was to examine the use of positive WOM among spaza shop customers and its impact on purchase intention and actual purchase. Conclusively, the findings suggest that a significant number of spaza shop customers use WOM to communicate and WOM significantly impact the purchase intention of customers. The study assessed the impact of WOM and observe consumer purchase on the purchase intentions of spaza shop customers. The results validated all three hypotheses. It is thus concluded that WOM and observe consumer purchase positively impact purchase intentions of consumers, and that purchase intention positively influences actual purchases of spaza shop customers. Furthermore, the study highlighted the importance of WOM and the various advantages that can be achieved by designing and implementing strategies related to it, as hereby recommended.

Given the findings of the study, it is recommended that spaza shops should invest in substantial efforts of WOM in disseminating potential information to prospective customers. The research study indicates that customers use positive WOM to recommend products and speak favourably about specific spaza shops. In this instance, it is recommended that spaza shop owners use WOM as it is less expensive compared to other marketing communication methods. WOM can also be used as informal communication between spaza shop owners and customers for exchanging and sharing information, expressing opinions regarding products, sourcing information about products that are in demand and recommending products.

Furthermore, it is recommended that spaza shop owners initiate point-of-sale activities in the form of product trials with the objective of motivating customers to share their opinions about the products/brands offered. This will enable customers to form their own opinions and will assist spaza shop owners to develop WOM communication strategies. Therefore, spaza shop owners can consider WOM as an alternative to traditional advertising and create communication tools that will assist customers to acquire sufficient information about the products and stimulate the customers' purchase interests to make decisions based on what they perceive about products.

8. LIMITATIONS AND AREAS OF FURTHER RESEARCH

Like any other study, this study is bound by some limitations that provides the basis for further research. First, this study focused on a sample of participants in the Meadowlands area of Soweto but did not consider cross-cultural issues or a comparative study. Second, the proposed research model was limited to constructs such as positive WOM, observe consumer purchase, purchase intention and actual purchase. This study was limited to a conceptual model that determined the effect of WOM on purchase decisions of spaza shop customers. Lastly, this research was limited to quantitative research that determined the relationships between WOM, observe customer purchase and purchase decisions (intention and actual purchase) of spaza shop customers in Meadowlands.

A future study that determines the effect of WOM on purchase decisions of spaza shop customers could consider cross-cultural issues, or a comparative study regarding this study's variables conducted in a developed and developing country would make a worthwhile contribution to the body of knowledge. Further research study could also consider the conceptual research model and including additional variables such as negative WOM, WOM credibility, qualitative and quantitative WOM and perceived behavioural control. In addition, future research could apply the model to other industries such as online communities that would enable us to verify the generalisability to other populations and will contribute to the

knowledge base on consumer purchases. Lastly, future research may propose a conceptual model that determines the effect of WOM on purchase intention in other industries such as finance, insurance, and clothing.

REFERENCE LIST

- Adam, A. 2020. Spaza shops are overlooked despite their huge contribution to the economy. Government neglects a sector that employs millions of people and adds 5.2 % to South Africa's GDP. *Business Day*. Available from <https://www.businesslive.co.za/bd/opinion/2020-12-14-spaza-shops-are-overlooked-despite-huge-contribution-to-economy>
- Ajzen, I. & Fishbein, M. 1980. *Understanding attitudes and predicting social behaviour*, Englewood Cliffs, NJ: Prentice-Hall.
- Barreda, A.A., Bilgihan, A. & Kageyama, Y. 2015. The role of trust in creating positive word of mouth and behavioral intentions: The case of online social networks. *Journal of Relationship Marketing*, 14(1):16-36.
- Basardien, F., Parker, H., Bayat, M.S., Friedrich, C. & Appoles, S. 2014. Entrepreneurial orientation of spaza shop entrepreneurs: Evidence from a study of South African and Somali owned spaza shop entrepreneurs in Khayelitsha. *Singaporean Journal of Business Economics and Management Studies*, 2(10):45-61.
- Catedrilla, J.M. 2017. Phillipino consumers' decision-making model in social commerce. *21st Pacific Asia Conference on Information Systems, Langkawi*. Association for Information Systems. AIS Electronic Library.
- Chang, H.H., Tsai, Y.C., Wong, K.H., Wang, J.W. & Cho, F.J. 2015. The effects of response strategies and severity of failure on consumer attribution with regard to negative word-of-mouth. *Decision Support Systems*, 71:48-61.
- Charman, A. & Petersen, L. 2018. Informal micro-enterprise in a township context: A spatial analysis of business dynamics in five Cape Town localities. In F. Fourie (Ed.), *The South African informal sector: Creating jobs, reducing poverty*, 253-284.
- Chipunza, C. & Phalatsi, B.C. 2019. The influence of selected demographic factors on the choice of marketing communication tools: Comparison of foreign and local spaza shop owners in South Africa. *Acta Commercii*, 19(1):a752.
- City of Johannesburg. 2015. *Joburg. A world class African city*. Integrated Annual Report 2015/2016. Turning Challenges into opportunities.
- Erkan, I. & Evans, C. 2016. The influence of eWOM in social media on consumers' purchase intentions: An extended approach to information adoption. *Computers in Human Behavior*, 61:47-55.
- Filieri, R., Raguseo, E. & Vitari, C. 2018. When are extreme ratings more helpful? Empirical evidence on the moderating effects of review characteristics and product type. *Computers in Human Behavior*, 88:134-142.

- Fitria, N. 2022. The Effect of Lecturers Pedagogic Competency on Accountability of Management Islamic Religious Higher Education. *Bulletin of Science Education*, 2(1):18-26.
- Fornell, C. & Larcker, D.F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1):39-50.
- Fourie, F. & Skinner, C. 2018. *The South African informal sector: Creating jobs, reducing poverty*. Cape Town: HSRC Press.
- Franco, M., de Santos, F.M., Ramalho, I. & Nunes, C. 2014. An exploratory study of entrepreneurial marketing in SMEs: The role of the founder-entrepreneur. *Journal of Small Business and Enterprise Development*, 21(2):265-283.
- George, D. & Mallery, P. 2003. *SPSS for Windows step by step: A simple guide and reference*. Boston: Allyn & Bacon.
- Hair, J. F., Black, W. C., Babin, B. & Anderson, R. 2014. *Multivariate data analysis*. 7th edn., Pearson.
- Huete-Alcocer, N. 2017. A literature review of word of mouth and electronic word of mouth: Implications for consumer behavior, *Frontiers in Psychology*, 8:1256.
- Kallier, S.M. 2017. The focus on marketing communication efforts of SMEs, management and marketing. *Challenges for the Knowledge Society*, 12(1):140-154. DOI: 10.1515/mmcks-2017-0009.
- Kerin, R.A. & Hartley, S.W. 2017. *Marketing*. 7th edition. McGraw-Hill Education.
- Makhubela, V.F. 2019. *The impact of marketing communication strategies on the performance of small independent retailers in Soweto, South Africa*. (Unpublished Masters dissertation). South Africa: University of South Africa.
- Mannak, M. 2018. *Bringing spazas into the 21st century*. Available from <https://www.fin24.com/Entrepreneurs/bringing-spazas-into-21st-century-20180309> (Date accessed 9 December 2018).
- Mbango, P. & Makhubela, V. 2018. Outcomes of leaf vegetable product quality: The perspective of Gauteng province customers in South Africa. *African Journal of Business & Economic Research*, 13(3):135-152.
- Mirabi, V., Akbariyeh, H. & Tahmasebifard, H. 2015. A study of factors affecting on customers purchase intention. *Journal of Multidisciplinary Engineering Science and Technology*, 2(1):267-273.
- Mokgabudi, L. 2020. Spazas and informal trade are excluded from COVID-19 relief efforts in South Africa. Pretoria. *Catalyst Fund*. Available from <https://bfaglobal.com/catalyst-fund/insights/spaza-shops-covid-relief-africa/>
- Nam, K., Baker, J., Ahmad, N. & Goo, J. 2018. Dissatisfaction, disconfirmation, and distrust: An empirical examination of value co-destruction through negative electronic word-of-mouth (eWOM). *Information Systems Frontiers*, 22:113-130.

- Rahim, F.A., Fong, C.L. & Jin, G.P. 2019. Malaysian coffee culture: Attributes considered to purchase coffee beverages. *Journal of Marketing Advances and Practices*, 1(1):51-61.
- Rahmadany, A.F. 2022. The influence of trust, perceived value, and WOM communication on consumer's purchase intention on beauty treatment. *Ikon Jurnal Ilmu Komunikasi 2022* (Universitas Persada Indonesia Y.A.I), XXVII(1):12-29.
- Rogan, M. & Skinner, C. 2018. The size and structure of the South African informal sector 2008-2014: A labour-force analysis. *The South African informal sector: Creating jobs, reducing poverty*, pp.77-102.
- Saunders, M., Lewis, P. & Thornhill, A. 2019. *Research methods for business students*. 7th edn., Essex: Pearson Education.
- Spaza news. 2015. Available from www.spazanews.co.za. (Date accessed: 20 June 2015).
- Statistics South Africa. 2016. *South Africa Unemployment Rate*. Available from <<http://www.tradingeconomics.com/south-Africa/unemployment-rate>
- Sukaris, S., Hartini, S. & Mardiyah, D. 2020. The effect of perceived value by the tourists toward electronic word of mouth activity: The moderating role of conspicuous tendency. *Jurnal Siasat Bisnis*, 24(1):1-17.
- Tapanainen, T., Thanh, H. & Trung, D. 2021. Impacts of online world-of-mouth and personalities on intention to choose a destination. *Computers in Human Behavior*, 116(106656):1-34.
- Tengeh, R. & Mukwarami, J. 2017. The growth challenges of native-owned spaza shops in selected townships in South Africa. *International Journal of Applied Business and Economic Research*, 15(22):61-74.
- Thuengsuk, P. & Nurittamont, W. 2019. The perception of integrated marketing communications and e-word of mouth communication effect on intention to purchase organic products of consumers in Bangkok. *Journal of Humanities and Social Sciences Surin Rajabhat*, 21(2):113-124.
- Toth, Z., Nieroda, M. E. & Koles, B. 2020. Becoming a more attractive supplier by managing references – The case of small and medium-sized enterprises in a digitally enhanced business environment. *Industrial Marketing Management*, 84:312-327.
- Wang, Y & Yu, C. 2017. Social interaction-based consumer decision-making model in social commerce: The role of word of mouth and observational learning. *International Journal of Information Management*, 37(3):179-189.
- Zang, C. & Wang, F. 2020, August. Moflow: an invertible flow model for generating molecular graphs. In *Proceedings of the 26th ACM SIGKDD international conference on knowledge discovery & data mining* (pp. 617-626).
- Zanker, F. L. & Moyo, K. 2020. The corona virus and migration governance in South Africa. *African Spectrum*, 55(1):100-112.

Zhang, J., Zheng, W., & Wang, S. 2020. The study of the effect of online review on purchase behavior. *International Journal of Crowd Science*, 4(1):73-86.

IMPLEMENTATION OF ENTREPRENEURIAL MARKETING AND CONSUMER REPUTATION IN SMALL AND MEDIUM ENTERPRISES: A CONSUMER PERSPECTIVE ON RESTAURANTS IN MANICALAND PROVINCE OF ZIMBABWE

*Decent Mutanho
Tinayeshe Shumba*

ABSTRACT

The study examined entrepreneurial marketing dimensions of the small and medium enterprises (SMEs) in Mutare city. One hundred and sixty-two participants accepted to complete a self-administered questionnaire. Sixty-three percent were female, and thirty-seven percent were male. The study was rooted in the positivism paradigm, hence quantitative in nature. Four of the restaurants located in Mutare city were selected for consumers to evaluate their entrepreneurial marketing practices. Multiple regression and correlation analysis was conducted in SPSS version 27 for data analysis. Generally, most of the participants were undecided on SMEs entrepreneurial marketing practices (innovativeness, value creation and consumer intensity). Innovativeness and consumer intensity were found to be significantly correlated to perceived consumer reputation. On the other hand, value creation did not support perceived consumer reputation. The results indicate that SMEs have a lot to do to build strong reputable brands as participants could only be purchasing their offerings based on price wars amongst the restaurants. The concept of entrepreneurial marketing seems to be less developed in Zimbabwe.

Key words/phrases: consumer intensity, entrepreneurial marketing, innovativeness, SMEs, value creation.

1. INTRODUCTION AND PROBLEM STATEMENT

Entrepreneurial marketing (EM) is gaining traction in publication, yet the concept emerged 30 years ago and in Africa, such publications are few (Sadiku-Dushi, Dana & Ramadani 2019). The application of entrepreneurial marketing coins fierce debates in the literature. The debates are focused on the application of traditional marketing pedagogy to small and medium enterprises (SMEs) (Amjad, Rani & Sa'atar 2020b), entrepreneurial marketing effectiveness in both small and large businesses (Morris, Schindehutte & Laforge 2002; Stokes & Wilson 2010; Yang 2018) and the number of dimensions to measure entrepreneurial marketing (Amjad, Rani & Sa'atar 2020a; Carvalho, Chaim, Cazarini & Gerolamo 2018; Collins, Gameti & Morrish 2021; Eggers, Niemand, Kraus & Breier 2020; Morris et al. 2002). Perhaps these debates are the reason why scholars could not so far agree on a common definition of entrepreneurial marketing. The suggested definitions incorporated innovativeness, customer centricity, risk-taking, opportunity-seeking, resource leveraging, legitimacy, internal marketing practices and value creation (Alqahtani & Uslay 2022; Amjad et al. 2020a; Bjerke & Hultman 2004; Jalilvand, Nasrolahi Vosta, Khalilakbar, Khazaei Pool & Tabaeian 2019; Morris et al. 2002). The prominent debate in entrepreneurial marketing is that traditional marketing is relevant to established incumbents rather than emerging SMEs (Amjad et al. 2020a). Small and medium enterprises are linked to entrepreneurial marketing practices that embrace the scarcity of resources and uncertain business environments (Morrish & Jones 2020). The contribution of SMEs to economic development is undoubtedly concurred by many authors (Gwadabe & Amirah 2017), regardless of the high failure rate of small and medium businesses (Amankwah-

Amoah & Wang 2019). Some of the reasons for this, cited in extant literature, include access to markets (Nkwabi & Mboya 2019), access to external finance (Motta 2020), lack of management skills (Eniola & Entebang 2017), economic and political environments (Gaganis, Pasiouras & Voulgari 2019) and lack of government support (Alkahtani, Nordin & Khan 2020; Peter et al. 2018). Sustainability is one of the concepts coined as the major challenge of SMEs because of the marketing skills deficiency of owner managers (Opute 2020; Polas & Raju 2021). Sustainability is a combination of strong corporate resources (financial, technical human resources, technology) that subject the company to be perceived as reputable and with an acceptable brand image in the eyes of stakeholders (Flores-Hernández, Cambra-Fierro & Vázquez-Carrasco 2020). The establishment of a sustainable business is linked to perceived reputation. Marketing authors argue that the marketing function is the most important in business settings. The marketing function is responsible for building smooth, strong, and long-term relationships both for internal and external stakeholders. The purpose of the marketing effort is to sell products, services and ideas that guarantee the business is a going concern. In the context of SMEs, entrepreneurial marketing is suitable for creating sustainable businesses through perceived reputable brands. The study examines consumer perceptions of the impact of entrepreneurial marketing dimensions on the reputation of small and medium enterprises from a consumer's perspective. Entrepreneurial marketing is an emerging phenomenon in Africa, regardless of the plethora of SMEs in most African countries as the backbone of economic growth (Maziriri & Mapuranga 2018). Previous studies have coined various reasons attributable to small and medium business failure and success, and recommended measuring entrepreneurial marketing dimensions' impact on reputation (Sadiku-Dushi et al. 2019). Additionally, empirical research on entrepreneurial marketing is still lacking to determine nuances in developing countries (Nwankwo & Kanyangale 2020). Entrepreneurial marketing dimensions impact SME performance (Alqahtani & Uslay 2020; Sadiku-Dushi et al. 2019), competitive advantage (Stephen et al. 2019), market performance and profitability (Hidayatullah, Firdiansjah, Patalo & Waris 2019; Okangi 2019), personal and financial performance (Fatoki 2019) as well as business growth (Maziriri & Mapuranga 2018), and it received accelerated scholarly attention globally. Entrepreneurial dimensions' impact on SMEs reputation is still sparse, especially from consumer evaluation in African or from developing countries' perspectives, as far as the authors know. We found a dichotomy in the contribution of SMEs to GDP and the rate of venture failure (Fatoki 2019), attributable to the lack of marketing skills of small and medium enterprises (Masood & Sonntag 2020). The current study seeks to unveil this gap in the literature. Using the Entrepreneurial marketing theory, four dimensions are applied in this study. We justified that the entrepreneurial orientation is represented by innovativeness concepts, whilst the marketing orientation is represented by consumer intensity and value creation. We argue that the four entrepreneurial marketing dimensions enable the authors to solicit data from the consumer perspective.

2. RESEARCH OBJECTIVES

The objective of the paper is to determine the impact of the entrepreneurial marketing dimensions on perceived consumer reputation in locally owned restaurants in the city of Mutare in Zimbabwe. Three accompanying hypotheses were formulated to test the perceived assumptions. The overarching theory of the study is the Entrepreneurial marketing theory.

3. LITERATURE REVIEW

3.1. EVOLUTION OF ENTREPRENEURIAL MARKETING

Entrepreneurial marketing has evolved over the past 30 years (Kilenthong, Hills & Hultman 2015). The concept was initially used at the International Council for Small Business and American Association conference in 1982 (Zainualdin, Kamarudin, Abdullah & Tajuddin 2019). The entrepreneurial marketing concept gained attention from scholars and this led to a publication of the *Journal of Research in Marketing and Entrepreneurship* in 1999 (Ionita 2012). The concept was advanced by conventional marketing theories (Hills, Hultman & Miles 2008). Integration between entrepreneurship and marketing research was developed in the early 1990s (Toghraee & Mmonjezi 2017). Morris et al. (2002) established and conceptualised entrepreneurial marketing dimensions which were complimented by Maritz (2010) in terms of marketing practice theory. Limited market image, limited market share, lack of specialised management skills, imperfect information as well as myopic business and personal goals are among the prominent conditions related to entrepreneurial marketing (Hills et al. 2008:102). Entrepreneurial marketing applicability has been associated with marketing practices by small firms (Bjerke & Hultman 2004). However, entrepreneurial marketing is argued to apply to large firms and is usually exercised by middle-level marketing managers (Yang 2018). Customer interface, management of risk and resource leveraging is regarded as innovative in entrepreneurial marketing (Morris et al. 2002). Kilenthong, Hultman and Hills (2015) classified entrepreneurial marketing dimensions into six categories namely: growth orientation, opportunity orientation, total customer focus, value creation through networks, informal market analysis and closeness to the market. However, seven dimensions developed by Morris et al. (2002) were adopted by recent studies. For instance, innovativeness, calculated risk-taking and opportunity focus were adopted in measuring the impact of entrepreneurial marketing practices and overall SMEs performance (Sadiku-Dishu et al. 2019). Scholars still suggest that dimensions such as internal marketing practice and legitimacy must be additional dimensions (Amjad et al. 2020a).

3.2. SMALL AND MEDIUM ENTERPRISE DEFINITION IN ZIMBABWE

SMEs have been defined differently globally. Turnover and number of employees are common attributes used by different countries to define SMEs across the globe (Stephen, Ireneus & Moses 2019). The United States of America and Canada categorise SMEs as businesses with less than 500 employees, while in Germany a business with a maximum of 250 employees is regarded as an SME (Muriithi 2017). In Zimbabwe, SMEs are defined as business firms with employees not exceeding 100 permanent workers (SEDCO 2011). Due to the multi-currency regime introduced in the year 2009, defining SMEs using capital and turnover was rendered a very difficult method of evaluating this business sector (Chipangura & Kaseke 2012). The Confederation of Zimbabwe Industries (CZI) defines SMEs as business entities with the capacity to permanently hire employees between 1- 25 and a turnover between USD 4 million and USD 5 million respectively (CZI 2011). The definition of SMEs as stated by CZI was adopted, but the turnover concept was ignored due to challenges of valuation due to ever-changing monetary policies. Marketing is the most important function that connects business offerings to the market, hence determining consumer perception and consumer evaluation of SME entrepreneurial marketing dimensions offer an opportunity for this sector to respond to market needs appropriately.

