NELSON MANDELA
UNIVERSITY

INVESTIGATING CUSTOMER SATISFACTION TOWARDS BANKING

REWARDS PROGRAMMES

By

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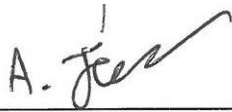NELSON MANDELA METROPOLITAN UNIVERSITY

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DECLARATION

We, Alex Will Jonas and Jacques van Rensburg, hereby certify that:

- The content of this treatise, "investigating customer satisfaction towards banking rewards programmes", is our own work;
- Sources used and quoted have been acknowledge and documents by means of complete reference; and
- This treatise has not been previously submitted for a degree at any other tertiary institute.

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Alex Will Jonas   Jacques van Rensburg

Port Elizabeth

October 2019

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EXECUTIVE SUMMARY

The banking industry plays an important function of a healthy economy. The big five banks in the banking industry consist namely of Absa (Absa Rewards), Capitec (Live Better Benefits), FNB (Ebucks), Nedbank (Greenbacks) and Standard Bank (UCount). Customer satisfaction plays a big role in how clients perceive their banking reward programmes. Customer satisfaction has led to banking institutions implementing reward programmes for the clients and spending huge amount of money on their respective reward programmes.

The primary objective of this study is to investigate of customer satisfaction of clients towards their banking reward programme within the banking industry in Port Elizabeth. An empirical investigation was conducted to address the problem statement by quantifying and analysing the relationship between the independent variables (Fees and charges, Service quality, Banking activities, Banking services and Technology) and the dependent variable (Customer satisfaction). It was important to investigate the factors that contribute to customer satisfaction about big five banking intuitions reward programmes. From the empirical results recommendations were made to support banking institutions on how to improve their reward programmes, which in turn leads to better customer satisfaction.

A literature review was performed as portion of fulfilling the study's secondary goals. The literature review provides a background to reward programmes, customer satisfaction of reward programmes and what factors influence customer satisfaction of reward programmes. When providing an overview of reward programmes the literature review specifically defined what a reward programme is, the purpose of a reward programme and the different types of reward programmes. The factors that influence reward programmes were elaborated on pricing, service quality, banking activities, banking services and technology and how these independent variables influence customer satisfaction which is the dependant variable.

The positivistic research methodology was adopted for this study, and a quantitative approach was implemented as researchers aimed to determine whether a relationship exists between the five independent variables and the dependent variable. A range of hypotheses have been built to accomplish this study's main goal. The primary data was obtained by using a five-point Likert-type scale questionnaire. The population of the study represented customers whom belong to reward programmes of their respective banks in the Nelson Mandela Metropole from which a convenience and snowball sample of 150 respondents were selected. In the study we tested five hypotheses namely:

- Whether a significant relationship existed between *Fees and charges* and *Customer satisfaction*. This hypothesis was rejected; therefore, it can be concluded that there is no significant relationship between *Fees and charges* and *Customer satisfaction*.

- If there was a significant relationship between *Service quality* and *Customer satisfaction*. This hypothesis was accepted meaning there is a significant relationship between *Service quality* and *Customer satisfaction*.

- Whether there was a significant relationship between banking and customer satisfaction. This theory has been acknowledged, so it can be inferred that there is a significant relationship between *Banking activities* and *Customer satisfaction*.

- If there was a significant relationship between *Banking services* and *Customer satisfaction*. This hypothesis was accepted meaning, there is a significant relationship between *Banking services* and *Customer satisfaction*.

- Whether there was a significant relationship between customer satisfaction and technology. The theory has been acknowledged, so it can be inferred that there is an important relationship between *Technology* and *Customer satisfaction*.

The recommendations derived from these hypotheses are as follows:

- Aim to provide their clients with a wider range of banking activities to help them receive the best experience that meets their individual experience and needs.

- Provide clients with efficient and reliable service to help them address their needs and concerns as quickly and efficiently as possible.

- Try to reduce Fees and charges as much as possible so that customers feel they are getting value for the monthly fees they pay to their bank.

CHAPTER ONE

INTRODUCTION

1.1   INTRODUCTION AND BACKGROUND TO THE STUDY

In the global retail banking industry, reward programmes have become one of the primary revenue generation and marketing tools (D'Antonio, 2014:1). However increased costs and unpredictable market conditions have cost retail banks a lot in terms of financial resources and have forced them to employ analytically-based approaches to implementing their reward programmes (D'Antonio, 2014:1). Thorough analysis of different clients can help the bank to identify individual spending patterns, behaviours and market conditions (D'Antonio, 2014:1). With data gathered from customers the bank will be able to develop rewards and offers that will benefit customers the most (D'Antonio, 2014:1). Banks also offer clients who purchase additional financial products and services discounts on these products and services (Babrovich, 2017:1).

Banks should have reward programmes that meet the specific needs of different groups of clients (Babrovich, 2017:1). Reward programmes can be used to attract and retain clients. Clients should be satisfied with the reward programmes offered by their banks they do business with should the banks wish to retain them. Customers feeling passionate about certain brands have a 306% higher lifetime value and are likely to remain with the brand for an average of 5.1 years (Autry, 2018:1). In addition, research has shown that 71% of the loyal customers will indorse the brand to other consumers (Autry, 2018:1). Therefore, a high priority must be placed on continuous research in terms of customer satisfaction because commercial banks alter their reward programmes continuously (Autry, 2018:1).

1.2   PROBLEM STATEMENT

The two main reasons South Africans change banks are due to impolite staff and mistakes on the banks behalf (Fin24, 2016:1). A survey conducted in 2015 to determine the reasons why South Africans change banks. found that of the respondents, 23% stated the reason for changing banks are due to poor service by the banks' staff and 19% changed due to the high costs (Fin24, 2016:1).

Unfortunately, general banking reward programmes suffer from the flaw of tailoring their loyalty reward programmes around the average consumer (Babrovich, 2017:1). This has

caused the rewards programmes of some banks to lose their exclusiveness, which can cause clients to switch to competing banks who offer reward programmes that better suit their needs and wants (Babrovich, 2017:1). This is why some reward programmes of banks have been unsuccessful (Babrovich, 2017:1). Banks should have reward programmes that can meet the specific needs of different groups of clients (Babrovich, 2017:1).

It is important for banks to investigate whether their clients are satisfied with the reward programmes they offer in order to ensure that the reward programmes do meet the needs of their clients. Therefore, this study will focus on whether clients are satisfied with the offers of the reward programmes their banks offer.

1.3 RESEARCH OBJECTIVES

The objectives of the study overlap with the problem statement and are made up of the primary, secondary and methodological objectives.

1.3.1 PRIMARY RESEARCH OBJECTIVE

The main purpose of the study is to investigate the satisfaction of clients towards banking rewards programmes.

1.3.2 SECONDARY RESEARCH OBJECTIVES

To address the primary objective of the study, the following secondary objectives have been formulated:

- To determine the factors influencing clients' satisfaction of reward programmes.

- To determine the rewards offered by the various banking rewards programmes.

- To determine whether the clients are satisfied with the rewards offered by their banks.

1.3.3 METHODOLOGICAL OBJECTIVES

To achieve the secondary objectives and eventually the primary objective of this study, the following, methodological objectives have been formulated:

- To conduct a literature overview on reward programmes and customer satisfaction of various banks.

- To develop a hypothesised model showing the relationships between the various factors influencing the clients' satisfaction of reward programmes and customer satisfaction within the banking industry.

- To adopt an appropriate design, research methodology and research methods in order to achieve the secondary objectives leading to the attainment of the primary objective.

- To develop an appropriate measuring instrument to collect the primary data in order to empirically tests the formulated hypotheses.

- To provide recommendations to banks on how to improve customer satisfaction when considering what clients' would regard as a good offering of a reward programmes.

1.3.4   RESEARCH QUESTIONS AND HYPOTHESES

The hypothesised model, as presented in Figure 1.1 is constructed to assist in determining what factors will influence customers satisfaction towards banking reward programmes.

FIGURE 1.1: PROPOSED HYPOTHESISED MODEL OF FACTORS INFLUENCING CUSTOMER SATISFACTION OF BANKING REWARD PROGRAMMES
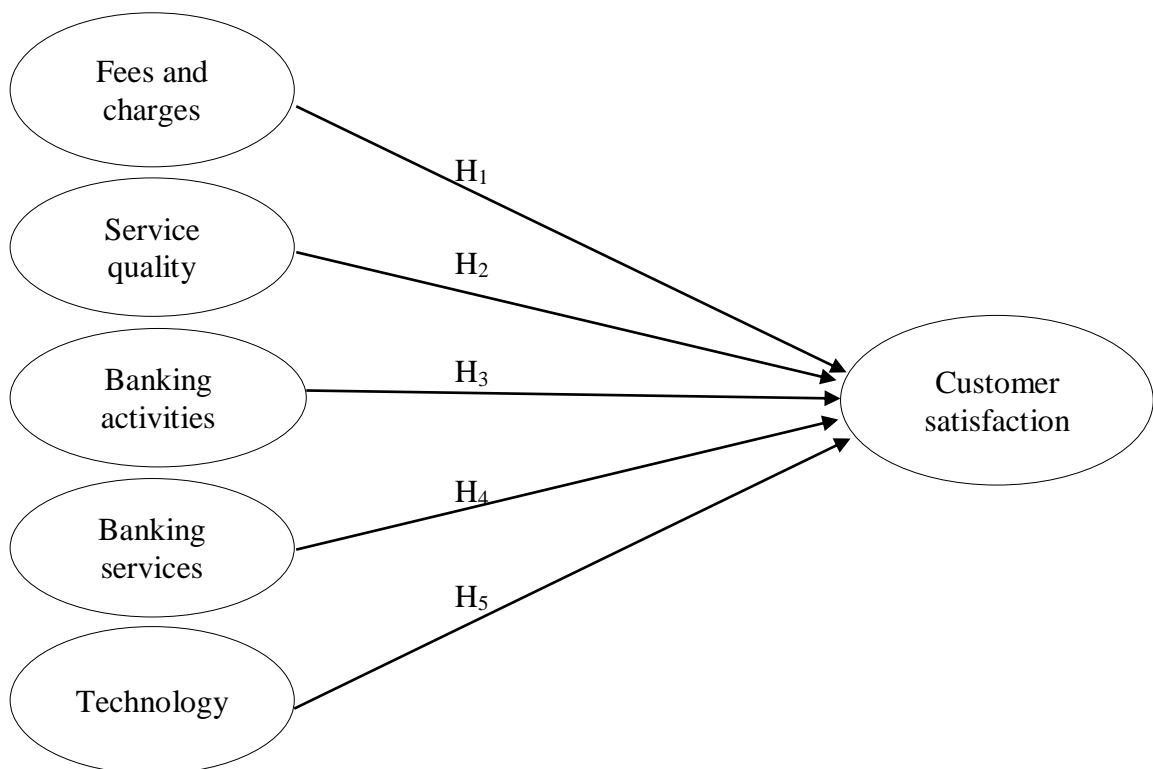
Source: Researchers' own construction

The following hypotheses are formulated to be tested:

H_1:   There is a significant relationship between *Fees and charges* and *Customer satisfaction*.