4. OVERARCHING THEORY AND CONCEPTUAL FRAMEWORK

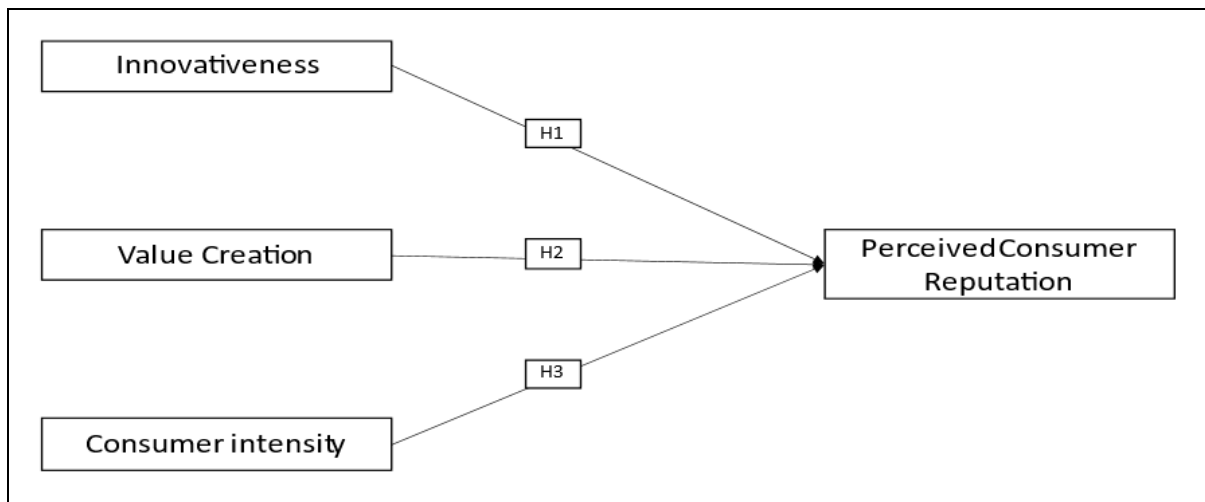
4.1. ENTREPRENEURIAL MARKETING THEORY

Entrepreneurial marketing in SMEs is different than what is discussed in standard textbooks (Amjad et al. 2020). Standard marketing was developed for larger enterprises and ignores the marketing particularities of SMEs (Grünhagen & Mishra 2008; Kraus, Harms & Fink 2010). Graduate entrepreneurs in the UK were found to be unprepared for a competitive market place due to the lack of selling skills and insufficient professional experience (Hanage, Scott & Davies 2016), which indicated a wide theory practice gap in entrepreneurial marketing. Sadiku-Dishu et al. (2019) postulate that entrepreneurial marketing is an interface between entrepreneurship and marketing domains. It therefore, follows that entrepreneurship orientation and marketing orientation are the theoretical basis that is developed into entrepreneurial marketing theory dimensions to understand the entrepreneurial and marketing capabilities of SME owner managers (Toghraee et al. 2017). Entrepreneurship orientation (EO) is composed of two strategic postures namely: innovativeness and risk-taking (Miller 2011). Entrepreneurial orientation involves a strategy making process exhibited by entrepreneurial behavioural dimensions which include innovativeness, autonomy, risk taking and competitive aggressiveness (Lumpkin & Dess 2001; Vaitoonkiat & Charoensukmongkol 2020). On the other hand, marketing orientation (MO) is when the behaviour of the firm focusses on the market by a way of viewing customer needs, concerns and preferences (Toghraee et al. 2017; Toghraee & Mmonjezi 2017). Marketing orientation is mainly focused on the external stakeholders that have an interest in the firm, and consumers are the focus of the current study. According to Sadiku-Dushi et al. (2019), marketing orientation exhibits two dimensions which are customer intensity and value creation.

4.2. CONCEPTUAL FRAMEWORK

The study focuses on consumer evaluation of SMEs entrepreneurial marketing practices and the extent these entrepreneurial marketing practices are perceived as reputable. Instead of using the seven dimensions as suggested by Morris et al. (2002), three of the dimensions are deemed applicable in the consumer domain. Innovativeness represents entrepreneurship orientation, while value creation and consumer intensity are marketing orientation elements. The researchers developed the conceptual model as indicated in Figure 1. The predictors of the model are innovativeness, value creation and consumer intensity. The dependent variable is perceived consumer reputation.

FIGURE 1: ENTREPRENEURIAL MARKETING PROPOSED MODEL



Source: Own construction

5. HYPOTHESIS DEVELOPMENT

5.1. INNOVATIVENESS AND PERCEIVED CONSUMER REPUTATION

Innovativeness is described as a creative destructive process, whereby new products or services are an outcome of consumer delightful value (Eggers et al. 2020). In other words, innovativeness promotes effective and efficient utilisation of scarce resources without compromising consumer value. Arsawan et al. (2022) postulate that innovation is a source of competitive advantage, builds a culture of innovation, develops outstanding products, and improves business performance. Innovation is a source of differentiation and proves the distinctive capabilities of the firm. It is undoubtedly that innovation is a novel aspect of EM of SMEs; however, such innovativeness must address the needs prevailing in the marketplace. Evidently, consumers must drive firm innovations for business growth and sustainability. Ali (2019) revealed that innovativeness is positively related to customer needs adaptability and competitive advantage. For instance, creative companies strive to develop new ideas which are market-oriented and normally collaborate with strategic players to share assets that are harder to access individually (Crick 2018). This would mean that strategic collaboration leverage resources that positively improve the firms' performance. Based on extant literature findings, innovativeness proves an essential dimension of entrepreneurial marketing, however, the relationship of innovativeness to SMEs reputation in the consumer domain remains sparse. Dubey, Bajpai, Guha and Kulshreshtha (2019) investigated entrepreneurial marketing based on antecedents of total quality management to perceived quality and customer delight of both women and men and find that corporate image (reputation) is the dominant EM dimension in influencing the perceived quality and customer delight. To that effect, the researcher suggests that innovativeness is positively related to consumer perception of SMEs reputations. Customer delight was defined as customer novelty, enjoyment and advocacy created from the delivery of superior products (Dubey et al. 2019). Reputation is a psychological satisfaction derived from perceived firm goodwill in terms of products or services it delivers to its target market. It is a promise measured by actual performance in the market. It may be futile to establish a perceived SMEs reputation by consumers as a product of the innovativeness of such firms. Although innovativeness has been investigated previously in relation to competitive advantage (Stephen et al. 2018), the overall performance (Sadiku-Dishu et al. 2019), organisational performance moderated by network structure, firm size and environmental factors (Alqahtani & Uslyay

2020), marketing performance (Hidayatullah et al. 2019), firm survival (Nwankwo & Kanyangale 2020) and business growth (Maziriri & Mapuranga 2018), none of these studies focused on how entrepreneurial marketing dimensions impact reputation from a consumer perspective. This study seeks to explore this gap to unveil new empirical findings from a stakeholder perspective as far as the innovativeness of SMEs is concerned. Based on the arguments outlined in extant literature the following hypothesis is formulated:

Hypothesis 1: Innovativeness is strongly related to perceived consumer reputation.

5.2. VALUE CREATION AND PERCEIVED CONSUMER REPUTATION

The aspect of value creation has brought the debatable understanding of traditional and social entrepreneurship as an objective of establishing SMEs. For instance, social entrepreneurs claim that they are problem-solving driven by risk-taking and innovation, while traditional entrepreneurs are posited as hugely profit-oriented (Burt 2015; Ping 2017). However, scholars developed a consensus that whatever entrepreneurs name themselves, profit is a realisation of entrepreneurial formation, especially for SMEs (Zainualdin et al. 2019). Therefore, SMEs must innovate to solve societal or market needs that are perceived as satisfactory value and worth for these firms to take risks. Nwankwo and Kanyangale (2020) referred to value creation as a firm's distinctive capability to facilitate the novel exchange to its clients or customers profitably. Outputs of entrepreneurial activities offered by organisations are what Hills and Hultman (2011) considered value creation. Value is created when firms identify untapped areas using bricolage and satisfy customer needs (Morris et al. 2002). The value creation dimension is also referred to as "exploring new methods and searching for unique combinations of resources to create more value for customers" (Grönroos & Voima 2013; Ranjan & Read 2016). Fatoki (2019) investigated the impact of entrepreneurial marketing dimensions on the financial performance of SMEs in South Africa and find out that value creation was a strong predictor of SMEs financial performance. Nwankwo and Kanyangale (2020) deconstructed the EM dimensions in suggesting a model that is appropriate for Nigerian SMEs to ensure firm survival. They found that value creation was a critical EM dimension for small and medium businesses. Similarly, value creation is revealed to be positively related to organisational performance and the firm's source of advantage (Alqahtani & Usly 2020). Sadiku-Dishu et al. (2019) posit that value creation is positively related to the overall performance of SMEs. Value means that consumers' needs are satisfied by providing novel ideas, processes, or methods in serving them. For instance, restaurants that offer healthy foods and are sensitive to cultural diversity are posited as considerate of consumer needs. Furthermore, firms that offer quick service, and dishes that are perceived value for money and less hustle in returning erroneous orders were categorised as value creators and reputable in the eyes of consumers. In the context of this study, a consumer's strong perception of the value that SMEs offered to the market will be associated with a positive evaluation of SMEs reputation. Based on the facts raised above, the following hypothesis is developed:

Hypothesis 2: SME value creation is strongly related to perceived consumer reputation.

5.3. CONSUMER INTENSITY AND CONSUMER PERCEIVED REPUTATION

Customer intensity is an effort of a business entity to personalise customer needs/preferences/desires as the core firm's objective (Nwankwo & Kanyangale 2020). Customer intensity builds up the passion for the customer and the employees' recognition of products and services (Hisrich & Ramadani 2018; Sadiku-Dushi et al. 2019). Building a personalised customer experience might authenticate SMEs products or services, hence

creating a formidable and reputable name on the market. In this view, the researchers assume that SMEs that create close ties with customers and are able to individualise consumer needs will create a memorable name of repute in the market. Therefore, strong ties with customers create long-term relationships, advocacy, and re-purchase intentions. Pleasing customers with a personalised purchase process is a nascent aspect mostly referred to as customer experience. Such a close relationship with a customer is also strongly related to business goodwill, also referred to as reputation. Conversely, those who fail to address this endeavour are perceived to be less reputable. The following hypothesis is then formulated:

Hypothesis 3: Consumer intensity is strongly related to perceived consumer reputation.

6. METHODOLOGY

The study used the cross-sectional survey method where data was collected from the target population. The respondents completed the questionnaire which was shared to them by the interviewers (Story & Tait 2019). The study noted that surveys had more advantages which include quick, inexpensive, efficient, and accurate means of getting data from the target population. The cross-sectional design is representative of a large sample and free from response bias, however, its shortfalls are a lack of prediction of change in trends and a lack of collection of large amounts of data. However, a cross-sectional design is suitable for this study to understand the relationships between Entrepreneurial marketing dimensions and SMEs reputation as perceived by restaurant consumers in Mutare city.

6.1. POPULATION OF THE STUDY

Consumers in Mutare town were considered as the population of the study. The consumers who buy food from the restaurants in Mutare city were considered the target population. The participants who were at least 18 years and above and had purchased food from the restaurants were allowed to complete the questionnaire.

6.2. SAMPLE DESIGN

The sampling frame was not determined as the researchers failed to get the exact number of consumers who buy food in the four restaurants which were identified for the study. The consumers identified were those who order take aways and those who consume the food at the premises of the business. Participants were approached randomly as they were ordering their dishes. The researchers found it easy to select participants as all consumers were given equal opportunity (Sharma 2017). The process eradicated bias in participants selection. The sample size was determined from the sample table recommended by Krejcie and Morgan (1970). At a 95% confidence interval, the required sample size is 162 participants. A sample size of at least 30% is recommended for social and management sciences (Cooper & Schindler 2003). Following this recommendation, a sample size between 20 to 78 respondents was acceptable for this study. The cross-sectional survey was deemed fit for the study as data collection was done within the short space of time. The self-administered questionnaire was used to gather primary data for analysis. A questionnaire was considered important in the recording of responses from the participants (Cooper, Schindler & Sun 2006). The questionnaire had numbered questions in three sections. Section A contained demographical questions regarding the respondents of the study. Section B consisted of questions focusing on the entrepreneurial marketing dimensions. Section C contained questions based on the consumer reputational perceptions of SMEs which represent the dependent variable. The Likert scale was adopted for the study with values 1 representing Strongly disagree, 2 for Disagree, 3 for Neutral, 4 for

Agree and 5 for Strongly agree. The Statistical Package for Social Sciences (SPSS) and Amos version 23 were used to analyse the data. SPSS was found to be able to handle large amounts of data efficiently (Kotari 2020). This enabled the researcher to meaningfully describe the distribution of measurements with the use of statistics or indices. Additionally, to test the relationship between variables, regression and correlation analysis were used. Measurement scales were adopted from Eggers et al. (2020) and Sadiku-Dushi et al. (2019) where the instrument was developed and completed by SMEs and the employees working for the SMEs. The current study excluded the employees as the focus was on customers evaluating the SMEs to measure the level of consumer reputation.

6.3. ETHICAL CONSIDERATIONS

Confidentiality and anonymity of the participants were strictly observed and guaranteed as well as practised all the time. The anonymity of participants was observed by asking questions that were only research related. Personal questions involving participants’ names, addresses and phone numbers were avoided. This ensured that the anonymity and confidentiality of participants were observed. The data collected from the participants were stored in a password-protected computer. All the information was aggregated; no specific individual information is traceable to participants. Additionally, assurance was given to the participants that the information gathered is solely for the research purposes. This was done by providing the participants with a written consent form.

7. STUDY FINDINGS

7.1. DATA COLLECTION DETAILS

The researchers conducted a pilot study to ensure that the questionnaire was valid and reliable before the final version of the tool was distributed to the respondents during the three months period from January to March 2023. The customers of the four identified restaurants in Mutare were approached randomly when they were buying food. They were requested for their consent to participate in the study and upon accepting, a self-administered questionnaire was shared. Majority of respondents were local residents from different professional backgrounds.

TABLE 1: QUESTIONNAIRE DISTRIBUTION AND DATA COLLECTION

Questionnaire	Frequency	Percentage
Total questionnaires distributed	250	100%
Returned questionnaires	162	65%
Rejected questionnaires	12	5%
Questionnaires analysed	150	60%

Source: Own construction

The questionnaire distribution and data collection are summarised in Table 1. The response rate for the study was 65%. The total number of participants who accepted to complete the questionnaire were 162 participants. The level of completion acceptable for the study was at least 50%, however the acceptable questionnaires were completed at 100%. Twelve responses (questionnaires) were rejected from analysis because of their incompleteness which was below minimum acceptable level. The researchers had to use the available questionnaires (150) to analyse the data.

7.2. RELIABILITY

Construct reliability was assessed using Cronbach's alpha as summarised in Table 2. The reliability test was run using SPSS version 23. The results were accepted as they indicate an acceptable margin.

TABLE 2: INTERNAL RELIABILITY

Constructs	Number of items	Cronbach's Alpha
Innovation	3	0.757
Value Creation	3	0.771
Consumer Intensity	4	0.762
Perceived Consumer Reputation	5	0.762

Source: Own construction, based on analysis

Cronbach's alpha (α) is used to test the reliability of the measurement instrument (Hair Jr, Black, Babin, Anderson & Tatham 2010). Cronbach's alpha (α) measures the reliability of the scales' internal consistency and ranges from 0 to 1, it considers the values of 0.60 to 0.70 to have a lower limit of acceptability, while a higher level of Cronbach's alpha indicates higher reliability of the measurement scale (Hair et al. 2011; Kline 2011). Cronbach's alpha reliability scores between 0.60 and above 0.70 are referred to as good scales and satisfactory (Clow & James 2013; Malhotra & Birks 2006). The results reveal that the innovation scale with three items ($\alpha = 0.757$), value creation with three items ($\alpha = 0.771$), consumer intensity with four items ($\alpha = 0.762$) and perceived consumer reputation with five items ($\alpha = 0.762$) were found reliable as per the recommendation of scholars who argued that a value is reliable if the alpha (α) value is greater than 0.70 (Hair Jr et al. 2020). To improve the reliability of the scale, there is a need to increase the number of items per scale and collect more data.

7.3. DEMOGRAPHICAL INFORMATION

The word "demography" comes from the Greek word *demos* which refers to people and *graphy* which refers to a picture of the group of individuals or population under study (Jones et al. 2020). The demographic variables for the study include gender, level of education and frequency of purchase. Brodhead (2019) notes that demographic variables can influence how participants respond to individual behaviour in any given study. If demographic variables are not reported in the research output, there is a possibility of finding it difficult to explore the impact of such variables on consumer behaviour (Jones, St. Peter & Ruckle 2020). Shinde et al. (2022) describe entrepreneurial demographic characteristics as factors of individuals that accumulate during their lifetime. The gender pattern for consumers who purchased food from the SMEs restaurants was composed of 56 males and 94 females respectively. In percentile form, 37.3% were male and 62.7% were female giving the demographic representation insights of the study. In a previous study based on the feminist perspective on gender and technology entrepreneurship, Reyes and Neergaard (2023), found gender to be an overarching factor that shapes every facet of the life of a women technology entrepreneur. The variable was instrumental in understanding entrepreneurial marketing. The summary in Table 3 depicts that the economically active age groups of between 26-30 years old and 31-35 years old represented the highest number of participants of 26% and 21.3% respectively. Those in the age group of between 41-45 years old were third in terms of participation with a rate of 14.7%, followed by the 21-25 years age group with a 13.3% participation rate. The age group of 46 years and above was lowly represented by 6.7%, perhaps this shows that at this age, people prefer home-made meals and are less active in economic activities of the country.

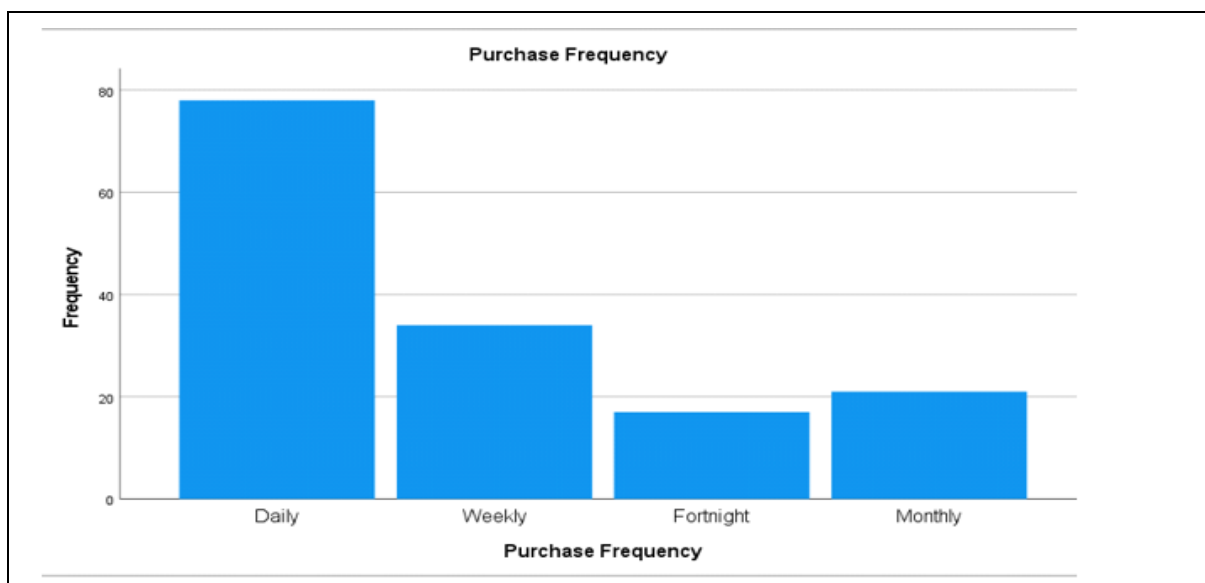
TABLE 3: CONSUMER AGE GROUP

		Age Group			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-20years	13	8.7	8.7	8.7
	21-25 years	20	13.3	13.3	22.0
	26-30 years	39	26.0	26.0	48.0
	31-35years	32	21.3	21.3	69.3
	36-40 yers	14	9.3	9.3	78.7
	41-45years	22	14.7	14.7	93.3
	46 years and above	10	6.7	6.7	100.0
	Total	150	100.0	100.0	

Source: Own construction, based on analysis

The summarised level of education and occupation of participants indicate that holders of undergraduate degrees were the most representative of the study accounting for 41.3%, while diploma holders were second with 21.3% participants. The least educated were primary level holders with the lowest percentage rate of 2.7% whilst the most educated were holders of post graduate degrees with 23.7%. The consumer purchase frequency is depicted on Figure 2, where fifty two percent of the participants indicated that they purchased food from restaurants daily while 22.7% made purchases on a weekly basis. 14% purchased every month while 11.3% visited restaurants to buy food once every two weeks. 42% of consumers went to purchase food mostly when they hang around with friends. 34.7% of the participants have shown that they purchased and consumed the food alone while 23.3% went as a family to purchase food.

FIGURE 2: CONSUMER PURCHASE FREQUENCY



Source: Own construction, based on analysis

7.4. ENTREPRENEURIAL MARKETING CONSTRUCTS

Entrepreneurial marketing is regarded as a multivariate variable with seven constructs; however, this study used three predictor variables, which are innovativeness, consumer intensity and value creation. This was because the three chosen variables are appropriate from consumers' perspective to evaluate SMEs reputations regarding what restaurants are offering. In the study, SME reputation is referred to as perceived consumer reputation. The researchers tested the item scales of the entrepreneurial marketing dimensions using the five-point Likert scale. Innovativeness was measured by three items and the participants responses are summarised in Table 4 as well as Figures 3 and 4. The first item measured under innovativeness was consumer perception of the three restaurants' creativity. The respondents answered the question "INV1 – I perceive this company as very creative". Most consumers neither perceived the restaurant as very creative nor not creative in their product or service offering and these consumers made up 56.7% of the total participants. Only 1.3% of the participants disagreed while 34.7% agreed that the restaurants were creative in what they offered. However, only 7.3% of the 150 respondents strongly believed in the firms' creativity.