H_2:   There is a significant relationship between *Service quality* and *Customer satisfaction*.

H_3:   There is a significant relationship between *Banking activities* and *Customer satisfaction*.

H_4:   There is a significant relationship between *Banking services* and *Customer satisfaction*.

H_5:   There is a significant relationship between *Technology* and *Customer satisfaction*.

1.4   LITERATURE OVERVIEW

The literature review is to conduct the overview of reward programmes in the banking industry and overview of customer satisfaction within the banking industry to help gain knowledge on these two aspects.

1.4.1   OVERVIEW OF REWARD PROGRAMMES

According Bernazzani (2018:1), reward programmes are offered by businesses to customers when they buy on a regular basis from these businesses. In return it also provides businesses with loyal customers, which are more inclined to spend money on their brands and products (Bernazzani, 2018:1).

In the year 2018 the following reward programmes were in the Top 10 namely Uber Rewards, Spikeball's SpikePoints, and Sweetlegs Rewards (Peckover, 2018:1). The reason why customers rated Uber Rewards to be in the Top 10 was that it provides members with free rides and benefits for rides already in use (Peckover, 2018:1). In the case of SpikePoints members earn points based on their likeness toward fast-paced sport (Peckover, 2018:1). Members of Sweetlegs Rewards enjoy their VIP systems that bring their customers "awesome swag" that means exclusive rewards at different levels, whether customers are sporadic buyers or dedicated suppliers (Peckover, 2018:1). In the banking industry in South Africa banks offer their clients reward programmes. Absa Bank has Absa rewards that reward clients if they have an Absa account that is registered with Absa Bank for the reward programme (MoneyBags, 2016:1). Capitec offers clients' the Bank Better Live Better

Benefits. These benefits include getting discount on bus tickets and airplane tickets as well as Uber rides when using Capitec debit or credit cards (Capitec, 2019:1). FNB has eBucks with which clients can earn rewards based on their monthly banking activities (MoneyBags, 2016:1). Nedbank offers Greenbacks that reward clients when paying with their Nedbank credit or cheque cards (MoneyBags, 2016:1). Standard Bank offers Ucount rewards which is based on the clients banking activity and services clients use per month (MoneyBags, 2016:1).

Fish (2018:1) states that customers expect reward programme having their best interest in mind. It was found that 79% of customers buy brands that understand and care about them (Fish, 2018:1). Customers also expect the reward programme to save money using reward programmes (Fish, 2018:1). In addition, 57.4% of customers stated saving money as their main reason for joining reward programmes (Fish, 2018:1). Customers also want to feel special, experience good customer service and want to choose their own rewards (Fish, 2018:1).

Therefore it is important for banks to fulfill clients' expectations concerning reward programmes in the banking industry. Banks must also take customer satisfaction into account when creating reward programmes and how those reward programmes will influence their bottom line.

1.4.2   OVERVIEW OF CUSTOMER SATISFACTION WITH REGARDS TO REWARD PROGRAMMES

Hill and Alexander (2006:2) define customer satisfaction as a measure of how the business's total products perform in relation to a set of customer requirements. Businesses use a customer satisfaction score (CSAT), which is the average score of customer replies, the net promoter score (NPS), which indicates the likelihood that a customer mentions brands to another person and the customer effort score (CES), which shows how easy it is for a customer to do business with a firm (MyAccountingCourse, 2019:1). Financial institutions use APECS that allows businesses to view customer responses through observing feedback, analysing trends based on customer activities witin 24 hours and providing recommendations (Vaslow, 2018:1). It permits financial institutions to identify areas for development. Craucamp (2012:179) states satisfaction as a realisation directly connected to the consumption of a product or service, which is assessed for one-time consumption or continous consumption (Beerli, Martin & Quintana, 2004:253-275). Customers that are

satisfied with a product will purchase it on a continous basis and provide endorsements of the product to potential customers (Craucamp, 2012:179). Customer satisfaction can be divided into customers' opininons of product quality and their experience with regard to product supplier (Craucamp, 2012:179). Craucamp (2012:179) states that in the retail banking industry there is an ongoing relationship between the customer and the bank. It was found in a global study that compensating clients lead to an increase in clients retained and attracts new clients to banks (Ernst and Young, 2012: 27-35). The study also found that compensating for loyalty was the main reason clients were willing to leave their respective banks. In addition the study found that providing clients with more choices for being loyal towards the bank would increase customer satisfaction (Ernst and Young, 2012: 27-35).

Therefore customer satisfaction is grounded on an assessment of numerous interactions and is considered as a mixture of overall customer approaches towards the bank that includes actions such as meeting of expectations and service quality.

1.4.3 OVERVIEW OF FACTORS INFLUENCING CUSTOMER SATISFACTION

Zakaria, Rahman, Othman, Yunus, Dzulkipi and Osman (2014:24) state that customer satisfaction is the emotion a person experience from comparing his or her perception with reality. It is expected that customer satisfaction leads to the feeling of enjoyable fulfilment and that dissatisfaction leads to a feeling of displeasing fulfilment (Zakaria *et al.*, 2014:24). In retail customer satisfaction can be described as emotion a person experience after purchasing a product or services experienced while purchasing product (Vesal &Vesna, 2009:396-406).