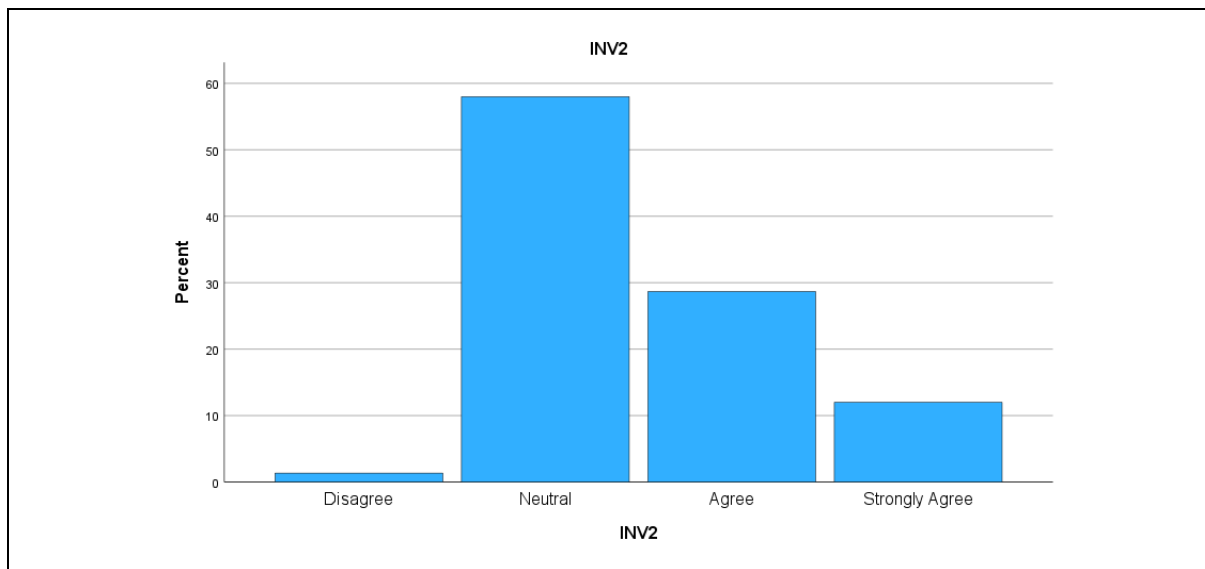
TABLE 4: COMPANY CREATIVITY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	85	56.7	56.7	58.0
	Agree	52	34.7	34.7	92.7
	Strongly Agree	11	7.3	7.3	100
	Total	150	100	100	

Source: Own construction, based on analysis

The second item measured under innovativeness was focusing on new products on the market as depicted in Figure 3. Majority of the consumers could not establish whether the firms' products were unique from those of competitors, and this represented 58% of the total participants. 1.3% of the total participants disagreed whilst 40.7% notice new products offered by the entrepreneurs. The findings exposed the entrepreneurs that they are not innovative enough in the way they prepare their dishes. Consumers saw the same old way of how restaurants do their business, as being on-going. Entrepreneurs have a huge task ahead of introducing new methods of serving their consumers in the market.

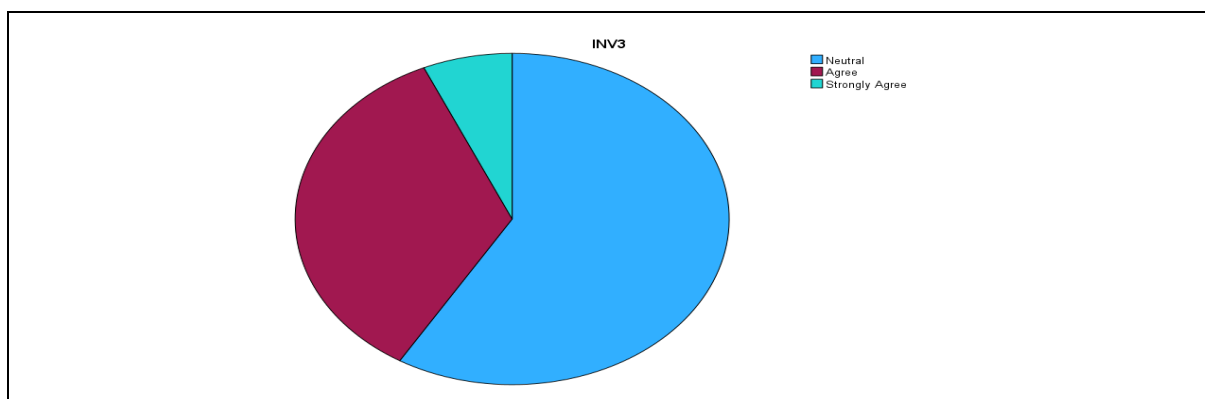
FIGURE 3: NEW PRODUCTS



Source: Own construction, based on analysis

Service quality was measured by the third item “INV3 – The company always find new ways of serving me each time I visit”. The results of service quality are summarised in Figure 4. The number of consumers who were neutral was very high which is 58.7%. The other consumers accounting for 41.3% agreed that they witnessed change witnessed positive change in terms of service quality. The study indicated that service quality in restaurants is not prioritised as firms are not training their staff to maintain high quality standards. There is a need to roll out training programs on service quality among the new and existing employees to improve the image of the SMEs in the community and the entire province of Manicaland.

FIGURE 4: SERVICE QUALITY



Source: Own construction, based on analysis

Value creation was measured by five items. The first one was to check if the consumers get value for money for the products they pay for. The findings were quite interesting. Zero point seven percent participants disagreed that SMEs products or services offered them value for money, while 26% remained undecided. A majority 66.6% of the consumers surveyed agreed that restaurant products or services offered them value for money and 6.7% were strongly in agreement that value for money fulfilled their expectations. The second item focused on service excellence. The results revealed that many consumers were undecided on whether the restaurants provided excellent and appealing services, represented by 54% of the respondents.

On the other hand, 41.3% and 4.7% participants agreed and strongly agreed respectively that the services offered were excellent and appealing to them. The last item on value creation tested friendliness of employees. The results indicate that 52.7% of the consumers suffered from indecision as to whether employees were friendly or not. The remaining participants agreed that employees were friendly to the clients.

Consumer intensity speaks to how close these SMEs were to customers' expectations and offer services that ensure customer retention and sustain long-term relationships. The consumer intensity dimension was measured by four items. The first item measured inclusion of consumer suggestions. About one percent of the participants disagreed that their suggestions were incorporated when it comes to better service delivery. Majority of the consumers were undecided as represented by the neutral response which accounted to 56.7% as indicated on Table 5. In terms of customer satisfaction, 87.3% of the total participants indicated their satisfaction towards the products they get from the restaurants. This testifies that restaurants are not compromising quality standards when it comes to serving their clients and that was commended.

TABLE 5: IMPROVING SERVICES

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	85	56.7	56.7	58.0
	Agree	52	34.7	34.7	92.7
	Strongly Agree	11	7.3	7.3	100
	Total	150	100	100	

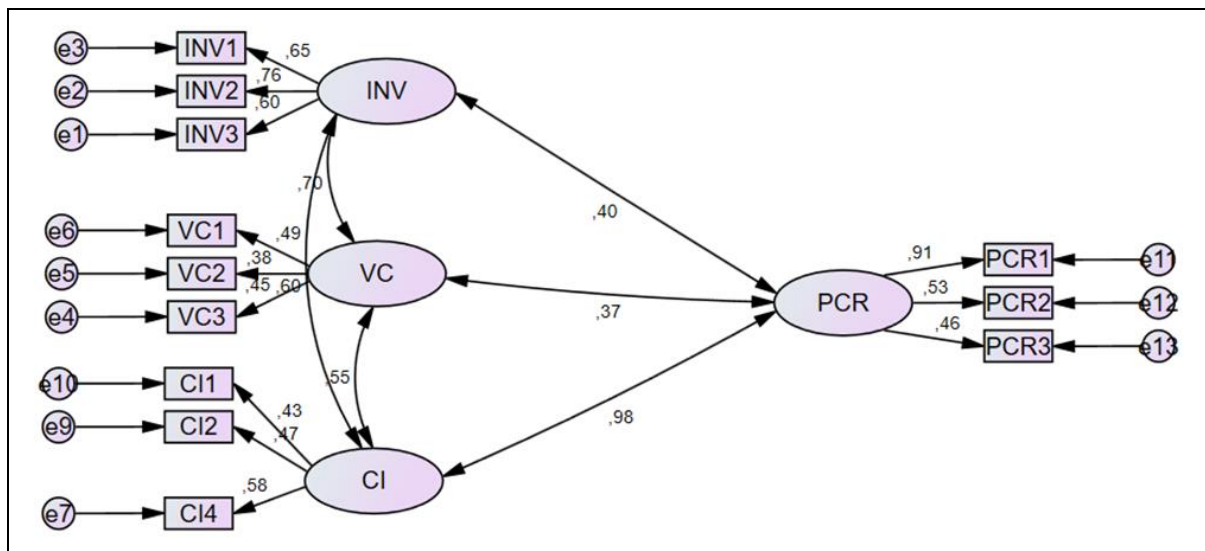
Source: Own construction, based on analysis

The second item that measured consumer intensity was that “promotional messages were direct to individual needs” and the results revealed that 66% of the participants were neutral on companies' promotional messages. About 32.7% of the respondents concurred that firm advertisements were personalised to them, while 1.3% of the consumers disagreed. The third item measured the order fulfilment and the survey outcomes noted that 62.7% of the respondents were impartial on the company checking the quality of the dishes served, representing the majority on this activity. The last item focused on the restaurant's handling of returns. Majority of the consumers were undecided as they made up 69.3% of the participants. Two percent disagreed, 22.7% agreed, and 6% of the total respondents strongly agreed on company returns handling respectively.

7.5. MODEL FIT MEASURES

The researchers tested the model fit by testing the model on IBM Amos v23 as summarised in Figure 5. Several measures were used to measure the overall fit of the hypothesised model. The goodness of fit (GFI) measures how much better the hypothesised model fit compared to the compared with no model at all (Jöreskog & Sörbom 1993; 1996). The GFI value of 0.19 was obtained for the model and is considered a good fit. Root Mean Square Error (RMSEA) value considers the error of approximation in the population (Ho 2014). The RMSEA value obtained for the model was 0.078 which is an indicator of an acceptable fit.

FIGURE 5: ENTREPRENEURIAL MARKETING MODEL



Source: Based on analysis

Incremental fit measures compared the model to the baseline. The incremental indices measured were Tucker-Lewis Index (TLI) = 0.826; Normal fit Index (NFI) = 0.777; Incremental Fit Index (IFI) = 0.880; Relative Fit Index (RFI) = 0.693 and Comparative Fit Index (CFI) = 0.974 were considered acceptable, although RFI recorded low score. The model fit was improved by removing factor loadings below 0.50. Three items were removed from the model, and these were PCR4, PCR5 and CI3.

7.6. COVARIANCES

Covariance is used to evaluate the focus on the goodness of fit and minimise the discrepancy between the observed and estimated covariance matrix (Hair Jr et al. 2010; Hair Jr, Matthews, Matthews & Sarstedt 2017). Table 6 indicates the covariances obtained from the estimated model.

TABLE 6: COVARIANCES

			Estimate	S.E.	C.R.	P	Result
Innovation	<-->	Value_Creation	,067	,022	3,088	**	Significant
Innovation	<-->	Consumer_Intensity	,079	,023	3,527	***	Significant
Innovation	<-->	Perceived_Consumer_Reputation	,093	,028	3,317	***	Significant
Value_Creation	<-->	Consumer_Intensity	,050	,020	2,520	,012	NS
Value_Creation	<-->	Perceived_Consumer_Reputation	,060	,026	2,347	,019	NS
Consumer_Intensity	<-->	Perceived_Consumer_Reputation	,217	,039	5,635	***	Significant

Note: NS – Not Significant; *** p < 0.001; ** p < 0.01

Source: Own construction, based on analysis

The standardised error (S.E.) of coefficients represents the expected variation of the estimated coefficients (Ho 2013). The critical ratio (C.R.) tests the significance of path coefficient. The result from the model indicates that the critical ratio is above ± 1.96 and had a significant path ($p < 0.05$). Based on the critical ratio criterion, significant paths were found between innovation and value creation (C.R. = 3.088, $p < 0.01$); innovation and perceived consumer reputation (C.R. = 3.317, $p < 0.001$) as well as consumer intensity and perceived consumer reputation (C.R. = 5.635, $p < 0.001$). Value creation to consumer intensity as well as perceived consumer

reputation had insignificant paths. The covariances, i.e., unstandardised correlation coefficients, between the predictors show significant relationships by the critical ratio test ($p < 0.001$ and $p < 0.01$), except for value creation on consumer intensity and perceived consumer reputation. The researchers concluded that perceived consumer reputation is influenced by innovation and consumer intensity, whilst value creation has no significant impact.

7.7. HYPOTHESIS TESTING

7.7.1. Spearman correlation of model

Correlation is concerned with investigating the existence of a relationship, its magnitude and its direction between two variables (Ho 2013). Spearman's rho was used to test the correlation coefficient of three variables in the model which were innovativeness, value creation and consumer intensity, as indicated in Table 7.

TABLE 7: SPEARMAN RANK CORRELATION

			INV	VC	CI	PCR
Spearman's rho	INV	Correlation Coefficient	1,000	,319**	,244**	,296**
		Sig. (2-tailed)	.	<,001	,003	<,001
		N	150	150	150	150
	VC	Correlation Coefficient	,319**	1,000	,149	,156
		Sig. (2-tailed)	<,001	.	,068	,056
		N	150	150	150	150
	CI	Correlation Coefficient	,244**	,149	1,000	,476**
		Sig. (2-tailed)	,003	,068	.	<,001
		N	150	150	150	150
	PCR	Correlation Coefficient	,296**	,156	,476**	1,000
		Sig. (2-tailed)	<,001	,056	<,001	.
		N	150	150	150	150

** Correlation is significant at the 0.01 level (2-tailed).

Source: Own construction, based on analysis

(a) Innovativeness and perceived consumer reputation

The Spearman rank order coefficient ($\rho = 0.296$, $p < 0.001$) has a positive magnitude and direction. The results indicate that as entrepreneurial innovation increases, perceived consumer perception increases as well, as depicted in Table 7. Innovativeness (INV) was a significant positive predictor of perceived consumer reputation. For every one-unit increase in innovativeness, there is a predicted increase of 0.296 in the log odds of being at a higher level on perceived consumer reputation. The results show that there is a positive weak correlation of 0.296 between innovativeness and consumer reputation. Although this hypothesis is supported, most of the participants were still undecided about the innovativeness practices of restaurants in Mutare city. It is, therefore, evident that the owner managers' claim of their innovativeness has not reached the majority acceptable levels as indicated in Stephen et al. (2019). However, the first hypothesis (H_1) is supported.

(b) Value creation and perceived consumer reputation

Although value creation is one of the important entrepreneurial marketing dimensions, it is surprising that in this study value creation was not a significant predictor of perceived consumer reputation. The Spearman rank order coefficient ($\rho = 0.16$, $p > 0.01$) clearly shows the p-value is not significant. The correlation between value creation (VC) and perceived

consumer reputation is very weak (0.156) and insignificant (0.56). The second hypothesis (H₂) is not supported. Conversely, this study provides the opposite results as established in Fatoki (2019) which found value creation to be a strong precursor of the financial performance of SMEs.

(c) Consumer intensity and perceived consumer reputation

Creating a long-term relationship with customers is one of the important investments a company must set aside effort and financial resources for, to please customers. The results obtained from the Spearman rank order coefficient ($\rho = 0.476$, $p < 0.001$) indicate that consumer intensity is a significant predictor of perceived consumer reputation. For every one-unit increase in consumer intensity, there is a predicted increase of 0.476 in the log odds of being at a higher level on perceived consumer reputation. Consumer intensity is averagely correlated to reputation. The hypothesis (H₃) is supported. The results of this study are in congruence with extant literature which treasured customer relationship management as a significant predictor of sustainable and profitable entities (Hisrich & Ramadani 2018).

8. RECOMMENDATIONS

Entrepreneurial marketing is an important aspect of SMEs. Entrepreneurial marketing is the bloodstream of new ideas in selling, persuading, and retaining customers by offering latent needs. Most of the participants were undecided about the entrepreneurial marketing practices of restaurants in Mutare city in Manicaland province of Zimbabwe. We recommend that entrepreneurial marketing should be trained either through government agencies or institutions of higher learning to cover the pedagogy-practice gap. We recommend the introduction of this course across faculties to integrate technical and marketing skills to match customer needs in a complex and uncertain environment. Value creation showed major weaknesses of the restaurant owners which indicates slight modification of the original business model which cannot sustain the test of time. Entrepreneurs must balance all the entrepreneurial marketing dimensions by taking calculated risks in striving to be market leaders. Competing in terms of the 7P's of the marketing mix is not sufficient, rather creating sustainable value by becoming the first movers or changers in the market. For policymakers, this study unveiled enough evidence that entrepreneurial marketing largely lacks in most of these new ventures. Government and other funders must work consistently to equip owner-managers with marketing skills that match limited resources and turbulent environments. The African continent is registering impactful failure of new ventures regardless of national governments setting aside financial resources to inject in start-ups. Entrepreneurial marketing must become one of the inputs to ensure sustainable small firms' growth.

9. CONCLUSION AND MANAGERIAL IMPLICATIONS

The researchers acknowledge that the conclusions and recommendations provided in this study are not generalisable to the population, due to the sampling technique used. However, we also acknowledge the great insights that this study provided to Zimbabwe stakeholders involved in championing entrepreneurship. We believe the lack of marketing and marketing skills is the number one enemy for African start-ups and training entrepreneurs is very much necessary. A nation that has marketing skills spills over to national economic growth by identifying innate and latent needs and serving the market better than anyone else. While the research has provided great insights into consumer entrepreneurial marketing dimensions' impact on SMEs reputations, there are limitations observed in the study. These limitations provide for areas of further study to enhance knowledge. Firstly, it would be interesting to understand how the

consumers evaluated the entrepreneurial dimension of value creation and what consumers' expectations of these variables are. Secondly, the study was cross-sectional; a longitudinal design could be more valuable to understand the progress of entrepreneurial marketing dimensions of consumer evaluation over time. We also challenge the methodological approach, where complex regression models must be undertaken.

10. FUTURE RESEARCH AND FINAL CONCLUSION

Future studies must collect data from more than one country and compare the findings from two countries in emerging markets. Future studies must test more entrepreneurial dimensions for small and bigger companies. Lastly, it would also be insightful to investigate the direct relationships of emerging marketing dimensions to demographic factors such as education, gender and age.

REFERENCE LIST

- Ali, A. 2019. Entrepreneurial marketing and consumer need adaptability for Batik industry marketing performance in Lasem, Rembang. *Arthatama*, 3(1):55-66.
- Alkahtani, A., Nordin, N. & Khan, R.U. 2020. Does government support enhance the relation between networking structure and sustainable competitive performance among SMEs? *Journal of Innovation and Entrepreneurship*, 9(14):1-16.
- Alqahtani, N. & Usley, C. 2020. Entrepreneurial marketing and firm performance: Synthesis and conceptual development. *Journal of Business Research*, 113:62-71.
- Alqahtani, N. & Usley, C. 2022. Marketing/entrepreneurship interface research priorities (2023–2026). *Journal of Research in Marketing and Entrepreneurship*, 24(2):405-419.
- Amankwah-Amoah, J. & Wang, X. 2019. Business failures around the world: Emerging trends and new research agenda, *Journal of Business Research*, 98:367-369.
- Amjad, T., Rani, S.H.A. & Sa'atar, S. 2020a. A new dimension of entrepreneurial marketing and key challenges: A case study from Pakistan. *SEISENSE Journal of Management*, 3(1):1-14.
- Amjad, T., Rani, S.H.B.A. & Sa'atar, S.B. 2020b. Entrepreneurship development and pedagogical gaps in entrepreneurial marketing education. *The International Journal of Management Education*, 18(2), 100379.
- Arsawan, I.W.E., Koval, V., Rajjani, I., Rustiarini, N.W., Supartha, W.G. & Suryantini, N.P.S. 2022. Leveraging knowledge sharing and innovation culture into SMEs sustainable competitive advantage. *International Journal of Productivity and Performance Management*, 71(2):405-428.
- Bjerke, B. & Hultman, C. 2004. *Entrepreneurial marketing: The growth of small firms in the new economic era*, Cheltenham, UK: Edward Elgar Publishing.
- Brodhead, M.T. 2019. Culture always matters: Some thoughts on Rosenberg and Schwartz. *Behavior Analysis in Practice*, 12:826-830.