Pricing plays an important role in customer satisfaction. Clients would like banks to be more open about their transaction fees and charges and expect from banks to provide clients with affordable interest rates (Ernst and Young, 2012:27-35). Service quality also plays an important role in customer satisfaction. In a global study it was found 70% of clients are willing to provide banks with detailed information of themselves if that would lead to client focused service or improved service (Ernst and Young, 2012:27-35). Clients also expect banks to differentiate between the various banking activities offer. In addition clients expect banks to provide clients numerous banking channels such as online and mobile banking (Ernst and Young, 2012:27-35). Clients has an overall high customer satisfaction of branch and internet banking, while expecting banks to expand call centers and mobile banking services (Ernst and Young, 2012: 27-35). Furthermore clients are particulary concerned about

the safety regarding mobile banking as well as the ability of call centers to deal with concerns of clients (Ernst and Young, 2012:27-35).

Therefore, banks must take into consideration the following factors that influence customer satisfaction. These factors are as follows: fees and charges, service quality, banking activities, banking services and technology plays important role in customer satisfaction.

1.5   RESEARCH DESIGN AND METHODOLOGY

To achieve the objectives set out in this study, primary and secondary research will be conducted.

1.5.1   SECONDARY RESEARCH

Secondary research, which is also known as desk research, is a research method that makes use of existing data (Bhat, 2019:1). It contains material that has been published in research reports and other related documents (Bhat, 2019:1). Secondary research serves as a guide to what information to get by indicating which information is relevant and not. In this case relevant information relates to customer satisfaction of banking reward programmes. The sources that will be consulted will come from Google Scholar, journal articles, webpages, Nelson Mandela University Library, Emerald Journals, Ebscohost, academic textbooks, and newspaper articles. The specific topics that will be covered in the literature are customer satisfaction and reward programmes.

1.5.2   PRIMARY RESEARCH

During the study, primary research will be used to gain information from bank clients in the Nelson Mandela Metropole regarding the reward programmes offered by their banks. An empirical investigation using a self-administered questionnaire will be used to collect data from the respondents.

1.5.3   RESEARCH DESIGN

Research design can be defined as an outline of various methods and techniques that have been chosen by a researcher in order to combine various research components in a systematic and logical manner to ensure that the research model is handled in an efficient manner (Bhat, 2018:1). The research design will provide the direction on how the research will be

conducted. A positivistic research paradigm adopting a quantitative approach will be used in this study.

1.5.4   RESEARCH METHODOLOGY

The study will adopt the positivistic research paradigm that has quantitative characteristics. Therefore, a quantitative research methodology will be used. Secondary research will make use of the internet; books and journals articles to find literature regarding customer satisfaction and reward programmes. Primary research will make use of a self-administered questionnaire to collect data.

1.5.5   POPULATION, SAMPLE AND SAMPLING TECHNIQUES

Population can be defined as the components that form the centre of the study (Struwig & Stead, 2013:114). The population for the study will be clients of banks in the Nelson Mandela Metropole.

Due to the fact that the population of the Nelson Mandela Metropole is large, a sample of the population will be taken. A sample can be defined as the components that form the focal point of the study (Struwig & Stead, 2013:114). The sample will be clients of the five major banks, ABSA Bank, Capitec Bank, First National Bank, Nedbank and Standard Bank, in the Nelson Mandela Metropole. The sample size will be determined by the number of independent and dependent variables; however the sample size is estimated to be between 100 and 150 respondents.

According to Struwig and Stead (2013:118), there are two main sampling techniques, namely probability and non-probability. With probability sampling each section of the population has an equal chance of being part of the sample. The different types of probability sampling techniques that can be used are random, stratified, cluster, systematic and multi-stage area sampling (Struwig & Stead, 2013:118-120). With non-probability sampling, the sample is selected based on the researchers' preference and judgement. The chances of selecting a member of a population are unknown with this sampling method. The types of non-sampling methods include convenience, judgement, quota and snowball (Struwig & Stead, 2013:116-118).

For this study, non-probability sampling techniques will be used to draw a sample from the population. The non-probability techniques that will be used are convenience and snowball

sampling. Convenience sampling is based on availability and is the preferred method to use if the respondents are accessible and willing (Struwig & Stead, 2013:116). This is the best method to use when the population shares many common characteristics (Struwig & Stead, 2013:116).

1.5.6   DEVELOPING THE MEASURING INSTRUMENT

To measure the relationship between the dependent and independent variables, a measuring instrument needs to be developed. In order to add items onto the measuring instrument, existing measuring instruments that are valid and reliable will be analysed. The measuring instrument that will be used in the study will be questionnaires which the respondents will complete on their own. The items of the questionnaire will include the factors influencing customer satisfaction of banking reward programmes (independent variables) and customer satisfaction (dependent variable). Demographic data will also be collected from the sample.

To better inform the respondents of the questionnaire, a cover letter will be provided which will provide instructions on how to complete the questionnaire, specify the research topic, the objective of the research and a statement promising confidentiality. The respondents will be assured that the data collected will remain confidential and anonymous, and participation will be voluntary where respondents may opt-out of the study at any point in time.

1.5.7   DATA COLLECTION AND ANALYSIS

Data can be defined as information such as facts or numbers that are collected for examination and consideration in making decisions (Struwig & Stead, 2013:7). During the data collection and analysis phases researchers need to critically examine the data gathered and find resemblances in the data gathered to formulate hypotheses (Struwig & Stead, 2013:7). These phases are expected to be completed by the 31st of August 2019.