- Burt, M. 2015. Social entrepreneurs seeing problems as opportunities. *World Economic Forum*, December.
- Carvalho, N., Chaim, O., Cazarini, E. & Gerolamo, M. 2018. Manufacturing in the fourth industrial revolution: A positive prospect in sustainable manufacturing. *Procedia Manufacturing*, 21:671-678.
- Chipangura, A. & Kaseke, N. 2012. Growth constraints of small and medium enterprises (SMEs) at Glenview Furniture Complex (GFC) in Harare (Zimbabwe). *International Journal of Marketing and Technology*, 2(6):40.
- Clow, K.E. & James, K.E. 2013. *Essentials of marketing research: Putting research into practice*, Singapore: Sage.
- Cohen, J., Cohen, P., West, S.G. & Aiken, L.S. 2013. *Applied multiple regression/correlation analysis for the behavioral sciences*, New York: Routledge.
- Collins, J., Gameti, D. & Morrish, S. 2021. Re-evaluating entrepreneurial marketing dimension in the pursuit of SME innovation and growth. *Journal of Business Strategies*, 38(1):1-24.
- Colton, J.A. & Bower, K.M. 2002. Some misconceptions about R2. *International Society of Six Sigma Professionals, EXTRAOrdinary Sense*, 3:20-22.
- Cooper, D. & Schindler, P. 2003. *Business research methods*. 8th edn., New York: McGraw-Hill.
- Cooper, D. R., Schindler, P.S. & Sun, J. 2006. *Business research methods*. New York: McGraw-Hill.
- Crick, J.M. 2018. The facets, antecedents and consequences of coopetition: An entrepreneurial marketing perspective. *Qualitative Market Research: An International Journal*, 21(2):253-272.
- Dubey, P., Bajpai, N., Guha, S. & Kulshreshtha, K. 2019. Entrepreneurial marketing: An analytical viewpoint on perceived quality and customer delight. *Journal of Research in Marketing and Entrepreneurship*, 22(1):1-19.
- Eggers, F., Niemand, T., Kraus, S. & Breier, M. 2020. Developing a scale for entrepreneurial marketing: Revealing its inner frame and prediction of performance. *Journal of Business Research*, 113:72-82.
- Eniola, A.A. & Entebang, H. 2017. SME managers and financial literacy. *Global Business Review*, 18(3):559-576.
- Fatoki, O. 2019. Green entrepreneurial orientation and firm performance in South Africa. *Entrepreneurship and Sustainability Issues*, 7(1):247.
- Flores-Hernández, J.A., Cambra-Fierro, J. J. & Vázquez-Carrasco, R. 2020. Sustainability, brand image, reputation and financial value: Manager perceptions in an emerging economy context. *Sustainable Development*, 28:935-945.

- Gaganis, C., Pasiouras, F. & Voulgari, F. 2019. Culture, business environment and SMEs' profitability: Evidence from European countries. *Economic Modelling*, 78:275-292.
- Grönroos, C. & Voima, P. 2013. Critical service logic: Making sense of value creation and co-creation. *Journal of the Academy of Marketing Science*, 41:133-150.
- Grünhagen, M. & Mishra, C.S. 2008. Entrepreneurial and small business marketing: An introduction. *Journal of Small Business Management*, 46(1):1-3.
- Gwadabe, U.M. & Amirah, N.A. 2017. Entrepreneurial competencies: SMES performance factor in the challenging Nigerian economy. *Academic Journal of Economic Studies*, 3(4):55-61.
- Hair Jr, J.F., Matthews, L.M., Matthews, R.L. & Sarstedt, M. 2017. PLS-SEM or CB-SEM: Updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2):107-123.
- Hair Jr. J.F., Black, W.C., Babin, B.J., Anderson, R.E. & Tatham, R.L. 2010. SEM: An introduction. *Multivariate data analysis: A global perspective*, 5:629-686.
- Hair Jr. J.F., Howard, M.C. & Nitzl, C. 2020. Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109:101-110.
- Hanage, R., Scott, J.M. & Davies, M.A. 2016. From “great expectations” to “hard times”: A longitudinal study of creative graduate new ventures. *International Journal of Entrepreneurial Behavior & Research*, 22(1):17-38.
- Hidayatullah, S., Firdiansjah, A., Patalo, R.G. & Waris, A. 2019. The effect of entrepreneurial marketing and competitive advantage on marketing performance. *International Journal of Scientific and Technology Research*, 8(10):1297-1301.
- Hills, G.E. & Hultman, C.M. 2011. Academic roots: The past and present of entrepreneurial marketing. *Journal of Small Business & Entrepreneurship*, 24(1):1-10.
- Hills, G.E., Hultman, C.M. & Miles, M.P. 2008. The evolution and development of entrepreneurial marketing. *Journal of Small Business Management*, 46(1):99-112.
- Hisrich, R.D. & Ramadani, V. 2018. *Entrepreneurial marketing: A practical managerial approach*, Cheltenham, UK: Edward Elgar Publishing.
- Ho, R. 2013. *Handbook of univariate and multivariate data analysis with IBM SPSS*, CRC press.
- Ho, R. 2014. *Univariate and multivariate data analysis with IBM SPSS*, London: CRC Press Taylor & Francis Group, Boca Raton FL.
- Ionita, D. 2012. Entrepreneurial marketing: A new approach for challenging times. *Management & Marketing*, 7(1):131-150.

- Jalilvand, M.R., Nasrolahi Vosta, L., Khalilakbar, R., Khazaei Pool, J. & Tabaeian, R.A. 2019. The effects of internal marketing and entrepreneurial orientation on innovation in family businesses. *Journal of the Knowledge Economy*, 10:1064-1079.
- Jones, S.H., St. Peter, C.C. & Ruckle, M.M. 2020. Reporting of demographic variables in the Journal of Applied Behavior Analysis. *Journal of Applied Behavior Analysis*, 53(3):1304-1315.
- Jöreskog, K.G. & Sörbom, D. 1993. *LISREL 8: Structural equation modeling with the SIMPLIS command language*, Scientific Software International.
- Jöreskog, K.G. & Sörbom, D. 1996. *LISREL 8: User's reference guide*, Scientific Software International.
- Kilenthong, P., Hills, G.E. & Hultman, C.M. 2015. An empirical investigation of entrepreneurial marketing dimensions. *Journal of International Marketing Strategy*, 3(1):1-18.
- Kotari, CR. 2020. *Research methodology methods and techniques*. 2nd edn., New Dehli: New Age International Pvt Ltd Publishers.
- Kraus, S., Harms, R. & Fink, M. 2010. Entrepreneurial marketing: moving beyond marketing in new ventures. *International Journal of Entrepreneurship and Innovation Management*, 11(1):19-34.
- Krejcie, R.V. & Morgan, D.W. 1970. Determining sample size for research activities. *Educational and Psychological Measurement*, 30(3):607-610.
- Lumpkin, G.T. & Dess, G.G. 2001. Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5):429-451.
- Malhotra, N. K. 2006. Chapter 5: Questionnaire design and scale development. *The handbook of marketing research: Uses, misuses, and future advances*, 176-202.
- Maritz, A., Brown, C. & Chich Jen, S. 2010. A blended learning approach to entrepreneurship education. *Actual Problems of Economics*, 12(2):83-93.
- Masood, T. & Sonntag, P. 2020. Industry 4.0: Adoption challenges and benefits for SMEs. *Computers in Industry*, 121:103261.
- Maziriri, E.T. & Mapuranga, M. 2018. Modeling the nexus between entrepreneurial marketing dimensions and business growth among small and medium agro-processing enterprises in Zimbabwe. *Journal of Agribusiness and Rural Development*, 2(48):153-163.
- Miller, D. 2011. Miller 1983 revisited: A reflection on EO research and some suggestions for the future. *Entrepreneurship Theory and Practice*, 35(5):873-894.
- Morris, M.H., Schindehutte, M. & Laforge, R.W. 2002. Entrepreneurial marketing: A construct for integrating emerging entrepreneurship and marketing perspectives. *Journal of Marketing Theory and Practice*, 10(4):1-19.

- Morrish, S.C. & Jones, R. 2020. Post-disaster business recovery: An entrepreneurial marketing perspective. *Journal of Business Research*, 113:83-92.
- Motta, V. 2020. Lack of access to external finance and SME labor productivity: Does project quality matter? *Small Business Economics*, 54:119-134.
- Muriithi, S.M. 2017. African small and medium enterprises (SMEs) contributions, challenges and solutions. *European Journal of Research and Reflection in Management Sciences*, 5(1):36-48.
- Nkwabi, J. & Mboya, L. 2019. A review of factors affecting the growth of small and medium enterprises (SMEs) in Tanzania. *European Journal of Business and Management*, 11(22):1-8.
- Nwankwo, C.A. & Kanyangale, M. 2020. Deconstructing entrepreneurial marketing dimensions in small and medium-sized enterprises in Nigeria: A literature analysis. *International Journal of Entrepreneurial Venturing*, 12(2):321-341.
- Okangi, F.P. 2019. The impacts of entrepreneurial orientation on the profitability growth of construction firms in Tanzania. *Journal of Global Entrepreneurship Research*, 9(14):1-23.
- Opute, A.P. 2020. *Small and medium enterprises marketing: Innovation and sustainable economic growth perspective*. Entrepreneurship marketing. London: Routledge.
- Pandey, S. 2020. Principles of correlation and regression analysis. *Journal of the Practice of Cardiovascular Sciences*, 6(1):7-11.
- Peter, F., Adegbuyi, O., Olokundun, M., Peter, A.O., Amaihian, A.B. & Ibidunni, A.S. 2018. Government financial support and financial performance of SMEs. *Academy of Strategic Management Journal*, 17(3):1-10.
- Ping, G. 2017. Revisiting the causal nexus between defense expenditure and economic growth: Time series analysis for Saudi Arabia. *Asian Journal of Economic Modelling*, 5(1):35-43.
- Polas, M.R.H. & Raju, V. 2021. Technology and entrepreneurial marketing decisions during COVID-19. *Global Journal of Flexible Systems Management*, 22:95-112.
- Ranjan, K.R. & Read, S. 2016. Value co-creation: Concept and measurement. *Journal of the Academy of Marketing Science*, 44:290-315.
- Reyes, C. & Neergaard, H. 2023. Feminist perspectives on gender and technology entrepreneurship in incubator settings. *International Journal of Gender and Entrepreneurship*, 15(1):64-93.
- Sadiku-Dushi, N., Dana, L.P. & Ramadani, V. 2019. Entrepreneurial marketing dimensions and SMEs performance. *Journal of Business Research*, 100:86-99.
- Seibert, S.M., King, T.S., Kline, D., Mende, C. & Craig, T. 2011. Reliability of skin test results when read at different time points. *Allergy & Asthma Proceedings*, 32(2):203-205.

- Sharma, G. 2017. Pros and cons of different sampling techniques. *International Journal of Applied Research*, 3(7):749-752.
- Shinde, G., Mehra, N., Gudi, C.V., Giribabu, B., Reddy, M.M.G. & Kumar, M.S. 2022. Types of entrepreneurship: Occasional situational and spontaneous. *Business, Management and Economics Engineering*, 20(2):1-15.
- Stephen, O.U., Ireneus, N. & Moses, O.C. 2019. Entrepreneurial marketing practices and competitive advantage of small and medium size enterprises in Nigeria. *European Journal of Business and Innovation Research*, 7(3):1-30.
- Stokes, D. & Wilson, N. C. 2010. Entrepreneurship and marketing education: time for the road less travelled? *International Journal of Entrepreneurship and Innovation Management*, 11(1):95-108.
- Story, D.A. & Tait, A.R. 2019. Survey research. *Anesthesiology*, 130:192-202.
- Toghraee, M.T. & Mmonjezi, M. 2017. Introduction to cultural entrepreneurship: Cultural entrepreneurship in developing countries. *International Review of Management and Marketing*, 7(4):1-7.

NAVIGATING GLOBAL MARKETS: UNRAVELLING THE INFLUENCE OF COSMOPOLITANISM AND ETHNOCENTRISM IN SOUTH AFRICAN CONSUMER-PACKAGED GOODS MARKET

Paul Blaise Issock Issock

Darren Till

ABSTRACT

The increasing globalisation of markets has transformed the landscape, presenting both opportunities and challenges for local and international brands. This study aims to examine the influence of consumer cosmopolitanism and ethnocentrism, two major consumer tendencies, on the choice of consumer-packaged goods among South African consumers. Given the emergence of the middle class and the availability of international brands, understanding the factors that influence consumer preferences for local versus foreign products is crucial. However, existing research on the combined impact of cosmopolitanism and ethnocentrism has been limited and inconsistent. To address this research gap, we conducted a discriminant analysis to examine the predictors of consumer choices in the South African CPG market and provide a different perspective on the impact of these predictors. The discriminant analysis drew upon data collected from 500 Generation Z South African consumers. The findings reveal that consumer ethnocentrism, open-mindedness, and consumption transcending borders significantly influence the choice of local products. These findings carry important implications for marketers in developing targeted marketing strategies, leveraging consumer cosmopolitanism and ethnocentrism, and considering brand localisation to effectively cater to consumer preferences.

Keywords/phrases: consumer choice, consumer cosmopolitanism, consumer ethnocentrism, discriminant analysis.

1. INTRODUCTION

Globalisation is conceived as a wide-reaching movement that facilitates economic, financial, trade, and communication integration among countries, enabling consumers to view the world as one marketplace (Sousa, Nobre & Farhangmehr 2018). Consequently, globalisation has transformed marketplaces, breaking the constraints of a firm's geographical location in the trade of goods and services (Makanyeza & du Toit 2017). With reduced barriers to global and sub-regional trade and improved global communications, globalisation has brought fierce competition from international businesses and a significant increase in the variety of brands within a given product category (Diamantopoulos, Florack, Halkias & Palku 2017; Pentz, Terblanche & Boshoff 2017).

In South Africa, the emergence of the middle class and the increased availability and affordability of products from foreign countries have led to a massive adoption of international brands. Consumers in South Africa aspire to transcend their social standing through product ownership, making them status-conscious consumers (Chevalier 2015). This trend benefits established brands, particularly those of international origin. It aligns with current research that reveals consumers from the global South often prioritise brands associated with the global North to enhance their social status (Karoui & Khemakhemb 2019).

These shifts in local and international markets have stimulated considerable research in the field of international marketing. Consumer cosmopolitanism and consumer ethnocentrism

(CET) are two consumer orientations that have been extensively investigated to understand consumers' choices between local and foreign products (Han & Nam 2020; Prince, Yaprak & Palihawadana 2019). Consumer cosmopolitanism reflects consumers' positive attitudes toward foreign products, while ethnocentric consumers typically prefer products originating from their home country (Zeugner-Roth, Zabkar & Diamantopoulos 2015). The former is seen as a facilitator of international trade, while the latter is perceived as a barrier to global interactions. However, existing literature agrees that both cosmopolitanism and CET are important factors influencing consumers' willingness to purchase (Silili & Karunaratna 2014). In this sense, Han and Won (2018) as well as Prince et al. (2019) argue that the combined effects of cosmopolitanism (considered a pro-out-group construct) and ethnocentrism (viewed as an anti-out-group construct) influence consumers' purchase decisions. While evidence indicates that consumers are embracing more cosmopolitan values (Makrides, Kvasova, Thrassou, Hadjielias & Ferraris 2022; Riefler, Diamantopoulos & Siguaw 2012), international marketing literature also highlights the persistence of traditional values that manifest as ethnocentric tendencies (Baber, Upadhyay, Baber & Kaurav 2023; Han & Nam 2020).

The purpose of this study is to examine the combined effects of consumer cosmopolitanism and CET on the choice of consumer-packaged goods (CPG) among South African consumers. By achieving this objective, the study aims to make a significant contribution to both international marketing literature and practices. The remainder of this paper first presents the marketing problem and research gaps that this study seeks to address. Subsequently, a review of the current literature and the underlying conceptual framework are presented. The ensuing hypotheses are also formulated and discussed. The research methodology, data analysis, and results are then presented. The paper concludes with a discussion of the findings and their practical implications.

2. PROBLEM INVESTIGATED

Cosmopolitanism and consumer ethnocentrism (CET) are recognised as two influential concepts in the field of international marketing that shape consumer attitudes towards foreign offers and country of origin. Extensive evidence supports the notion that both constructs significantly impact consumer choices between local and foreign products (Han & Nam 2020; Pentz, Terblanche & Boshoff 2017). However, the existing empirical evidence on the combined effects of cosmopolitanism and CET has been limited, imprecise, and often contradictory. This study aims to address three research gaps pertaining to the combined impact of CET and cosmopolitanism on consumer choices of CPG in South Africa.

The first research gap pertains to the contextual aspect. Despite the importance of cosmopolitanism and CET as facilitators of international trade in developing markets, there is a dearth of research on this topic specifically within the South African context (Maduku & Phadziri 2021; Pentz et al. 2017). Recent reviews of the international marketing literature (Makrides et al. 2021) also highlight the lack of attention given to CET and cosmopolitanism in the African context. However, given the emergence of the middle class in South Africa, the country's strategic economic position, and its role as a major trade partner for international firms, the South African market presents an appropriate setting for such research (Chevalier 2015). Moreover, focusing on the CPG industry is relevant due to its significant international trade volume, with global brands such as Procter & Gamble, PepsiCo, Johnson & Johnson, and Coca-Cola being prominent players in multiple countries (Kelly, Kopka, Kupper & Moulton 2018).

The second research gap is theoretical in nature. Although CET and cosmopolitanism are traditionally viewed as contrasting concepts, empirical evidence suggests that consumers who score high on CET may not necessarily score low on cosmopolitanism (Han & Nam 2020; Prince et al. 2019). This study proposes that consumers who exhibit ethnocentrism by preferring products from their home country do not always reject foreign products. Therefore, investigating the combined effect of CET and cosmopolitanism is crucial for a deeper understanding of consumer choices between local and foreign products.

Furthermore, most studies (e.g., Han & Nam 2020; Prince et al. 2019) have treated cosmopolitanism as a unidimensional construct. However, cosmopolitanism is a multifaceted concept that should be measured using the three dimensions proposed by Riefler and Diamantopoulos (2009): open-mindedness, diversity appreciation, and consumption transcending borders. These dimensions are extensively discussed in the literature review in section five. Additionally, studies often consider consumer cosmopolitanism as a driver of consumers' preference for global brands, despite cosmopolitanism being more inclined towards seeking variety and appreciating diversity rather than simply favouring global brands (Zeugner-Roth et al. 2015). Therefore, further empirical research is needed to explore the potential impact of the three dimensions of cosmopolitanism on the choice of local products.

The third research gap relates to the methodological aspect. Previous empirical studies (Maduku & Phadziri 2021; Pentz et al. 2017; Wilkins et al. 2019) have primarily employed structural equation modelling (SEM) to test the predictive influence of CET and cosmopolitanism. However, a review of CET research conducted over the past three decades by Baber et al. (2023) reveals that most studies have relied on first-generation multivariate data analysis techniques, such as multiple linear regressions, and second-generation techniques, such as SEM. While SEM is a robust data analysis technique, one of the most suitable multivariate data analysis techniques for predicting consumer choices is linear discriminant analysis (Hair et al. 2014). Discriminant analysis aims to predict how independent metric variables effectively differentiate between two predefined consumer groups, which in this case are local and foreign products (ibid). By utilising discriminant analysis, this study distinguishes itself from previous research by providing a different perspective on the predictive power of CET and cosmopolitanism regarding the choice between local and foreign products.

3. RESEARCH OBJECTIVES

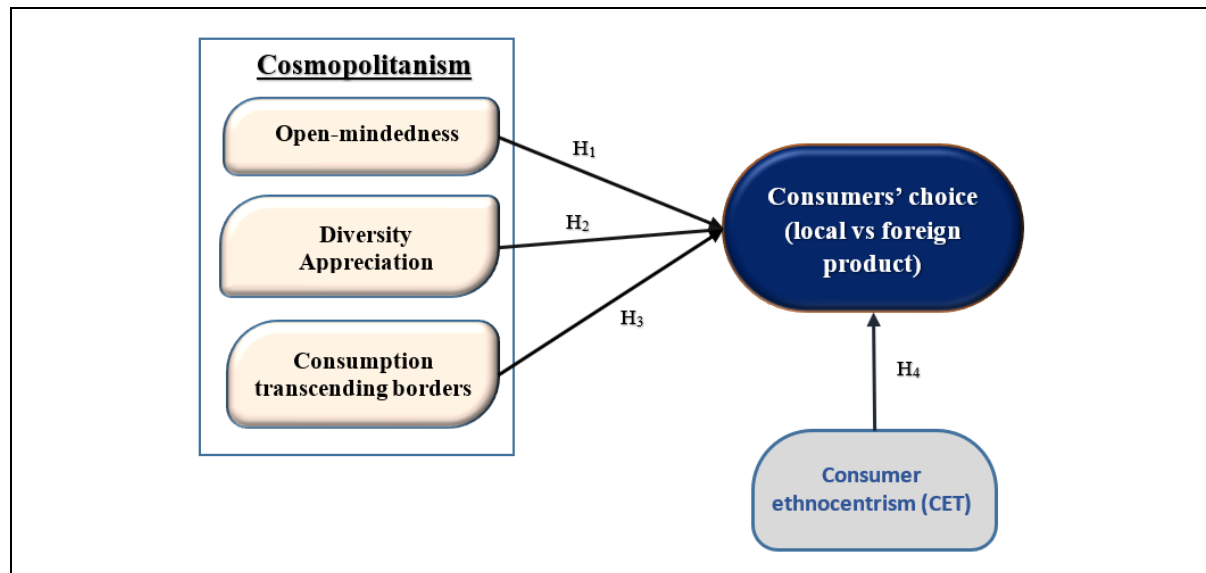
- The primary objective of this study is therefore to examine the dual impact of consumer ethnocentrism and cosmopolitanism on the consumer choice of a local product through a discriminant analysis technique. To achieve this overarching objective, the following secondary objectives will be attained:
- Determine the extent to which South African consumers are inclined to cosmopolitanism and ethnocentrism.
- Evaluate the influence of consumer ethnocentrism on South African consumers' choice for a local product.
- Ascertain the impact of each dimension of cosmopolitanism on consumers' choice of a local product.
- Inform data driven strategies for international marketers in the FMCG industry.