During the data collection phase, researchers need to keep the data independent. For the objectives of the research to be achieved, a suitable data collection method must be chosen. Various data collection methods are to be considered and the method that best aligns to the objectives of the research must be chosen. For this study the data collection method that will be used are self-administered questionnaires.

In the data analysis phase the data gathered is studied by those conducting the research. The volume of information that has been gathered needs to be filtered and compressed while not

deviating from the problem. In order to interpret data efficiently the quantity of data needs to be reduced. When analysing the data, researchers filter the data to include only what is necessary which makes the research clear and concise.

For this study data will be collected from bank clients of the five major banks within the Nelson Mandela Metropole. The focus will be to determine the satisfaction that customers have with the reward programmes of the banks in South Africa. A questionnaire evaluating the satisfaction that customers have with their respective banks' reward programmes will be compiled. This questionnaire will assess the factors clients of banks are looking for in reward programmes. The data will be captured and cleaned in Microsoft Excel, and the data analysis will be done in Statistica.

The measuring instrument will be put through validity and reliability testing. Validity is the process where researchers test the accuracy of the findings (Struwig & Stead, 2013:17). Two researchers will analyse completed questionnaires and websites. Both researchers will be involved in compiling and evaluating questionnaires. In order to test the validity of the measuring instrument, a pilot study will be conducted to ensure face and content validity, while an exploratory factor analysis (EFA) need to be conducted to ensure construct validity. Cronbachs' alpha will be used to test reliability of measuring instrument. Reliability is the degree to which test scores are accurate, consistent or stable (Struwig & Stead, 2013:138). The validity of the questionnaires depends on their reliability because if the questionnaires are not reliable then they cannot be valid (Struwig & Stead, 2013:138).

Section A of the questionnaire will be statistically analysed using inferential statistics, namely Pearson Product Moment Correlation and multiple regression. Pearson Product Moments correlation coefficients will be used to determine whether any associations exist between the variables. Multiple regression analysis will be used to test relationships between independent and dependant variables.

Section B will have the demographic data of respondents such as gender, age, bank used and name of reward programme. The data gathered will be analysed by using basic descriptive statistics and presented in frequency tables.

1.6   SCOPE AND DEMARCATION OF THE STUDY DESIGN AND METHODOLOGY

The scope of this study will focus on the financial services sector and specifically the retail banking sector of Nelson Mandela Metropole with the focus on the reward programmes offered to the clients by the five major banks.

1.7   SIGNIFICANCE OF THIS STUDY

The significance of this study is to investigate customer satisfaction towards banking rewards programmes in South Africa. This is important because banking reward programmes has a major influence on customer satisfaction towards banks.

This study will highlight the different reward programmes there are in general and specifically in the banking industry. It will also highlight what clients require from the reward programmes offered by their respective banks. Therefore this study will aim to identify how banks can use reward programmes to influence customer satisfaction, which has an impact on banks revenue.

1.8   DEFINITION OF KEY CONCEPTS

Reward programmes: Incentives offered by financial institutions to attract and retain clients.

Fees and charges: The money charged by banks towards clients' using their services.

Service quality: Based on the following dimensions: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding or knowing the customer.

Banking activities: Bank offers mobile and internet banking. It entails viewing of account balance, pin activation and replacement, money transfers, loan applications and search for a local branch.

Banking services: Banks offer the following services; business loans, checking accounts, savings accounts, debit and credit cards. In addition banks also provide clients with merchant services; which entails credit card processing, reconciliation and reporting.

Technology: Use of cell phones to access the various banking apps provided by banks to do mobile and internet banking. Clients require android or IOS cell phones to be able to download the various banking apps.

1.9   STRUCTURE OF THE RESEARCH

The structure of the research will be as follows:

CHAPTER 1:INTRODUCTION OF THE STUDY

This chapter will consist of the layout of the research and the reason for the research. The chapter contain the following sections, introduction and background of the study; the problem statement; the research objectives; the literature review; the research questions and hypothesis; the research design and methodology; the scope and the demarcation of the study; the significance of the study and the research structure.

CHAPTER 2: FACTORS INFLUENCING CUSTOMER SATISFACTION OF REWARD PROGRAMMES

Chapter Two will address two of the secondary objectives being to determine the rewards offered by the various banking rewards programmes, and to determine the factors influencing customer satisfaction

The chapter will further elaborate on the different types of reward programmes namely point, spend, tiered and paid. In addition, it will also explain how customers benefit from reward programmes, these benefits include saving money and receiving rewards.

The next section will specify how customer satisfaction is measured and what clients expect from reward programmes. Common measurements of customer satisfaction will be elaborated on, these include the customer satisfaction score, net promoter score and customer effort score. In addition, what customers expect from reward programmes will be divided into two categories of product and service.

Finally, an overview of the factors influencing customer satisfaction will be provided These factors are *Fees and charges*, *Service quality*, *Banking activities*, *Banking services* and *Technology*.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

This chapter the research design and methodology will be discussed. There are two methodologies namely Quantitative and Qualitative. This study will adopt the positivistic research paradigm that has quantitative characteristics. Therefore, a quantitative research methodology will be used. Secondary research will make use of the internet; books and journals articles to find literature regarding customer satisfaction and reward programmes. Primary research will make use of a self-administered questionnaire to collect data. Population of this study will be the Nelson Mandela Metropole; with the sample being clients of the five major banks namely ABSA Bank, Capitec Bank, First National Bank, Nedbank and Standard Bank in the Nelson Mandela Metropole. This study will also develop a measuring instrument. Data collection and analysis; the data will be captured and cleaned in Microsoft Excel, and the data analysis will be done in Statistica.