4. HYPOTHESES

As depicted in Figure 1, the following hypotheses are formulated for the study.

- H₁: Open-mindedness predicts consumers' choice of local product.
- H₂: Diversity appreciation predicts consumers' choice of local product.
- H₃: Consumption transcending borders predicts consumers' choice of local product.
- H₄: Consumer ethnocentrism predicts consumers' choice of local product.

FIGURE 1: CONCEPTUAL MODEL



Source: Own construction

5. LITERATURE REVIEW

5.1. THEORETICAL UNDERPINNING: SOCIAL IDENTITY THEORY

Social identity theory, developed by Tajfel, Turner, Austin and Worchel (1979:63), provides a psychological framework that sheds light on how individuals form their self-perception and group identities within social groups. According to this theory, individuals strive to maintain a positive social identity by seeking to highlight the distinctiveness of their in-group, the group they identify with, compared to out-groups, which are perceived as different or separate. As a result, individuals tend to evaluate their in-group more favourably than other groups, which contributes to the development of ethnocentric biases (Tajfel et al. 1979). This bias often leads to discrimination against out-group members in favour of the in-group, a phenomenon commonly referred to as the "people like us" versus "people unlike us" effect (Han & Nam 2020). Within the marketing domain, these in-groups can represent consumers who use a specific product, exhibit brand loyalty, patronise a particular service, or are subscribed to a specific online platform. Therefore, the social identity theory suggests that belonging to a social group evokes emotional responses and influences positive behaviours, such as repeated purchases of a product.

The social identity theory serves as an appropriate theoretical framework for explaining the impact of customer ethnocentrism (CET) and cosmopolitanism on consumer decision-making. It is particularly relevant in the context of cosmopolitanism and customer ethnocentrism because individuals' social identities are closely intertwined with their attitudes and behaviours towards cultural diversity and foreign products. Additionally, the theory differentiates between consumer attitudes towards the in-group, representing their home country (e.g., South Africa in this study), and out-groups, which encompass foreign countries. Furthermore, the social

identity theory has been widely employed in consumer research and marketing to elucidate consumer choices between locally produced items and foreign products (Han & Nam 2020).

5.2. EFFECT OF COSMOPOLITANISM ON CONSUMER CHOICE

The concept of cosmopolitanism has been extensively studied in the fields of anthropology and sociology. Although cosmopolitanism was formally first introduced in a marketing context by Cannon and Yaprak (2002) in their contingency model for cross-national segmentation, the early work of Merton (1957) had already described cosmopolitans as individuals who orient themselves beyond the boundaries of the community they belong and are not necessarily influenced by local traditions and values. Cosmopolitan consumers are therefore much more open to different cultures and new ideas, as they tend to address functional needs with products and services that best deliver the desired function, irrespective of their country of origin or cultural background.

Cosmopolitanism is considered a cultural ideology that appeals to socio-cultural and economic intricacies arising from increasing globalisation (Srivastava et al. 2021). Riefler et al. (2012) further described cosmopolitan consumers as open-minded individuals whose consumption orientation transcends any particular culture, locality or community and who appreciate diversity, including trying products and services from a variety of countries. The authors further conceptualised consumer cosmopolitanism as a three-dimensional construct, which includes the following dimensions: open-mindedness, diversity appreciation, and consumption transcending borders.

5.2.1. *Open-mindedness*

Open-mindedness is defined as an “unprejudiced disposition towards other countries and cultures as expressed in an interest in experiencing their authentic manifestations” (Riefler et al. 2012:287). Culturally open individuals are more likely to appreciate and value cultural diversity. They are open to exploring and adopting elements from different cultures, and they exhibit a curiosity and interest in learning about other cultures. However, despite this inherent interest in other cultures, in-depth knowledge about other cultures is not a necessary trait of cosmopolitans; it is their willingness to become engaged with other cultures that makes cosmopolitans distinctive (Han & Nam 2020).

5.2.2. *Diversity appreciation*

Diversity of appreciation refers to a positive disposition towards the diversity offered by the availability of goods and services from different national or cultural origins (Riefler et al. 2012:288). This stance manifests itself in a search for or appreciation of difference and diversity in the world rather than a preference for uniformity, and is, therefore, also likely to also manifest itself in consumption attitudes. Cosmopolitan individuals exhibit a genuine interest in understanding and experiencing different cultures (Han & Nam 2020). They recognise and value the unique characteristics, traditions, and aesthetics of various cultural groups. These individuals have a broader sense of aesthetics, appreciating the beauty and richness found in different cultural expressions (Wilkins et al. 2019). This diversity appreciation includes a positive stance towards the availability of products from diverse cultures.

5.2.3. *Consumption transcending borders*

The consumption transcending borders dimension reflects cosmopolitan individuals' active engagement with the global marketplace, their appreciation for diverse cultural influences, and their desire to incorporate elements from different cultures into their consumption practices (Riefler et al. 2012). In addition to appreciating the availability of products with diverse national and cultural backgrounds, cosmopolitan consumers also tend to actively consume such products for the purpose of experience (Salomao & Varela 2022).

5.2.4. *Impact of the cosmopolitanism on consumer choice*

There is considerable empirical evidence demonstrating the impact of cosmopolitanism on consumer choices in various settings. Salomao and Varela (2022) revealed that the level of consumer cosmopolitanism has an impact on students' motivation and decision to enrol in an international programme and their choice of destination. From an emerging market perspective, Salomao and Varela (2022) found that consumer cosmopolitanism impacts on attitudes towards foreign cultures and their product offerings in India. This is because cosmopolitan consumers have a penchant to explore products beyond their culture. In investigating the acceptance of halal food in non-Muslim countries, Wilkins et al. (2019) found that consumers with a high cosmopolitanism tend to have a positive judgement about the halal food.

Given the extensive support from the literature on the positive effect of consumer cosmopolitanism on consumer choices, the present study proposes that all three dimensions of cosmopolitanism can have a distinct effect on consumer choice. The following hypotheses are therefore stipulated.

The following hypotheses are therefore stipulated:

- H₁: Consumers' open-mindedness positively influences their consumption choice between a local and foreign product.
- H₂: Consumers' diversity appreciation positively influences their consumption choice between a local and foreign product.
- H₃: Consumers' inclination to transcending borders positively influences their consumption choice between a local and foreign product.

5.3. IMPACT OF CONSUMER ETHNOCENTRISM ON CONSUMER CHOICE

CET originates from the concept of ethnocentrism, which describes how a group perceives their own culture as central, viewing others solely through the lens of their own values and standards. They tend to reject individuals who are different from their own group while accepting those who are similar. Shimp and Sharma (1987:280) introduce the construct of consumer ethnocentrism as "beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products."

An ethnocentric consumer regards their own country and its products as superior to those of other countries, and they exhibit a preference for purchasing domestic products even when foreign products are perceived to be of higher quality. Furthermore, ethnocentric consumers prioritise protecting their country's economy by supporting local businesses and purchasing domestic products (Ma, Shu & Xie 2020). They perceive buying foreign-made products as immoral due to potential negative effects on the domestic economy, such as job losses and the

undermining of domestic industries. To ethnocentric consumers, purchasing foreign-made goods represents not only an economic threat but also a socio-cultural threat (Baber et al. 2022).

The international marketing literature recognises CET is a significant antecedent influencing consumer choice between foreign and local offers. A recent bibliometric analysis conducted by Baber et al. (2022) on three decades of research reveals that consumer ethnocentrism has a substantial impact on behavioural outcomes, including product purchase, purchase intention, brand preference, and product judgement. Empirical studies, such as Han and Nam (2020), demonstrate that CET negatively affects Chinese consumer perceptions of Western countries and their products, as these countries are considered out-groups. Similar findings have been reported in South Africa by Pentz et al. (2017), revealing a negative impact of CET on attitudes toward importing clothing products from China. Additionally, Maduku and Phadziri (2021) found that consumers with higher levels of CET are more inclined to purchase domestic products and are willing to exert extra efforts to do so. The following hypothesis is therefore proposed:

H₄: Consumer ethnocentrism predicts consumers' choice of local product.

6. RESEARCH METHODOLOGY

6.1. MATERIAL, METHODS AND SAMPLING

The study followed a positivism philosophy and a deductive approach to test the proposed conceptual model and hypotheses. The study therefore relied on a mono quantitative method and more specifically a cross-sectional design.

The focus of this study was narrowed down to the South African population. Additionally, given the significance of the emerging generation Z (born between 1995 and 2010) as influential participants in the global economy (Anthony 2015), this study specifically targeted individuals from this demographic. The products of interest applied to compare consumer choices between foreign and local product was potato chips. Data from the snack food market in South Africa revealed that Lays (international brand) and Simba (local brand) are two famous potato chips (Statista 2023). The choice of CPG is based on the fact that it is a growing industry. In 2017 alone, South African consumers collectively spent more than R30 000 every second on CPG (Meyer, Niemann, van Pletzen & Smit 2019). The attractiveness of this type of products locally and easy access to such product mainly informed our choice.

To ensure the sample met the criteria of age and nationality, participants were carefully screened before the testing phase. Given the impracticality of obtaining a large-scale sampling frame, a non-probability sampling technique was employed. Through convenience sampling, the online survey link was shared on various platforms including social media sites (LinkedIn, Facebook) but also university students via the registrar office. After securing ethical clearance at the relevant university, the data was collected, resulting in the collection of 500 valid and usable responses within a five-day period.

This sample size was considered acceptable, as it aligns with, and in many cases surpasses, the sample sizes utilised in numerous consumer ethnocentric studies. Moreover, it fits the scale item-sample size ratio proposed by Hair, Babin and Anderson (2014).

6.2. DATA COLLECTION AND ANALYSIS

The data collection process for this study utilised an online self-administered survey hosted on the Reactor platform (CloudArmy Network Inc. 2021), which provided a versatile and seamless testing environment for all three research paradigms: explicit survey, implicit association test, and timed choice-based experiment. The survey questionnaire included the demographic profile of respondents in the first section, followed by questions pertaining to key constructs in proposed model including cosmopolitanism, CET and the actual choice between local and foreign brands. Each section of the survey was preceded by clear instructions, making the interface intuitive and self-explanatory. This approach eliminated the need for in-person administration, greatly enhancing the scalability and potential reach of the study (Bridger 2020).

To assess consumer ethnocentrism levels within the sample, the self-report Consumer Ethnocentric Tendencies Scale (CETSCALE) developed by Shimp and Sharma (1987) was employed, following its application in previous studies (Han & Nam 2020; Wilkins et al. 2019). The CETSCALE was designed to measure participants' ethnocentric tendencies. Additionally, each dimension of cosmopolitanism was evaluated using the C-COSMO scale developed by Riefler et al. (2012). Both scales presented participants with a series of statements or items, and participants were asked to rate the applicability of each statement to their own life using a scale ranging from "1. Strongly disagree" to "7. Strongly agree."

To measure consumer choices between local and foreign products, participants were presented with the image of two choices of potatoes' chips with the similar weight, dimensions and flavour. The local product was the brand "Simba", and the foreign brand was "Lays". As a dichotomous variable, consumer choice was coded (1) for the local brand and (0) for the foreign brand.

The data analysis relied on discriminant analysis to examine the influence of CET and cosmopolitanism on consumer choice between local and foreign products. Discriminant analysis is a statistical technique that enables the classification of individuals into different groups based on a set of predictor variables. The primary objective is to identify the discriminant function that maximally separates the groups based on the values of the independent variables. This function serves as a decision rule to classify new cases into predefined groups (Hair et al. 2014).

The purpose of employing discriminant analysis in this study is to determine the extent to which consumer ethnocentrism (CET) and cosmopolitanism influence consumer choice and whether these factors can effectively discriminate between individuals who prefer local products and those who prefer foreign products.

7. RESULTS AND FINDINGS

Prior to conducting the discriminant analysis to test the hypotheses, the reliability of the scales was assessed. The reliability of the constructs presented in Table 1 indicate that all the constructs are reliable as they are above 0.7 and 0.6 (Malhotra et al. 2017). The kurtosis and skewness indicate that the data did not deviate from normalcy as the values are below | 2 | (Hair et al. 2014). The mean score reveals that based on a seven scale most participants have a low CET score. In terms of cosmopolitanism South African consumers seems to embrace the consumption transcending borders and open-mindedness better than the diversity of appreciation.

TABLE 1: RELIABILITY AND CENTRAL TENDENCY MEASURES

Constructs	Cronbach alpha	Number of items	Mean	Standard deviation	Skewness	Kurtosis
CET	0.775	6	3.840	1.195	0.185	-0.475
Diversity appreciation	0.71	4	4.853	1.047	-0.277	-0.190
Open-mindedness	0.821	4	5.705	1.039	-0.911	0.873
Consumption transcending borders	0.677	4	5.895	0.879	-0.899	1.186

Source: Own construction, based on analysis

7.1. Discriminant analysis

Prior to conducting the discriminant analysis, the assumptions of multicollinearity and equality of variance were assessed. The pooled within-group correlation matrix shows that the correlation between predictors ranges from -0.076 to 0.410. This low to moderate correlations warrant that there is no issue of multicollinearity between predictors. The probability of the Box's M statistic is not significant ($p=0.488>0.05$). Therefore, the assumption of equal dispersion of the covariance matrix is met.

A linear and simultaneous discriminant analysis was conducted where the independent variables included CET and the three dimensions of cosmopolitanism while the dependent variable is the choice of local vs foreign product. Only one discriminant function was estimated given that the criterion has only two groups. The Wilks' Lambda statistic indicates that discriminant function is statistically significant ($p=0.007<0.05$; Wilks' $\lambda= 0.960$; $X^2=14.175$). The Eigen value associated with this discriminant function is estimated at 0.042 which accounts for 100% of the variance. Canonical correlation of the discriminant function reveals a weak canonical correlation of $r=0.201$. This value is then squared ($0.201^2=0.040$) which indicates that only 4% of the choice of a local product is accounted for by the model. This low variance explained indicates that the choice of local product is merely explained by the cosmopolitanism and ethnocentrism.

The discriminant function coefficients and Wilk's lambda test for the mean presented in Table 2 describe the relative impact of each predictor. The results reveal that CET, open-mindedness and consumption transcending borders are all significant predictors of the choice of a local product. The unstandardised coefficients indicate that consumption transcending borders increases the consumer choice of local products by 0.766 units. The hypotheses H_1, H_3, H_4 are accepted while H_2 is rejected.

TABLE 2: ESTIMATION OF STANDARDISED AND NON-STANDARDISED COEFFICIENTS OF DISCRIMINANT ANALYSIS MODEL

	Coefficients		Wilk's Lambda test for the mean of independent variables		
	Standardised coefficients	Unstandardised coefficients	Wilks' Lambda	F	p-value
CET	0.411	0.345	0.988	4.351	0.038
Diversity appreciation	-0.555	-0.531	0.993	2.312	0.129
Open-mindedness	0.311	0.300	0.989	3.976	0.047
Consumption transcending borders	0.670	0.766	0.986	4.979	0.026
(Constant)		-4.979			

Source: Own construction, based on analysis

Furthermore, Table 3 reveals that the overall accuracy rate of this sample is 57.2% which is a decent probability percentage (Hair et al. 2014). A close analysis of the classification results indicates that 59.3% of the sample that was predicted to choose the foreign product have indeed made that choice, whereas 55% of consumers that were expected to choose the local product have selected that product. Therefore, the discriminant model estimated is able to fairly predict the choice of consumers based on their propensity to ethnocentrism and cosmopolitanism.

TABLE 3: CLASSIFICATION OF CONSUMER SAMPLES INTO CHOICES OF LOCAL VS FOREIGN PRODUCTS

		Simba percentage	Predicted group membership		Total
			Foreign	Local	
Original	Frequency	Foreign	105	72	177
		Local	77	94	171
	%	Foreign	59.3	40.7	100
		Local	45.0	55.0	100

Source: Own construction, based on analysis

8. DISCUSSION OF FINDINGS

The present study examined the impact of consumer ethnocentrism (CET) and cosmopolitanism on consumer choice between local and foreign products within the context of South African consumers. The results provide valuable insights into consumers' attitudes and behaviours regarding cultural diversity and their preferences for local and foreign products.

Consistent with prior research, the findings suggest that South African consumers exhibit low levels of consumer ethnocentrism (CET) (Maduku & Phadziri 2021; Pentz et al. 2017). This implies that consumers in South Africa are not solely focused on domestic products but are open to considering and purchasing foreign products. This finding aligns with the growing trend of openness and acceptance of cultural diversity among consumers in various contexts (Srivastava et al. 2021; Wilkins et al. 2019).

Moreover, the study identified two dimensions of cosmopolitanism that influence consumer choice: open-mindedness and consumption transcending borders. The dimension of open-mindedness, defined as consumers' unbiased disposition towards other countries and cultures, was found to positively influence consumer choice for local products. This finding is intriguing as previous research indicates that open-minded consumers are more likely to embrace foreign products and appreciate their unique cultural attributes (Riefler et al. 2012).

Furthermore, the findings indicate that the dimension of consumption transcending borders, reflecting consumers' active engagement with the global marketplace and their desire to incorporate elements from different cultures into their consumption practices (Riefler et al. 2012; Salomao & Varela 2022), positively influences consumer choice to purchase local products over foreign ones. This finding suggests that although some consumers actively seek out and consume products with diverse national and cultural backgrounds, they may still choose local products over foreign ones, demonstrating the coexistence of cosmopolitanism and CET tendencies.

Surprisingly, the dimension of diversity appreciation, which represents consumers' positive attitude towards the diversity offered by goods and services from different cultural origins, was found to have no influence on consumer choice between local and foreign products. This suggests that despite consumers' inclination towards cultural diversity by valuing the unique

characteristics and aesthetics of different cultural groups (Wilkins et al. 2019), this tendency does not impact their preference for local products over foreign ones.

These findings contribute to the existing literature by providing empirical evidence of the impact of consumer ethnocentrism and cosmopolitanism on consumer choice between local and foreign products in the South African context.

9. IMPLICATIONS

9.1. THEORETICAL IMPLICATIONS

The present study has significant implications for consumer behaviour and international marketing literature. Firstly, the findings contribute to the existing literature by providing insights into the factors influencing consumer choice between local and foreign products. By examining the effects of consumer ethnocentrism and cosmopolitanism, this study offers a comprehensive understanding of the underlying motivations that drive individuals to prefer one type of product over the other (Baber et al. 2022; Makrides et al. 2022). The inclusion of multiple dimensions of cosmopolitanism, such as open-mindedness and consumption transcending borders, expands our understanding of how consumers' attitudes towards cultural diversity and global consumption practices influence their product preferences.

Secondly, the study advances the understanding of the interplay between consumer ethnocentrism and cosmopolitanism. By demonstrating that both factors significantly predict the choice of local products, this research highlights that CET and cosmopolitan tendencies can co-exist and shape consumer purchasing decision (Sousa et al. 2018). The finding that consumption transcending borders positively influences the choice of local products suggests that individuals who embrace global consumption practices are also more likely to support and prefer local brands (Salomao & Varela 2022). This finding challenges the conventional notion that cosmopolitanism necessarily leads to a preference for foreign products.

Thirdly, the study demarcates from common SEM-based studies that have been widely used in the current international marketing literature. This study relies on discriminant analysis, a multivariate analysis aiming to determine how independent variables such as cosmopolitanism and CET discriminate or differentiate between consumer groups based on their choices (local vs foreign brand). Discriminant analysis therefore provides a different outlook as it identifies the variables that best discriminate between the groups and create a classification function that can classify new cases into the appropriate groups.

9.2. MANAGERIAL IMPLICATIONS

South Africa's FMCG market offers significant growth opportunities for international marketers. With the country being a major economic hub and a central trade partner for many international firms, there is immense potential for international marketers to tap into this market. The study therefore makes significant managerial contributions.

The study's findings shed light on the factors influencing consumer choices between local and foreign FMCG products in South Africa. By understanding the specific drivers behind these choices, international marketers can tailor their product offerings, branding strategies, and marketing communications to resonate with local consumer preferences. This understanding can help marketers develop localised marketing campaigns that effectively target the South African consumer market.

The study highlights the importance of consumer ethnocentrism in influencing the choice of local FMCG products. Local brands can leverage this insight by communicating on the source of their products and how the production process is sourcing from local suppliers. Local brand can also highlight the brand's commitment to the local community to increase brand's appeal among ethnocentric consumers (Pentz et al. 2017).

While ethnocentrism appears to be prevalent among South African consumers, the study also identifies the relevance of consumer cosmopolitanism in their decision-making. International brands can leverage cosmopolitanism to differentiate their offers and create a competitive advantage (Makrides et al. 2022). By emphasising the global nature of their brand, highlighting international influences in product development, and offering a diverse range of options, foreign brands can appeal to cosmopolitan consumers seeking variety and unique experiences.

Finally, collaborating with local stakeholders, such as distributors, retailers, and suppliers, can be beneficial for international brand operating in the South African FMCG industry. Building strategic partnerships with local players can enhance the ethnocentric consumers' brand appeal.

10. CONCLUSION, LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

In conclusion, this study aimed to examine the combined effects of consumer cosmopolitanism and consumer ethnocentrism on the choice of CPG among South African consumers. Through the application of discriminant analysis, the study revealed several important findings. First, the results demonstrated that consumer ethnocentrism, open-mindedness, and consumption transcending borders were significant predictors of the choice of a local product. However, diversity appreciation did not show a significant influence on consumer choices. These findings highlight the complex interplay between consumer orientations and their impact on consumer decision-making among South Africa consumers.

The findings of this study have significant implications for both international marketing literature and practices. By shedding light on the combined effects of cosmopolitanism and ethnocentrism, the study contributes to a deeper understanding of how consumer orientations influence the choice between local and foreign products. These insights can inform marketing strategies, particularly in the FMCG industry, where the competition between local and international brands is intense.

This study, despite the various contributions, has several limitations that should be acknowledged. First, the study focused on the South African consumer, and the findings may not be generalisable to other emerging economies with different cultural contexts. Future research should consider conducting similar studies in different emerging markets based in Africa or Asia to validate the results and provide a more comprehensive understanding of the influence of consumer orientations on product choices.

Second, the study relied on self-reported measures, which may be subject to social desirability bias and measurement error. Future research could employ other methods, such as observational or experimental designs, to validate the findings and provide a more robust understanding of consumer decision-making processes.

Lastly, the study focused on CPG and did not consider other product categories. The choice of product category may influence consumer orientations and preferences differently. Future research should explore the combined effects of cosmopolitanism and ethnocentrism across various product categories to gain a more nuanced understanding of consumer behaviour.

Despite these limitations, this study contributes to the existing literature by examining the combined effects of consumer cosmopolitanism and ethnocentrism on the choice of consumer-packaged goods in South Africa. The findings provide valuable insights for marketers seeking to understand and effectively target South African consumers in the competitive FMCG industry.

REFERENCE LIST

- Baber, R., Upadhyay, Y., Baber, P. & Kaurav, R.P.S. 2023. Three decades of consumer ethnocentrism research: A bibliometric analysis. *Business Perspectives and Research*, 11(1):137-158.
- Bridger, D. 2020. Response latency measures in questionnaires: A brief overview. *Journal of Applied Marketing Analytic*, 6(2):111-118.
- Cannon, H. M. & Yaprak, A. 2002. Will the real-world citizen please stand up! The many faces of cosmopolitan consumer behavior. *Journal of International Marketing*, 10(4):30-52.
- Chevalier, S. 2015. Food, malls and the politics of consumption: South Africa's new middle class. *Development Southern Africa*, 32(1):118-129.
- CloudArmy Network Inc. 2021. Reactor: Version 51.1.0.
- Diamantopoulos, A., Florack, A., Halkias, G. & Palku, J. 2017. Explicit versus implicit country stereotypes as predictors of product preferences: Insights from the stereotype content model. *Journal of International Business Studies*, 48(5):1023-1036.
- Hair, J.F., Babin, B. & Anderson, R.E. 2014. *Multivariate data analysis*. 7th edn., Pearson Education Limited.
- Han, X. & Nam, J. 2020. Influence of consumer ethnocentrism on country-of-origin effects: The moderating role of product involvement. *Journal of Retailing and Consumer Services*, 52:101917.
- Karoui, S. & Khemakhemb, R. 2019. Consumer ethnocentrism in developing countries. *European Research on Management and Business Economics*, 25(2):63-71.
- Kelly, G., Kopka, U., Kupper, J. & Moulton, J. 2018. April 23. The new model for consumer goods. *McKinsey & Company*. Available from <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/the-new-model-for-consumer-goods>
- Ma, X., Shu, S., Xie, C. & Li, Z. 2020. Consumer ethnocentrism, country-of-origin effects, and consumer purchase intention: Evidence from China. *Journal of International Consumer Marketing*, 32(4):309-323. doi:10.1080/08961530.2018.1567122
- Maduku, D. K. & Phadziri, L. 2021. Determinants of consumer willingness to buy domestic products: The moderating role of consumer ethnocentrism. *Journal of Global Marketing*, 34(2):84-100.
- Makanyeza, C. & Du Toit, F. 2017. Consumer ethnocentrism in developing countries: Application of a model in Zimbabwe. *Acta Commercii*, 17(1):1-9.

- Makrides, A., Kvasova, O., Thrassou, A., Hadjielias, E. & Ferraris, A. 2022. Consumer cosmopolitanism in international marketing research: A systematic review and future research agenda. *International Marketing Review*, 39(5):1151-1181.
- Merton, R.K. 1957. Patterns of influence: Local and cosmopolitan influentials. *Social Theory and Social Structure*, 2:387-420.
- Pentz, C., Terblanche, N. & Boshoff, C. 2017. Antecedents and consequences of consumer ethnocentrism: Evidence from South Africa. *International Journal of Emerging Markets*, 12(2):199-218.
- Prince, M., Yaprak, A.N. & Palihawadana, D. 2019. The moral bases of consumer ethnocentrism and consumer cosmopolitanism as purchase dispositions. *Journal of Consumer Marketing*, 36(2):204-217.
- Riefler, P. & Diamantopoulos, A. 2009. Consumer cosmopolitanism: Review and replication of the CYMYC scale. *Journal of Business Research*, 62(4):407-419.
- Riefler, P., Diamantopoulos, A. & Siguaw, J.A. 2012. Cosmopolitan consumers as a target group for segmentation. *Journal of International Business Studies*, 43:285-305.
- Salomao, J. & Varela, L. 2022. Exchange rate exposure and firm dynamics. *The Review of Economic Studies*, 89(1):481-514.
- Sharma, P. 2018. Consumer ethnocentrism: Reconceptualization and cross-cultural validation. *Journal of International Business Studies*, 29(3):583-609.
- Shimp, T.A. & Sharma, S. 1987. Consumer ethnocentrism: Construction and validation of the CETSCALE. *Journal of Marketing Research*, 24(3):280-289.
- Silili, E.P. & Karunaratna, A.C. 2014. Consumer ethnocentrism: Tendency of Sri Lankan youngsters. *Global Journal of Emerging Trends in e-Business, Marketing and Consumer Psychology*, 1(1):1-15.
- Sousa, A., Nobre, H. & Farhangmehr, M. 2018. The influence of consumer cosmopolitanism and ethnocentrism tendencies on the purchase and visit intentions towards a foreign country. *International Journal of Digital Culture and Electronic Tourism*, 2(3):175-184.
- Srivastava, A., Gupta, N. & Rana, N.P. 2021. Influence of consumer cosmopolitanism on purchase intention of foreign vs local brands: A developing country perspective. *International Journal of Emerging Markets*, 18(9):2301-2325.
- Statista. 2023. *Snack Food – South Africa*. Available from <https://www.statista.com/outlook/cmo/food/confectionery-snacks/snack-food/south-africa#global-comparison> (Date accessed: May 2023).
- Tajfel, H., Turner, J.C., Austin, W.G. & Worchel, S. 1979. An integrative theory of intergroup conflict. *Organizational Identity: A Reader*, 56(65):9780203505984-16.
- Wilkins, S., Butt, M.M., Shams, F. & Pérez, A. 2019. The acceptance of halal food in non-Muslim countries: Effects of religious identity, national identification, consumer

ethnocentrism and consumer cosmopolitanism. *Journal of Islamic Marketing*, 10(4):1308-1331.

Zeugner-Roth, K.P., Zabkar, V. & Diamantopoulos, A. 2015. Consumer ethnocentrism, national identity, and consumer cosmopolitanism as drivers of consumer behavior: A social identity theory perspective. *Journal of International Marketing*, 23(2):25-54.

PREDICTING THE DIFFUSION OF MICROGENERATION TECHNOLOGIES: AN EMERGING MARKET PERSPECTIVE

Njabulo Mkhize
Belinda Senooane

ABSTRACT

This study tests the diffusion of innovation (DOI) theory to predict the behavioural intention (BI) and usage of microgeneration technology for households in an emerging economy. The study focuses on Rogers (2003) theory to investigate the factors influencing a consumer's intention to adopt solar water heaters and solar panels in South Africa. The aim of the study was to understand the role of product-related and benefit-sought factors in influencing the intention to adopt and use microgeneration technologies. Data for the study were collected from 237 households in South Africa. Employing the multivariate, structural equation modelling technique, the results revealed that relative advantage, observability and trialability have a significant positive influence on behavioural intention. Furthermore, the results found behavioural intention to have a mediating effect on microgeneration usage. The study did not find support for compatibility's influence on behavioural intention. The study contributes to the understanding of microgeneration technology adoption in an emerging market by testing a proposed model using empirical data. The results of the study can be of use to marketers of renewable energy sources, consumers of microgeneration technologies and policy makers concerned with the diffusion of clean energy sources.

Key words/phrases: behavioural intention (BI), emerging market, innovation, diffusion, microgeneration technology.

1. INTRODUCTION

The increase in the demand for energy consumption, coupled with concerns over rising energy prices, unstable electricity supply and consumer interest in sustainable energy sources, have seen an upsurge in the need for renewable energy sources (RES) (Hanna, Leach & Torriti 2018; Rezaei & Ghofranfarid 2018; Steadman, Bennato & Giuletti 2023). Concurrently, the world's climate agenda and concerns about environmental change and climate problems, have stressed the need for countries to transition to cleaner, renewable energy systems (Elmustapha, Hoppe & Bressers 2017; Lazanyuk, Ratner, Revinova, Gomonov & Modi 2023). The household sector accounts for a substantial portion of energy consumption while, at the same time, being responsible for a large portion of carbon emissions (Franceschinis, Thiene, Scarpa, Rose, Moretto & Cavalli 2017; Mkhize 2021). Given these realities, there is a pressing need for households to adopt sustainable energy sources. Recent technological innovations have made it possible for consumers to fit their homes with renewable energy sources and generate their own electricity and energy, using microgeneration technologies. Microgeneration is the use of environmentally friendly technology that allows for the small-scale production of heat or electric power as an alternative or supplement to grid connected power (Hanna et al. 2018; Lazanyuk et al. 2023). Renewable energy sources guarantee consumers independence from the national power grid by allowing them to produce, consume and store their own energy (Steadman et al. 2023). The use of alternative energy sources not only benefits the individual household but also contributes to sustainability as it helps to reduce energy consumption, lowers fossil fuel dependency, reduces carbon emissions, stabilises energy costs, and reduces the negative effects of greenhouse gas emissions (Elmustapha 2017; Huseynli 2022). This

study investigates the drivers of microgeneration technology adoption by households in South Africa.

Over the past 15 years, South Africa, the largest producer of electricity in Africa, has grappled with “load shedding”. Load shedding is the term for power outages that occur when electricity supply exceeds demand and involves taking parts of the national grid offline, resulting in rolling blackouts (du Venage 2020). These outages are the result of power utility Eskom struggling to keep pace with increasing electricity demand (Tembe & Hlengwa 2022). The energy crisis has been characterised as the country’s biggest economic risk (Tembe & Hlengwa 2022) and a humanitarian crisis (Ellis 2023). The impact of the energy crisis has been far reaching, having serious negative consequences for businesses, households, and individuals. For businesses, load shedding has resulted in increased operational costs, lost revenue, declining profit margins and operational disruptions (du Venage 2020; Huseynli 2022). For individuals and households, the power outages have negatively affected the quality of life, with wide ranging effects from lack of access to essential services such education and healthcare, to increased energy costs, destruction of household appliances and disrupted household services such as cooking and lighting (Fraser 2023; Mangara & Matsaa 2023). While the load shedding crisis has hurt citizens and harmed the economy, it has made a strong business case for alternative sources of power, including renewable energy such as solar (Daniel 2020). From a business standpoint, it has pushed companies to adopt business continuity measures that maintain productivity while concurrently pushing them further down the road to sustainability. From a household perspective, consumers are looking for alternative ways to keep power in their homes to limit the effects of the energy crisis (Fraser 2023).

This research applies Rogers (2003) diffusion of innovation (DOI) theory to predict consumers’ behavioural intention towards microgeneration technologies. This theory is notable for its usefulness in identifying and understanding the characteristics of innovations based on several innovation attributes (Dilotsotlhe 2022). The aim of the study is to understand the role of product-related and benefit-sought factors in influencing the intention to adopt and use microgeneration technologies. The study particularly investigates the diffusion of solar water heaters and solar panels. By focusing on household users’ adoption and diffusion of solar energy microgeneration technology in South Africa, the study explores the various innovation specific factors that spur African households to adopt microgeneration technologies. According to Rezaei and Ghofranfarid (2018), many of the studies on renewable energy in developing countries have primarily been about the economic and technical aspects of renewable energy, while interest into the end user’s viewpoint has primarily been investigated in developed nations. Give the disparate social, economic, cultural, political, and legal contexts, results obtained from developed countries cannot be directly generalised to developing nations. The socioeconomic and cultural contexts of emerging markets are markedly different from those of developed nations (Burgess & Malhorta 2020), thus research from emerging markets like South Africa is necessary. The main research question of this paper is:

In the context of an emerging market, what factors influence the behavioural intention of households towards microgeneration technologies as captured by the constructs of the diffusion of innovation model?

2. THEORETICAL BACKGROUND

2.1. MICROGENERATION TECHNOLOGY DIFFUSION

The diffusion of innovation is the process by which individuals and firms in an economy adopt a new technology or replace a lagging, existing technology with a replacement (Garlet, Riberio, Savian & Siluk 2019). The process, which takes place gradually and over significant period, begins with early adopters who employ the innovation after it has been launched into the market (Steadman et al. 2023). The rate and manner though which the innovation is adopted is affected by a variety of factors that may vary depending on the type of innovation. The determinants and barriers to the diffusion of new technologies have garnered sustained research interest from scientists in a variety of fields. The current study investigates the factors influencing the diffusion of microgeneration technologies. Microgeneration technologies are a form of decentralised or distributed energy supplies that generate electricity that does not exceed 50 kilowatts (Hanna et al. 2018). The initial studies on microgeneration technologies focused on the firms that produce these technologies, as well as the technical and economic aspects of said innovations. However, over the recent years, studies have focused on adopters and household consumers (Hanna et al. 2018; Rezaei & Ghofranfarid 2018). Research into microgeneration technology adoption at household level has investigated consumer's behavioural intention (Mkhize 2021; Rezaei & Ghofranfarid 2018), antecedents of innovation adoption (Kapoor & Dwivedi 2020; Lazanyuk 2023); barriers to diffusion (Gartlet et al. 2019) and the role of various social and economic factors such as peer effects and willingness to pay (Steadman et al. 2023; Su et al. 2018). Table 1 presents a summary of some of the studies that have been undertaken on microgeneration technologies, the theories that have been applied and the countries where the studies have taken place.

TABLE 1: STUDIES ON MICROGENERATION TECHNOLOGIES

Author(s)	Theory tested	Study focus	Microgeneration technology	Country
Franceschinis et al. (2017)	Diffusion of innovation	Household preferences for key features of ambient heating systems	Renewable heating systems	Italy
Gartlet et al. (2019)	None	Paths and barriers to the diffusion of photovoltaic energy	Distributed photovoltaic energy	Brazil
Kapoor and Dwivedi (2020)	Diffusion of innovation theory	Antecedents of solar innovation adoption	Household solar innovations	India
Lazanyuk et al. (2023)	None	Diffusion of Renewable Microgeneration on the Side of End-User	Solar panels and small wind turbines	Armenia, India, Russia and UAE
Elmustapha et al. (2017)	Innovation diffusion model	Consumer renewable energy technology adoption decision-making	Solar water heaters	Lebanon
Mkhize (2021)	Theory of planned behaviour	Household's microgeneration behavioural intention	Solar water heaters and solar panels	South Africa
Rezaei and Ghofranfarid (2018)	Unified theory of acceptance	Households' renewable energy usage intention	Solar, wind and biomass energy	Iran
Steadman et al. (2023)	Innovation diffusion model	The role of peer effects in residential microgeneration technology diffusion	Solar photovoltaic (PV) technology	UK

Author(s)	Theory tested	Study focus	Microgeneration technology	Country
Su et al. (2018)	Willingness to pay (WTP)	Estimating willingness to pay for microgeneration technologies	Solar photovoltaic, biomass boilers, solar thermal and micro-wind	Lithuania

Source: Own construction

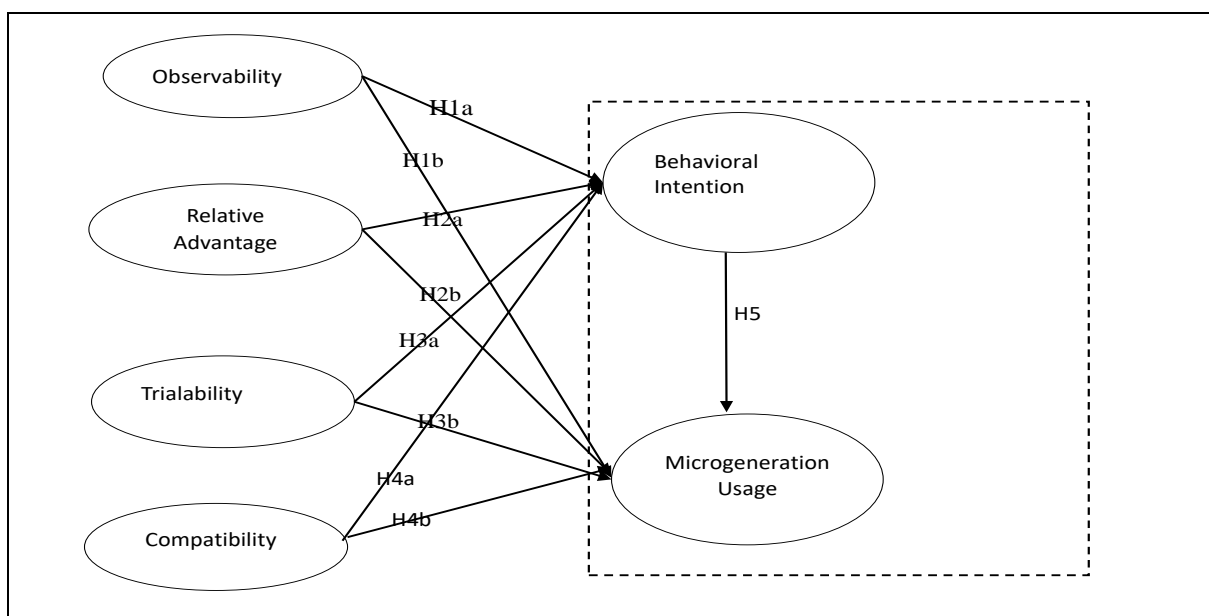
2.2. CONCEPTUAL MODEL AND HYPOTHESIS DEVELOPMENT

Over the years, the investigation into behavioural intention has seen several theories and models being proposed by researchers. Most of these models attempt to predict human behaviour and identify the various factors affecting it (Rezaei & Ghofranfarid 2018). In the marketing discipline, some of these theories have included the theory of planned behaviour (TPB), the theory of rational action (TRA), the technology acceptance model (TAM/TAM2), the unified theory of acceptance and use of technology (UTAUT) the diffusion of innovation model (DOI) and the motivational model (MM). A review of the existing literature on the diffusion of microgeneration technologies revealed that the diffusion of innovation theory has been preeminent as the theoretical framework for studies investigating behavioural intention and adoption (Franceschinis et al. 2017; Kapoor & Dwivedi 2020; Elmustapha et al. 2017; Steadman et al. 2023). This theory draws upon ideas from sociology, economics and communications theory and attempts to apply these to various innovations.

2.2.1. Proposed research model

Based on the diffusion of innovation theory, this research proposes a research model (see Figure 1) that posits observability, relative advantage, trialability, and compatibility as inducements of behavioural intention towards microgeneration technologies. The conceptual model in Figure 1 reveals all nine hypothesised relationships. The choice of the factors included in the framework was inspired by the perception that they play a key role in influencing behavioural intention and microgeneration technology usage. The relationships between the constructs are discussed in the succeeding sections.