CHAPTER 4: EMPIRICAL RESEARCH RESULTS

This chapter will discuss the different reward programmes offered by banks. Customer satisfaction results of clients of the various banks will also be collected. The results of the data will be collected and information will be compared among various reward programmes offered by banks.

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

A summary will be given of the literature review and the empirical research will be presented. Conclusions will be made on the empirical research from chapter five with regards to customer satisfaction of customers/clients of various banks reward programmes. Recommendations will be given to the respective banks in regard of their reward programmes.

CHAPTER TWO

FACTORS INFLUENCING CUSTOMER SATISFACTION OF REWARD PROGRAMMES

2.1   INTRODUCTION

In Chapter One an outline of the study and a brief insight into the reward programmes. Primary objective of the study is to investigate the satisfaction of clients towards banking rewards programmes. To address the primary objective of the study, the following secondary objectives have been formulated:

- To determine the rewards offered by the various banking rewards programmes.
- To determine the factors influencing clients' satisfaction of reward programmes.
- To determine whether the clients are satisfied with the rewards offered by their banks.

Therefore this chapter will focus in the first two secondary objectives. The purpose of chapter two is to give an overview of reward programmes offered by the various banks in South Africa and how clients can benefit from being a member of a selected reward programme. In addition the study will also look at how customer satisfaction is measured and what clients expect from reward programmes. In conclusion the factors that influence customer satisfaction towards these reward programmes in the banking industry will be discussed.

2.2   OVERVIEW OF REWARD PROGRAMMES

In this section a definition of reward programmes will be provided. The purpose of reward programmes will be elaborated on, why businesses and clients use reward programmes. Lastly the different types of reward programmes offered by banks will be analysed.

2.2.1   DEFINING REWARD PROGRAMMES

According Cross (2017:1), reward programmes are benefits that businesses give to their customers to inspire a certain behaviour. In addition it is also seen as a method businesses can use to reward customers that make frequent purchases from the businesses (Bernazzani, 2018:1).

2.2.2   PURPOSE OF REWARD PROGRAMMES

Reward programmes are offered to customers in order to promote certain behaviour towards the business. It is an advertising ploy used by businesses to encourage brand loyalty while letting customers thinks that they will receive something for free (Cross, 2017:1).

Customers receive rewards by means of purchasing with their credit cards, from a particular business or from an employer (Cross, 2017:1). There are a variety of reward programmes that are used mainly by banks or businesses for advertising purposes (Cross, 2017:1). According to e-satisfaction (2019:1), businesses adopt various types of reward programmes. Point programmes are those where customers purchase products online or at a store and receive points based on the value of their purchase (e-satisfaction, 2019:1). Spend programmes provides customers with loyalty credits for the sum of products or services they purchase from a business (e-satisfaction, 2019:1). Tiered programmes are those where customers receive higher loyalty level rewards based on the frequency of their purchases (e-satisfaction, 2019:1). Paid programmes require customers to pay a fixed monthly amount to join a VIP member club that provide special services and discounts (e-satisfaction, 2019:1). According to Cross (2019:1), reward programmes provide customers with points each time they purchase a product or service when using their credit card. Customers can then redeem their points for gifts. These gifts can either be gift cards, cash back or free or discounted products or services from the business (Cross, 2017:1).

Fish (2018:1) states that customers expect reward programmes to have their best interests in mind. These best interests of customers are reflected by customer expectations which include: solid information, options, engagement, complaint management, flexibility, creativity, fairness and trust (Dooley, 2013:1). By solid information customers expect information to be distributed in a fast and effective manner whether telephonically, online or in person (Dooley, 2013:1). By providing accurate information, businesses show customers that they respect their capability to make thorough decisions. When it comes to options, customers expect variety and often respond in a positive manner when given a diverse range. Another advantage of giving customers options is that it opens up channels of communications and helps to develop a long-term relationship with customers as they ask questions and the business responds to these questions. Customers expect to have a channel to communicate through and provide comments to the business, and the business is expected to promptly and personally respond to important issues that customers may raise. It is to the advantage of a

business to actively engage with customer concerns as engaged customers are more likely to be satisfied and devoted to the business. The inflexibility of the modern work environment has left customers with less flexible schedules. Customers expect businesses that they deal with to have more flexible schedules and for the salespeople whom represent these businesses to find new and innovative solutions to their problems. Two aspects that customers find of importance in business solutions are responsiveness and creativity. Customers search for salespeople that are easy to do business with and that are adaptable. Customers are looking for new and innovative ideas to improve their lives. These ideas often come from dealing with a variety of businesses that customers find relate to their individual needs and wants. Businesses need to see customers as individuals and tailor their products and services to match each customer's specific needs and wants. By tailoring their products and services to fit the individual needs and wants of their customers, businesses are likely to retain current customers and attract new ones. When it comes to fairness, all customers expect to be treated fairly and no form of nepotism to be shown by the business. Customers want to be assured that the products and services they receive from the business are of the same standard as those supplied to any other customers the business has. Development in technology has led to many new products and services which have presented new opportunities and challenges for customers. Customers expect businesses to help them with the new challenges they face in order to make informed decisions to meet their specific needs and wants. Customers are looking for salespeople who are able to explain the products and services of their businesses in an objective manner and how they are different from competing businesses (Dooley, 2013:1).

Furthermore, it was found that 79% of customers buy brands that understand and care about them (Fish, 2018:10). Customers also expect the reward programmes to save them money when they use it (Fish, 2018:10). In addition, 57.4% of customers stated that saving money is their main reason for joining reward programmes (Rudolph, 2016:1). Customers also want to feel special, experience good customer service and choose their own rewards (Fish, 2018:10).

According Bernazzani (2018:1), reward programmes are offered by businesses to customers who frequently purchase goods or services from them. In return these programmes provide businesses with loyal customers, whom are more inclined to spend money on the businesses' brands and products (Bernazzani, 2018:1). It was found in a study that 37.5% of customers join to receive rewards (Rudolph, 2016:1). It was also found that 69% of customers said that

their choice of retailer was influenced by where they can earn customer loyalty/rewards programme points (Rudolph, 2016:1).

2.2.3   TYPES OF REWARD PROGRAMMES

This section will discuss the various reward programmes in the banking industry. In 2018, the following reward programmes were in the Top 10 by Peckover namely Uber Rewards, Spikeball's SpikePoints, and Sweetlegs Rewards (Peckover, 2018:1). The reason why customers rated Uber Rewards to be in the Top 10 was because it provides members with free rides and benefits (Peckover, 2018:1). In the case of SpikePoints members earn points based on their likeness toward fast-paced sport (Peckover, 2018:1). Members of Sweetlegs Rewards enjoy their VIP systems that bring their customers "awesome swag" that means exclusive rewards at different levels, whether customers are sporadic buyers or dedicated suppliers (Peckover, 2018:1). In the South African banking industry banks offer their clients reward programmes. Nedbank offers Greenbacks which rewards clients when paying with their Nedbank credit or cheque cards (MoneyBags, 2016:1). Nedbank Greenbacks Rewards programme offers clients various benefits as seen in Table 2.1. These entails using Nedbank Greenbacks Shop card to pay for fuel, online shopping, overseas transactions and even withdrawing cash. Clients can also use the reward programme for travel by using it to book flights, cars and accommodation (Nedbank, 2019:1).

TABLE 2.1: EARN RATE COMPARISON TABLE

Card Type	Greenbacks (GB) Earn rate per card type	Consumer and Small Business Services Cards Maximum eligible spend Rand value per month per card	Corporate Cards Maximum eligible spend Rand value per month per card
Nedbank credit card	R10 = 2 GB	R10 000	R 50 000
Nedbank cheque card	R10 = 1 GB	R5 000	R10 000
Greenbacks American Express cards	R10 = 4 GB	Unlimited	Unlimited

Source: Nedbank (2019:1)

Absa Bank has Absa rewards that reward clients who have an Absa account that is registered with Absa Bank for the reward programme (MoneyBags, 2016:1). Absa Rewards provide clients with up to 1.15% in cash back for store and online purchases (ABSA, 2019:1). Clients receive up to 20% cash back from selected partners, which include Pick Pay, Cashbuild, Avis and Emirates. Clients also receive up to 20% cash back when filling up their cars at a Sasol garage (ABSA, 2019:1). Standard Bank offers Ucount rewards which is based on clients banking activities and services used by clients (MoneyBags, 2016:1). Standard Bank Ucount works as follows: Clients shop using their Standard Bank personal Credit, Cheque or Debit card for which they receive points on all purchases, clients can redeem, save or invest points earned improve their tier and qualify for more higher points and benefits (Standard Bank, 2019:1). Standard Bank clients can receive extra reward points up to 20% for purchasing products at Shoprite, Spar, and Woolworths (Standard Bank, 2019:1). Clients receive R5 per litre on every litre of fuel filling up their vehicles at Caltex. Clients can also receive up to 2GB Neotel data back every month based on their tier (Standard Bank, 2019:1). FNB has eBucks with which clients can earn rewards based on their monthly banking activities (MoneyBags, 2016:1). FNB clients with an Easy account, Gold account, Premier Account, Private Clients or a Private Wealth accounts can earn eBucks (FNB, 2019:1). FNB eBucks clients can earn up to 40% discount on selected items at the eBucks Shop and on selected

local and International Flights which are booked through eBucks Travel online. FNB eBucks clients can spend their rewards at the eBucks Shop, eBucks Travel, eBucks partners, and also electronic channels (FNB, 2019:1). Capitec offers clients' the Bank Better Live Better Benefits. These benefits include getting discount on bus tickets and airplane tickets as well as on Uber rides when using a Capitec debit or credit cards (Capitec, 2019:1). Capitec Bank Better Live Better Benefits offers their clients 15% off Greyhound or Citiliner tickets, flights form R399 with Travelstart, 50% off Educate24 online courses, R4000 off GetSmarter course fees, 10% discount on Rentalcars.com and the first 3 months free on Hello Doctor (Capitec, 2019:1).

Therefore it is important for banks to fulfil clients' expectations concerning reward programmes in the banking industry. Banks must also take customer satisfaction into account when creating reward programmes and how those reward programmes will influence the banks' bottom line.

2.3 CUSTOMER SATISFACTION WITH REGARDS TO REWARD PROGRAMMES

Hill and Alexander (2006:2) define customer satisfaction as a measure of how the business's products perform in relation to a set of customer requirements. The requirements of customers can be divided into two main categories, namely, those relating to products, and those relating to services (Breschi, 2018:1).