FIGURE 1: PROPOSED RESEARCH MODEL



Source: Own construction

2.2.2. Hypothesis development

- Observability

Observability describes the extent to which the results of using the innovation can be seen by the target audience, which in turn influences the innovation adoption rate (Rogers 2003). The benefits of the innovation must be easy to observe and communicate while being visible to the members of the user's social system (Min et al. 2019). Consumers are more likely to adopt innovations whose effects or benefits are visible to them (Min et al. 2019). For instance, solar panels by their nature, are installed on rooftops and thus have a high degree of visibility. As such consumers are likely to see them often and thus consider adopting them. Previous studies have revealed that observability has a strong positive relationship influence on consumers' behavioural intentions (Dilotsohle 2022; Elmustapha et al. 2018; Min et al. 2019). However, one must be cognisant of the fact that the more familiar consumers get with certain innovations, the less observable they become (Elmustapha et al. 2018). The observability attribute was thus hypothesised as follows:

H_{1a}: A positive and significant relationship exists between observability and behavioural intention towards microgeneration technologies.

H_{1b}: A positive and significant relationship exists between observability and usage of microgeneration technologies.

- Relative advantage

Relative advantage (RA) refers to the degree to which an innovation is perceived as being superior to current practice (Rogers 2003). The RA of an innovation relates to the perception that it provides more benefits than its predecessor and will be adopted because consumers see it as being more useful i.e., increases efficiency and effectiveness (Min, So & Jeong 2019). In this study, relative advantage of microgeneration technologies relates to their ability to help consumers overcome the challenges of grid-connected power sources. Given the challenges of conventional electricity generation, microgeneration technologies can provide certain advantages that will make them appealing to South African consumers. Literature on innovation adoption has confirmed the importance of relative advantage. Min et al. (2019) found that relative advantage has a significant influence on perceived usefulness and ease of use which in turn positively influence behavioural intention. Similarly, Manrai and Gupta (2022) as well as Breiki, Abri, Moosawi and Alburaiqi (2023) found that relative advantage is positively related to behavioural intention. Based on these arguments, the study proposes the following hypotheses:

H_{2a}: A positive and significant relationship exists between relative advantage and behavioural intention towards microgeneration technologies.

H_{2b}: A positive and significant relationship exists between relative advantage and usage of microgeneration technologies.

- Trialability

The trialability of an innovation describes the extent to which consumers can experiment with the innovation before they can formally adopt it (Franceschinis et al. 2017:315). Consumers need to be able to evaluate, adjust and experience the innovation for a limited period before

they can adopt it. However, some authors have highlighted an existing debate on the relevance of trialability in influencing the behavioural intention and the adoption decision of consumers (Kapoor & Dwivedi 2020). This was confirmed in the study by Elmustapha et al. (2018) who found that trialability was not a factor in their study of the adoption of solar water heaters. Similarly, Dilotsohle (2022) found trialability to have weak positive correlation with behavioural intention, with respondents regarding it having a non-significant influence on their adoption of green products. However, given the newness of microgeneration technologies to South African consumers, the current study proposes that trialability will be a relevant factor in consumer's behavioural intention and usage behaviour. The trialability attribute was thus hypothesised as follows:

H_{3a}: A positive and significant relationship exists between trialability and behavioural intention towards microgeneration technologies.

H_{3b}: A positive and significant relationship exists between trialability and usage of microgeneration technologies.

- Compatibility

An innovation's comparability relates to the harmony that exists between the said innovation and a consumer's existing values, beliefs, and habits (Rogers 2003). Compatibility plays a key role in examining how consumer's previous experiences with similar technologies can affect their behavioural intention and usage behaviour (Min et al. 2019). According to Kapoor and Dwivedi (2020), the technical aspects of residential solar equipment appear to be compatible with consumers' local electricity needs. Thus, for consumers grappling with load shedding, the compatibility of the microgeneration technologies will be important to them. Previous studies have found that there is a positive relationship between compatibility and user's adoption of green and microgeneration technologies (Dilotsohle 2022; Kapoor & Dwivedi 2020; Min et al. 2019). Studies in other technology domains have also found compatibility to be one of the biggest predictors of behavioural intention (Manri & Gupta 2022; Sharifzadeh, Damalas, Abdollahzadeh & Ahmadi-Gorgi 2017). The hypotheses proposed in this regard were as follows:

H_{4a}: A positive and significant relationship exists between compatibility and behavioural intention towards microgeneration technologies.

H_{4b}: A positive and significant relationship exists between compatibility and usage of microgeneration technologies.

- Behavioural intention

Behavioural intention relates to a person's readiness to engage in certain behaviour and has been established as an immediate precursor of behaviour (Mafabi, Nasiima, Muhimbise & Kasekende 2017; Mailizar, Burg & Maulin 2021). Behavioural intention has been recognised as an essential factor in innovation adoption literature (Mkhize 2021; Rezaei & Ghofranfarid 2018). Behavioural intention is considered in studies adopting the diffusion of innovation theory as well as other theories that seek to predict consumer behaviour. Prior research has emphasised behavioural intention as an antecedent of planned behaviour in various theories. For instance, Nordhoff, Malmsten, van Arem, Liu and Happee (2021) considered constructs of both the UTAUT model as well as the DOI theory as predictors of behavioural intention. Similarly, Manrai and Gupta (2022) extended the DOI theory to include the additional

constructs performance risk and financial risk to predict mobile payment adoption. Breiki et al. (2023) integrated the DOI and the Theory of Planned Behaviour to investigate the intention to adopt virtual reality. In line with previous research, the study posits that behavioural intention is positively related to microgeneration usage and thus propose the following hypothesis.

H₅: Behavioural intention has a significant positive effect on microgeneration technology usage.

- Mediation

The final factor considered in this study was understanding the mediating role of behavioural intention on microgeneration usage. The role of behavioural intention in mediating technology adoption or acceptance has been included in several studies but its role has not been definitively concluded. Ifedayo, Ziden and Ismail (2021) found behavioural intention to be a partial mediator for podcast acceptance. In their study of the mediating role of behavioural intention on knowledge sharing behaviour, Mafabi et al. (2017) found that behavioural intention had full mediation effect between attitude, subjective norm, perceived behavioural control and knowledge sharing behaviour. Similarly, Thorhauge, Cherchi, Walker and Rich (2019) investigated the role of intention as a mediator between latent effects and behaviour and found intention to have a significant effect. Consequently, the study proposes the following hypothesis for the mediating role of behavioural intention:

H₆: Behavioural intention towards microgeneration technologies mediates the relationship between observability, relative advantage, trialability and usage of microgeneration technologies.

3. RESEARCH METHODOLOGY

3.1. RESEARCH CONTEXT

As a developing country, South Africa has been experiencing power outages and unprecedented electricity costs in the last decade and a half. The protracted periods of powerlessness have continued to shut down business, dissuade investment, frustrate citizens, and constrict the country's economy (Daniel 2020). This has challenged society to consider alternatives to electricity sourced from the national energy provider, Eskom. A report by Statista (2022) contends that renewable energy investment in Africa remains relatively low compared to other regions, with Africa being the least electrified region globally. However, the same report finds that as of 2022, South Africa had the largest solar energy capacity in Africa. This means that there is great potential for the production and adoption of renewable energy in the country. Microgeneration technologies can provide households a reprieve from consistent load shedding and increasing energy costs. Consequently, more research is necessary to understand consumers' behavioural intention towards microgeneration technology use in emerging market contexts, such as South Africa, which are witnessing an unprecedented need for alternative sources of power. This understanding will assist in developing effective strategies to promote the adoption of microgeneration technologies among South African consumers.

3.2. QUESTIONNAIRE DESIGN AND MEASUREMENT INSTRUMENT

This study proposes understanding the role of product-related and benefit-sought factors in influencing the intention to adopt and use microgeneration technologies. It seeks to empirically test DOI characteristics against the consumers' intention and use of microgeneration technologies. A cross-sectional, descriptive, and quantitative research design was adopted to address the research question and objectives. The measurement instrument used was a self-administered questionnaire to collect data from respondents. Respondents were based in the metropolitan province of Gauteng, South Africa. An extensive number of constructs were used to understand the research problem. The items included in the different constructs were fashioned from previous studies and attempted to make reasonable adjustments or alterations to ensure it suits the context of this study to ensure reliability and validity of the measurements. These adjustments were made based on empirical robust models like the theory of planned behaviour. For this paper, we sought to use the five constructs from DOI: comparability, observability, trialability, complexity and relative advantage, and two from behavioural psychology models, namely, behavioural intention and usage. All constructs were measured with multi-scaled items adapted from prior research using a seven-point Likert scale, from 1 = strongly disagree, to 7 = strongly agree. As illustrated in Table 1, the items for exogenous constructs are all adapted from Roger's (2003) seminal work on the diffusion of innovation, while behavioural intention and usage also were adapted from the seminal work of Ajzen (1991).

3.3. DATA COLLECTION

To analyse the proposed model, data were collected from respondents who are active decision-makers in the household. A self-administered questionnaire was distributed with a cross-sectional, convenience questionnaire design to collect relevant data. The first page of the survey defined microgeneration technologies and requested the respondents' demographic information. To be eligible for the study, respondents needed to be between the ages of 18-60 and be involved in decision making in the household. Trained data collection field agents collected the data. Voluntary participation was encouraged and ensured as respondents were asked to participate but were further told they could opt out of the study at any time. Furthermore, principles of confidentiality and anonymity were highlighted before the commencement of the completion of the questionnaires.

3.3.1. *Sampling*

Sampling is a critical component of a study. It is a key driver to what one can identify as a study representative of the chosen population. Research has suggested various ways to determine an appropriate sample size (Fan et al. 2016; Hair et al. 1998). The questionnaire was distributed and cross-checked to eliminate incomplete questionnaires. After preliminary screening and checking for incomplete responses and removing outliers, 237 useable responses were retained for the analysis. Hair et al. (1998) suggested that for a sample to reach the threshold statistically, one would need to measure items and multiply by 5. This study had 20 items, $20 \times 5 = 100$ sample size. However, research generally understands that larger samples are preferred to eliminate sampling errors (Attiq, Habib, Kaur, Hasni & Dhir 2021) thus the study's sample size (N=237) was deemed appropriate. Table 2 displays an overview of the sample characteristics of the respondents.

TABLE 2: DEMOGRAPHIC PROFILE

Demographic	Category	Frequency (Percentage)
Gender	Male	110 (46.4%)
	Female	127 (53.6%)
Age	18-25	79 (33.3%)
	26-30	39 (16.5%)
	31-35	33 (13.9%)
	36-40	29 (12.2%)
	41 and above	57 (24.1%)
Race	Black	150 (63%)
	Coloured	16 (6.8%)
	Indian	39 (16.5%)
	White	32 (13.5%)

Source: Own construction, based on analysis

4. DATA ANALYSIS AND RESULTS

4.1. COMMON METHOD BIAS AND DATA NORMALITY

Before selecting the appropriate statistical techniques for assessing the proposed model, the normality of the data was assessed through testing for skewness and kurtosis. In testing for normality, the data indicated no normality issues as both the kurtosis and skewness followed the required ranges of ± 2 for skewness and ± 7 for kurtosis (Byrne 2010). Given that these estimates were within the acceptable thresholds for normality, we concluded that the data obtained is normal. The presence of common method bias in a dataset compromises the parameter estimates of reliability and construct validity and the parameter estimates between constructs (MacKenzie & Podsakoff 2012). To eliminate the bias, several techniques were implemented, including using adapting items which were in questionnaires from prior studies which were empirically and validated (Podsakoff, MacKenzie, Lee & Podsakoff 2003). The finalised questionnaire was also piloted. Furthermore, a statistical method was used to test for common method bias; Harman's single factor was used. The test results showed that the largest factor explained the 21.261% variance. This demonstrates that there were no common method biases found in the study, as it meant that it met the minimum threshold as ascribed in research of a minimum of 40% (Babin, Griffin & Hair Jr. 2016).

4.2. MEASUREMENT MODEL ASSESSMENT

A three-step process was embarked on to assess the validity of the measurement model. The first step was to test for the instrument's internal consistency by assessing if the instrument was reliable. The reliability of the measures of the constructs was assessed using Cronbach's alpha. The results in Table 3 indicate that Cronbach Alpha values ranged from 0.606 (trialability) to 0.896 (observability), with all constructs, except for trialability, demonstrating values above 0.7. which is the threshold for the internal consistency of the construct reliability. Values of 0.6 are also considered acceptable (Taber 2018) thus the value for trialability was accepted. This confirms that the measures of the constructs were internally consistent and reliable. The following step was to analyse the model fit through a confirmatory factor analysis (CFA). The purpose of this analysis is to confirm convergent and discriminatory validity. The results showed the model fit indices as following: $\chi^2 = 330,089$, $df = 119$; CFI = 0.908; IFI = 0.908; RMSEA = 0.086, which were aligned to the thresholds as proposed by different studies (Hair et al. 2017). This means that the measurement model showed a good fit with the data. Furthermore, the convergent validity was tested by confirming if the composite reliability (CR)

and average variance extracted (AVE) met the required threshold of 0.6 and 0.5, respectively (Baistaman, Awang, Afthanorhan & Rahim 2020). All constructs met the minimum threshold as a highlight in studies except for trialability, whose AVE almost met the minimum threshold of 0.5. Some authors agree that AVE values <0.5 can be accepted if the CR is >0.6 (Fornell & Larcker 1981; Suprpto, Stefany & Ali 2020). Additionally, Hair et al. (2009) indicated that a factor loading greater than 0.5 is acceptable. Table 3 indicates that the factors in the measurement model were greater than 0.5 (Hair et al. 2009). This means that the measurement model met the requirements of convergent validity.

TABLE 3: INTERNAL VALIDITY AND FACTOR LOADINGS

Construct, item name, and label, construct source.	Factor loading
Relative Advantage ($\alpha=0.706$, CR=0.789, AVE=0.586) (adapted Rogers 2003)	
[RA.1] Installing a solar water heater/solar panel in-house would help me to reduce greenhouse gases significantly.	0.83
[RA.2] By installing solar water heaters/solar panels in your house, I would help to improve my local environment	0.82
[RA.5] Installing solar water heaters/solar panels in my house would reduce my dependence on oil or gas	0.57
Observability ($\alpha=0.896$, CR=0.872, AVE= 0.694) (adapted Rogers 2003)	
[OBS.1] When thinking about installing solar water heaters/solar panels in my house, you would be concerned that your friends would think you were just being showy	0.77
[OBS.2] When thinking about installing a solar water heaters/solar panels in my house, I would be concerned that some people whose opinion I value may object to it would think that you were wasting money	0.89
[OBS.3] When thinking about installing a solar water heaters/solar panels in your house, you would be worried that some local residents might not be happy with my decision	0.83
Trialability ($\alpha=0.606$, CR=0.619, AVE=0.456) (adapted Rogers 2003)	
[TRI.1] I know where I could go to satisfactorily see various types of solar water heaters/solar panels working	0.79
[TRI.2] I could draw on someone's experience who has installed a solar water heater/solar panel already	0.54
Compatibility ($\alpha=0.881$, CR=0.897, AVE=0.744) (adapted Rogers 2003)	
[COMPAT.1] When thinking about installing a solar water heaters/solar panels in my house I would worry about how dependable and reliable it would be.	0.82
[COMPAT.2] When thinking about installing a solar water heaters/solar panels in my house, I would worry about how much ongoing maintenance it would require	0.73
[COMPAT.3] When thinking about installing a solar water heaters/solar panels in my house, I would be concerned that it would not provide the level of benefits	0.75
Usage ($\alpha=0.884$, CR=0.883, 0.715) (adapted Ajzen 1991)	
[USE.1] I use solar water heaters/solar panels	0.75
[USE.2] I use solar water heaters/solar panels to save energy	0.91
[USE.3] I have installed solar water heaters/solar panels for future savings in terms energy costs	0.91
Behavioural Intention ($\alpha=0.856$, CR=0.851, AVE=0.608) (adapted Ajzen 1991)	
[BI.1] I will install solar panels on my house in the next 12 months	0.98
[BI.2] I intend to install solar panels on my house in the next 12 months.	0.98
[BI.3] I expect to start/continue research about installation of solar panels/solar water heater marketing to gain more information on usefulness	0.50
[BI.4] I intend to use solar energy for the benefit of my household in the near future	0.56

Source: Own construction, based on analysis

The last and final step is to test the measurement model for discriminant validity. This was done through two techniques, Fornell and Larcker (1981) and the Heterotrait-monotrait ratio of correlations (HTMT) analysis. The Fornell and Larcker criterion assesses the discriminant

validity of constructs in structural equation models and assumes consistent factor loading estimates (Benitez, Henseler, Castillo & Schuberth 2020). The presence of discriminant validity was confirmed using the criterion as illustrated in Table 4, where the correlations between latent constructs are less than the square root of the average variance extracted (AVE).

TABLE 4: DISCRIMINANT VALIDITY-FORNELL AND LACKER

Construct	CR	AVE	MSV	Trial	RA	Comp	BI	Obser	Usage
Trialability	0.619	0.456	0.191	0.675					
Relative Advantage	0.789	0.562	0.060	0.093	0.749				
Compatibility	0.829	0.618	0.054	-0.232*	0.029	0.786			
Behavioural Intention	0.851	0.608	0.101	0.318**	0.245**	-0.188*	0.780		
Observability	0.872	0.694	0.056	0.205*	-0.196*	0.207**	0.139†	0.833	
Usage	0.895	0.742	0.191	0.437***	-0.046	-0.060	0.306***	0.236**	0.861

Note: Composite reliability = CR, Average variance extracted = AVE, Maximum shared variance = MSV, Average, Trial= Trialability, RA= Relative Advantage, Comp= Compatibility, BI= Behavioural Intention, Obser=Observability, Usage= Microgeneration Usage

Source: Own construction, based on analysis

The HTMT overcomes the weakness of the Fornell and Larcker criterion in assuming consistent factor loading estimates (Benitez et al. 2020). Values closer to 1 indicate a lack of discriminant validity (Roemer, Schuberth & Henseler, 2021), with a threshold of 0.85 being considered acceptable (Henseler, Hubona, & Ray 2016). The HTMT technique values in Table 5, indicate that all the correlations amongst the constructs of this study are below the recommended threshold value of 0.85 (Hair et al. 2017), hence discriminant validity was confirmed.

TABLE 5: DISCRIMINANT VALIDITY-HTMT METHOD

Construct	Trial	RA	Comp	BI	Obser	Usage
Trialability						
Relative Advantage	0.129					
Compatibility	0.148	0.004				
Behavioural Intention	0.319	0.430	0.173			
Observable	0.117	0.140	0.190	0.091		
Usage	0.339	0.049	0.076	0.269	0.224	

Note: Trial= Trialability, RA= Relative Advantage, Comp= Compatibility, BI= Behavioural Intention, Obser=Observability, Usage= Microgeneration Usage.

Source: Own construction, based on analysis

4.3. STRUCTURAL MODEL ANALYSIS

After assessing the measurement model, structural model analysis and structural path assessment were completed in two sequential steps. The first step was to conduct an analysis on the structural model with the main effect of all the constructs. This study used the goodness-of-fit indices, squared standard regression (R²), and path coefficients to evaluate the structural model. As demonstrated in Table 6 the results show the following goodness-fit indices: ($\chi^2 = 276.837$, $df = 119$, $\chi^2/df = 2.326$, CFI = 0.931, TLI=0.911, IFI= 0.932, RMSEA = 0.075) and confirm that the structural model and the data show good fit.

TABLE 6: SEM RESULTS OF THE STRUCTURAL MODEL

Hypotheses	Predictor	Outcome	Path coefficients	p-value	Support or no support
H1a	Observability	Behavioural Intention	0.187	.016*	Support
H2a	Relative advantage	Behavioural Intention	0.267	***	Support
H3a	Trialability	Behavioural Intention	0.211	.020*	Support
H4a	Compatibility	Behavioural Intention	-0.186	.018*	No support
H5	Behavioural Intention	Microgeneration Usage	0.212	.006*	Support

Notes: *p < 0.05, ***p < 0.001.

Source: Own construction, based on analysis

The SEM results of the structural model above reveal that observability has a significant and positive influence on behavioural intention ($\beta = 0.187$, $p < 0.016$), relative advantage has a significant and positive influence on behavioural intention ($\beta = 0.267$, $p < 0.000$), trialability has a significant and positive influence on behavioural intention ($\beta = 0.211$, $p < 0.020$) and compatibility has a significant and negative influence on behavioural intention ($\beta = -0.186$, $p < 0.018$). The results indicate a clear support for H₁-H₃. However, although significant there was not support found for H₄. These results provided statistical support for H_{1a}-H_{4b}. Concerning the relationship between behavioural intention (H₅) and usage, there was support since there was a significant and positive influence of behavioural intention on microgeneration technologies usage ($\beta = 0.212$, $p < 0.018$).

TABLE 7: EXPLANATORY POWER AND FIT INDICES OF MODELS

Goodness fit indices	Recommended value	Model
X ²		276.837
df		119
X ² /df	2-5	2.326
CFI	≥0.9	.931
TLI	≥0.9	.911
IFI	≥0.9	.932
RMSEA	0.05-0.08	0.075
R ²		
Behavioural Intention		0.19
Microgeneration Technology Usage		0.25

Source: Own construction, based on analysis

Furthermore, Table 7 shows the explanatory power of the endogenous variable to be the following: behavioural intention=0.19 and microgeneration technology usage=0.25. The results indicate low explanatory power estimates, suggesting that diffusion of innovation characteristics of microgeneration technologies have limited explanatory power towards households using them or intending to use these technologies. However, strong, and significant relationships existed between the different characteristics, the exogenous variable and behavioural intention and the endogenous variable.

4.4. MEDIATING ROLE OF BEHAVIOURAL INTENTION

The study examined whether behavioural intention mediates the relationship between the DOI factors and microgeneration usage. To investigate the role that behavioural intention plays in mediating the relationships between observability, relative advantage, trialability and compatibility with microgeneration usage, this study embarked on a bootstrapping technique with 2000 samples to understand at what parameter the significant level will be reached. An

important condition in research for mediation to occur in a study is the significance of the indirect effect (Zhao, Lynch Jr & Chen 2010). In Table 8, all the indirect relationships have a significant relation, thus fulfilling the important condition for mediation to have occurred. Therefore, behavioural intention mediates the relationship between the diffusion of innovation characteristics and microgeneration usage. In relation to what type of mediation occurred, Table 8 demonstrates the mediation types. Observability, relative advantage, and compatibility had the same mediation types, namely, consider indirect relationships while trialability had consider partial mediation.

TABLE 8: THE MEDIATING INFLUENCE OF BEHAVIOURAL INTENTION

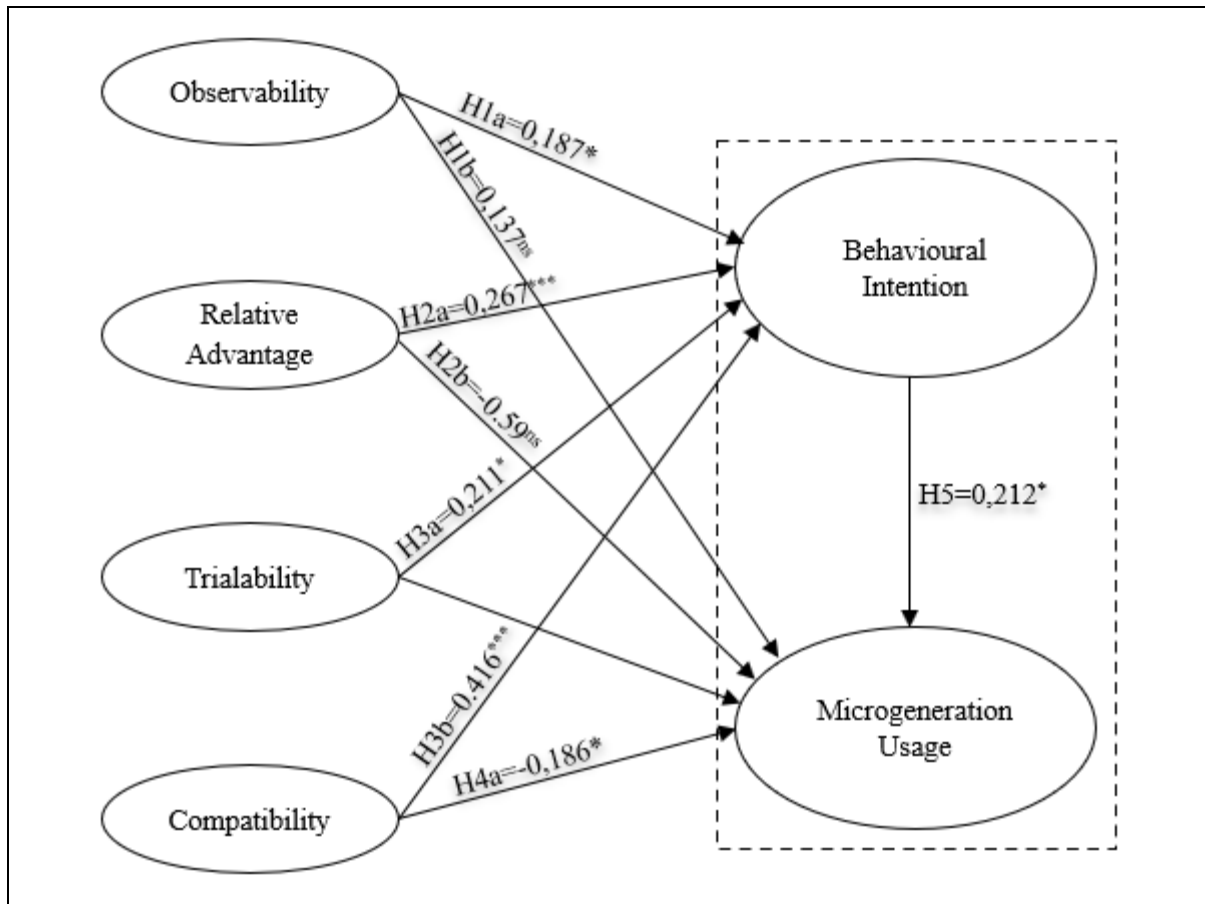
Dependent Variable: Microgeneration Usage				
Independent Variable	Total Effects	Indirect effects	Direct effects	Result
Observability	0.137 ^{ns}	-0.040*	0.097	CIR
Relative advantage	-0.159 ^{ns}	.057*	-0.115	CIR
Trialability	0.416 ^{***}	.045*	0.372*	CPM
Compatibility	0.011 ^{ns}	.039*	0.050	CIR

Notes: *p < 0.05; ***p < 0.001; ns = not significant, CPM = consider partial mediation, CIR= consider indirect relationship

Source: Own construction, based on analysis

Additionally, Table 8 and Figure 2 (structural equation model with different relationships) illustrate the relationships between diffusion of innovation characteristics and the usage of microgeneration technologies. The results show that compatibility ($\beta = 0.011$, $p < 0.980$), relative advantage ($\beta = -0.159$, $p < 0.489$) and observability ($\beta = 0.137$, $p < 0.092$) had no significant relationship with microgeneration technologies usage, while trialability ($\beta = 0.416$, $p < 0.001$) had a significant and positive relationship with microgeneration technologies usage.

FIGURE 2: STRUCTURAL EQUATION MODEL WITH DIFFERENT RELATIONSHIPS



Source: Own construction, based on analysis

5. DISCUSSION

The past few years have witnessed a notable growth in studies that investigate the factors that influence technology adoption. Some of these studies highlight the need to progress our practical and theoretical understanding of the factors that influence the adoption of renewable energy sources, including microgeneration technologies. To this end, the current study considered the Diffusion of Innovation (DOI) theory to predict the behavioural intention (BI) and usage of microgeneration technology for households. The study's results indicate a positive and significant relationship between three of the DOI characteristics and behavioural intention. The results revealed that relative advantage, observability and trialability have significant positive influences on behavioural intention, supporting H_{1a} , H_{2a} , and H_{3a} . These results confirm existing research, which supports the suggestion that diffusion of innovation characteristics influences the intention to adopt different types of technologies, including renewable energy technologies (Breiki et al. 2023; Dilotsohle 2022; Elmustapha et al. 2018; Manrai & Gupta 2022; Min et al. 2019). For instance, households perceive that adopting microgeneration technologies achieves a relative advantage. This is important in the case of South Africa, where an alternative form of energy should bring an advantage to their households. Additionally, relative advantage had a statistically significant path coefficient which was greater than all the other predictors of intention to adopt microgeneration technologies, making relative advantage the strongest predictor of intention to adopt. The results did not find support for compatibility's influence on behavioural intention. Thus, H_4 is

rejected. These findings are consistent with Breiki et al. (2023) who also found that relative advantage could be a predictor while compatibility is not.

The results also revealed that behavioural intention is positively related microgeneration usage, providing support for H₅. Prior research has also established the role of behavioural intention in the adoption of various technologies (Breiki et al. 2023; Manrai & Gupta 2022; Nordhoff et al. 2021). The study makes a solid argument conceptually, theoretically, and methodologically in light of past studies in alternative energy adoption and microgeneration technologies. A key contribution to theory concerning this study lies in adopting quantitative research methods to explain households' intention to adopt alternative energy technologies and using the DOI as an empirical robust model instead of using qualitative techniques. This has led to many studies reporting several factors, without empirically highlighting their influence on intention and usage. This study did not only provide a predictor of behavioural intention and usage but sought to test if there is a mediating effect of behavioural intention. Indirect effects were supported, to suggest that behavioural intention mediates the independent and dependent variables, an aspect that has not been investigated concerning microgeneration technology usage. Additionally, this study extends the literature of previous studies in alternative energy adoption by arguing for the use of mediating variables to understand the behaviour of households.

5.1. CONCLUSION AND STUDY IMPLICATIONS

This study examined the factors influencing consumer's behavioural intention and microgeneration usage. The results revealed that benefits sought are important considerations to South African consumers in their adoption of microgeneration technologies, with relative advantage being the most important, followed by observability and trialability. The main contribution of the paper relates to which benefits are sought by consumers in their intention towards renewable household energy sources. The study contributes various managerial implications and possible policy implications. For practitioners, the results of this study align perfectly with the marketing orientation concept: "we sell benefits not products". Therefore, marketing practitioners can develop strategies that align to this old adage, without fear, as there is an empirical basis for the adoption of such strategies in relation to the use of microgeneration technologies. From a policy perspective, this study contributes to the UNs' Sustainable Development Goals (SDGs), specifically Goal 7: Affordable and Clean Energy. Microgeneration technology is a form of clean energy, and they seek to reduce the impact of energy production to the environment. The adoption of these technologies by households will contribute to the fulfilment of this goal, which is necessary considering the insufficient progress to reach global energy targets by 2030. Lastly, since the results revealed that relative advantage plays a critical role in driving intention, policy maker and practitioners need to ensure that they emphasise the role of these technologies in eliminating load shedding and reducing the strain the energy grid.

5.2. LIMITATIONS AND FUTURE RECOMMENDATIONS

The findings of this study have some limitations which may provide possible gaps for future studies. Firstly, the sample was small, thus negatively impacting the generalisability of the result to the wider South African population. Furthermore, the study was conducted in one province of South Africa. This presents some challenges for generalising the findings to other provinces and other emerging economies. Future studies should consider having a multi-national study to include other emerging economies such as China, Brazil, and Egypt to better understand households' intention to adopt microgeneration technologies and their use. Another significant limitation is the use of a self-administered, cross-sectional research design. Even

though this study detected no biases, every study that uses self-administered reporting methods has challenges of methodological biases. Additionally, the adoption of a cross-sectional research design means that insights were gathered from a one-off perception, and thus does not consider the potential long-term effects of the variables under study. A longitudinal research design is necessary to capture the trend of results. Lastly, the study was theoretically limited. The study only considers the diffusion of innovation theory. Future research can investigate other theories such as the Technology Acceptance Model, the Enhanced Technology Acceptance Model, the Unified Theory of Acceptance and Use of Technology and others, to investigate households' behavioural intention towards microgeneration technologies.

REFERENCE LIST

- Ajzen, I. 1991. The theory of planned behavior. *Organizational behavior and human decision processes*, 50(2):179-211.
- Al Breiki, M., Al Abri, A., Al Moosawi, A.M. & Alburaiqi, A. 2023. Investigating science teachers' intention to adopt virtual reality through the integration of diffusion of innovation theory and theory of planned behaviour: The moderating role of perceived skills readiness. *Education and Information Technologies*, 28(5):6165-6187.
- Attig, S., Habib, M.D., Kaur, P., Hasni, M.J.S. & Dhir, A. 2021. Drivers of food waste reduction behaviour in the household context. *Food Quality and Preference*, 94:104300.
- Babin, B.J., Griffin, M. & Hair Jr, J.F. 2016. Heresies and sacred cows in scholarly marketing publications. *Journal of Business Research*, 69(8):3133-3138.
- Baistaman, J., Awang, Z., Afthanorhan, A. & Rahim, M.Z.A. 2020. Developing and validating the measurement model for financial literacy construct using confirmatory factor analysis. *Humanities and Social Science Review*, 8(2):413-422.
- Benitez, J., Henseler, J., Castillo, A. & Schuberth, F. 2020. How to perform and report an impactful analysis using partial least squares: Guidelines for confirmatory and explanatory IS research. *Information & Management*, 57(2):103168.
- Burgess, S.M. & Malhotra, N.K. 2020. Marketing in African emerging markets: Emerging perspectives. *Journal of African Business*, 21(4):433-438.
- Byrne, B.M 2010. *Structural Equation Modeling with AMOS: Basic concepts, applications, and programming*. Routledge, New York, NY.
- Byrne, J. 2009. Localisation – When language, culture and technology join forces. *Language at Work – Bridging Theory and Practice*, 3(5).
- Daniel, L. 2020. The bright side of load shedding: SA companies are doing pretty good on sustainability, *News24*. Available from https://www.news24.com/news24/bi-archive/load-shedding-in-south-africa-makes-companies-more-sustainable-2022-11#google_vignette. (Date accessed: 30 June 2023).
- Dilotsotlhe, N. 2022. Determinants of green innovation purchase behaviour: An emerging country perspective. *African Journal of Business & Economic Research*, 17(4):51-71.

- du Venage, G. 2020. South Africa comes to standstill with Eskom's load shedding. *Engineering and Mining Journal*, 221(1):18.
- Ellis, E. 2023. Govt caused the load shedding humanitarian crisis ... This was not an act of God – Pretoria High Court told, *Daily Maverick*. Available from <https://www.dailymaverick.co.za/article/2023-03-21-govt-caused-the-load-shedding-humanitarian-crisis-this-was-not-an-act-of-god-pretoria-high-court-told/>. (Date accessed: 30 June 2023).
- Elmustapha, H., Hoppe, T. & Bressers, H. 2018. Consumer renewable energy technology adoption decision-making; comparing models on perceived attributes and attitudinal constructs in the case of solar water heaters in Lebanon. *Journal of Cleaner Production*, 172(2018):347-357.
- Fan, Y., Chen, J., Shirkey, G., John, R., Wu, S.R., Park, H. & Shao, C. 2016. Applications of structural equation modeling (SEM) in ecological studies: An updated review. *Ecological Processes*, 5(1):19.
- Fornell, C. & Larcker, D. F. 1981. Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1):39-50.
- Franceschinis, C., Thiene, M., Scarpa, R., Rose, J., Moretto, M. & Cavalli, R. 2017. Adoption of renewable heating systems: An empirical test of the diffusion of innovation theory. *Energy*, 125:313-326.
- Fraser, N. 2023. *Cannibal capitalism: How our system is devouring democracy, care, and the planet and what we can do about it*. Verso Books.
- Garlet, T.B., Ribeiro, J.L.D., de Souza Savian, F. & Siluk, J.C.M. 2019. Paths and barriers to the diffusion of distributed generation of photovoltaic energy in southern Brazil. *Renewable and Sustainable Energy Reviews*, 111:157-169.
- Hair, J.F., Black, W.C., Babin, B.J. & Anderson, R.E. 2009. *Multivariate data analysis*. 7th edn., Upper Saddle River: Pearson Prentice Hall.
- Hanna, R., Leach, M. & Torriti, J. 2018. Microgeneration: The installer perspective. *Renewable Energy*, 116:458-469.
- Henseler, J., Hubona, G. & Ray, P. A. 2016. Using PLS path modeling in new technology research: Updated guidelines. *Industrial Management & Data Systems*, 116(1):2-20.
- Huseynli, B. 2022. Examining the relationship between brand value, energy production and economic growth. *International Journal of Energy Economics and Policy*, 12(3):298-304.
- Ifedayo, A.E., Ziden, A.A. & Ismail, A.B. 2021. Mediating effect of behavioural intention on podcast acceptance. *Education and Information Technologies*, 26:2767-2794.
- Kapoor, K.K. & Dwivedi, Y.K. 2020. Sustainable consumption from the consumer's perspective: Antecedents of solar innovation adoption. *Resources, Conservation and Recycling*, 152(2020):104501.

- Lazanyuk, I., Ratner, S., Revinova, S., Gomonov, K. & Modi, S. 2023. Diffusion of renewable microgeneration on the side of end-user: Multiple case study. *Energies*, 16(6):2857.
- MacKenzie, S.B. & Podsakoff, P.M. 2012. Common method bias in marketing: Causes, mechanisms, and procedural remedies. *Journal of Retailing*, 88(4):542–555.
- Mafabi, S., Nasiima, S., Muhimbise, E.M., Kasekende, F. & Nakiyonga, C. 2017. The mediation role of intention in knowledge sharing behavior. *VINE Journal of Information and Knowledge Management Systems*, 47(2):172-193.
- Mailizar, M., Burg, D. & Maulina, S. 2021. Examining university students' behavioural intention to use e-learning during the COVID-19 pandemic: An extended TAM model. *Education and Information Technologies*, 26(6):7057-7077.
- Mangara, F. & Mutsaa, E. 2023. *Tri-fold impact of load-shedding in South African Cities: Power outage, destruction, and regression*. University of Kwa-Zulu Natal Blog. Available from <https://inclusivecities.ukzn.ac.za/blog/tri-fold-impact-of-load-shedding-in-south-african-cities-power-outage-destruction-and-regression/> (Date accessed: 9 July 2023).
- Manrai, R. & Gupta, K.P. 2022. A study on factors influencing mobile payment adoption using theory of diffusion of innovation. *International Journal of Business Information Systems*, 39(2):219-240.
- Min, S., So, K.K.F. & Jeong, M. 2019. Consumer adoption of the Uber mobile application: Insights from diffusion of innovation theory and technology acceptance model. *Journal of Travel & Tourism Marketing*, 36(7):770-783.
- Mkhize, N.H. 2021. Influencing the adoption of microgeneration technologies using the theory of planned behaviour. *South African Journal of Business Management*, 52(1):1-9.
- Nordhoff, S., Malmsten, V., van Arem, B., Liu, P. & Happee, R., 2021. A structural equation modeling approach for the acceptance of driverless automated shuttles based on constructs from the Unified Theory of Acceptance and Use of Technology and the Diffusion of Innovation Theory. *Transportation Research Part F: Traffic Psychology and Behaviour*, 78:58-73.
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.Y. & Podsakoff, N.P. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5):879.
- Rezaei, R. & Ghofranfarid, M. 2018. Rural households' renewable energy usage intention in Iran: Extending the unified theory of acceptance and use of technology. *Renewable Energy*, 122:382-391.
- Roemer, E., Schubert, F. & Henseler, J. 2021. HTMT2—an improved criterion for assessing discriminant validity in structural equation modeling. *Industrial Management & Data Systems*, 121(12):2637-2650.
- Rogers, E.M. 2003. *Diffusion of Innovation*. 5th edn., Free Press.

- Sharifzadeh, M.S., Damalas, C.A., Abdollahzadeh, G. & Ahmadi-Gorgi, H. 2017. Predicting adoption of biological control among Iranian rice farmers: An application of the extended technology acceptance model (TAM2). *Crop Protection*, 96:88-96.
- Statista, 2022. *Renewable energy in Africa - statistics & facts*. Available from <https://www.statista.com/topics/9143/renewable-energy-in-africa/#topicOverview>. (Date accessed: 26 September 2023).
- Steadman, S., Bennato, A.R. & Giulietti, M. 2023. From energy consumers to prosumers: The role of peer effects in the diffusion of residential microgeneration technology. *Journal of Industrial and Business Economics*, 50(2):321-346.
- Su, W., Liu, M., Zeng, S., Štreimikienė, D., Baležentis, T. & Ališauskaitė-Šeškienė, I. 2018. Valuating renewable microgeneration technologies in Lithuanian households: A study on willingness to pay. *Journal of Cleaner Production*, 191:318-329.
- Suprpto, W., Stefany, S. & Ali, S. 2020. Service quality, store image, price consciousness, and repurchase intention on mobile home service. *SHS Web of Conferences*, 76.
- Taber, K.S. 2018. The use of Cronbach's alpha when developing and reporting research instruments in science education. *Research in Science Education*, 48:1273-1296.
- Tembe, Z.N. & Hlengwa, D.C. 2022. Strategies used by B&B's and guesthouses to mitigate the impacts of load shedding in South Africa. *African Journal of Hospitality, Tourism and Leisure*, 11(3):1020-1037.
- Thorhauge, M., Cherchi, E., Walker, J.L. & Rich, J. 2019. The role of intention as mediator between latent effects and behavior: Application of a hybrid choice model to study departure time choices. *Transportation*, 46:1421-1445.
- Zhao, X., Lynch Jr., J.G. & Chen, Q. 2010. Reconsidering Baron and Kenny: Myths and truths about mediation analysis. *Journal of Consumer Research*, 37(2):197-206.

END OF EMCB 2023 CONFERENCE PROCEEDINGS

NELSON MANDELA
UNIVERSITY



EMCB 2023
Conference Proceedings