Under product requirements the concepts of functionality, price, convienience, experience, design, reliability, performance, efficiency and compatibility arise. Functionality refers to customers requiring the products or services that a business produces to function in a certain way in order to come up with solutions to problems that customers face. (Breschi, 2018:1). Common problems that customers face include the time it takes for businesses to answer their queries, continous transfer between departments in the business, lack of knowledgeable staff, businesses not keeping their promises and the receipt of faulty products (Polaczyk, 2018:1). With prices for products and services, customers have specific budgets which allow then to pruchase products or services produced by the business (Breschi, 2018:1). Under convience, customers expect products or services to meet their needs and wants in a convient way. When using products or services produced by the business, customers expect the experience to be easy and not require extra effort from them. Design of the product or service is an important feature in delivering an easy experience to customers when they use the product or service.

Smooth and simple designs are able to deilver this easy experience that customers are looking for and businesses that invest in product design are likely to attract and retain customers. Products need to reliable in order for the business to meet its obligations towards its customers under the implicit sales contract. In order for the customer to achieve their goals, the products and services produced by the business need to meet specific performance standards. (Breschi, 2018:1). Products or services need to impress customers, create value in their lives and have a positive impact on society (Gangé, 2014:1). The time of customers is important and they expect businesses to produce products that are efficient in order for them to maximise the value of their time. Customers have already acquired products and services and expect the products or services produced by the business to compliment and be compatible with those already acquired. (Breschi, 2018:1).

Under service requirements, the concepts of empathy, fairness, transparency, control, options and information arise. Empathy is important for customers who contact the customer service section of the business as they expect understanding from those dealing with them in this regard. (Breschi, 2018:1). Businesses can improve their understanding of customer queries by putting the customer first (Lund, 2018:1). By putting the customer first businesses are able to view the problem at hand through the perpective of the customer which improves their ability to address the needs of customers (Lund, 2018:1). Customers expect the business to deliver products and services of a reasonable standard in exchange for financial resources, this is the underlying concept for a fair transaction. In order for a long-term and trusting business relationship to develop between the business and the customer both need to be transparent in their dealings with each other. Customers also want to feel as though they have some degree of control in their dealings with businesses which is why the business should supply customers with support services so that it is not merely a sale to the customer but rather bulidling a relationship with them. Other aspects that will help customers to feel as though they have some degree of control is if they are given options in their purchases from the business and also have enough information in order to make an informed decision about purchases they wish to make. (Breschi, 2018:1).

Businesses use a customer satisfaction score (CSAT), which is the average score of customer replies, the net promoter score (NPS), which indicates the likelihood that a customer mentions brands to another person and the customer effort score (CES), which shows how easy it is for a customer to do business with a firm (MyAccountingCourse, 2019:1). Financial

institutions use APECS which allow businesses to view customer responses through observing feedback, analysing trends based on customer activities witin 24 hours and providing recommendations (Vaslow, 2018:1). It also permits financial institutions to identify areas for development. Craucamp (2012:179) states satisfaction as a realisation directly connected to the consumption of a product or service, which is assessed for one-time consumption or continous consumption (Beerli *et al.*, 2004:253-275). Customers that are satisfied with a product will purchase it on a continous basis and provide endorsements of the product to potential customers (Craucamp, 2012:179).

Customer satisfaction can be divided into customers' opinions of product quality and their experience with regard to product supplier (Craucamp, 2012:179). Craucamp (2012:179) states that in the retail banking industry there is an ongoing relationship between the customer and the bank. It was found in a global study that compensating clients lead to an increase in clients retained and attracts new clients to banks (Ernst and Young, 2012: 27-35). The study also found that compensating for loyalty was the main reason clients were willing to leave their respective banks and join new banks. In addition the study found that providing clients with more choices for being loyal towards the bank would increase customer satisfaction (Ernst and Young, 2012: 27-35).

Therefore customer satisfaction is grounded on an assessment of numerous interactions and is considered as a mixture of overall customer approaches towards the bank that includes actions such as meeting of expectations and service quality.

2.4   OVERVIEW OF FACTORS INFLUENCING CUSTOMER SATISFACTION OF REWARD PROGRAMMES

Zakaria *et al*. (2014:24) state that customer satisfaction is the emotion experienced by a person from comparing their perception with reality. It is expected that customer satisfaction leads to the feeling of enjoyable fulfilment and that dissatisfaction leads to a feeling of displeasing fulfilment (Zakaria *et al.*, 2014:24). In the retail industry customer satisfaction can be described as the emotion a person experiences during and after purchasing a product or service (Vesal & Vesna, 2009:396-406).

2.4.1 FEES AND CHARGES

Pricing plays an important role in customer satisfaction. Clients require banks to be transparent with their transaction fees and charges. In addition, clients expect banks to

provide them with affordable interest rates (Ernst and Young, 2012:27-35). There are three categories of bank charges and fees. The first category is low income and basic banking needs with between 12 and 17 transactions per month; all the banks in this category want to increase their market share (Soldarity Research Institute, 2018:9-20). Absa Bank, FNB, Capitec, Standard Bank and Nedbank offer products and services that fall within this category (Soldarity Research Institute, 2018:9-20). Capitec was the only bank to offer good interest rates on money available in a clients transactional account (Soldarity Research Institute, 2018:9-20). The charges of various low income and basic banking accounts offered by the commercial banks in South Africa for a minumum of 12 and 17 transactions are provided in Figures 2.1 and 2.2.

FIGURE 2.1 : MINIMUM 12 TRANSACTIONS PER MONTH
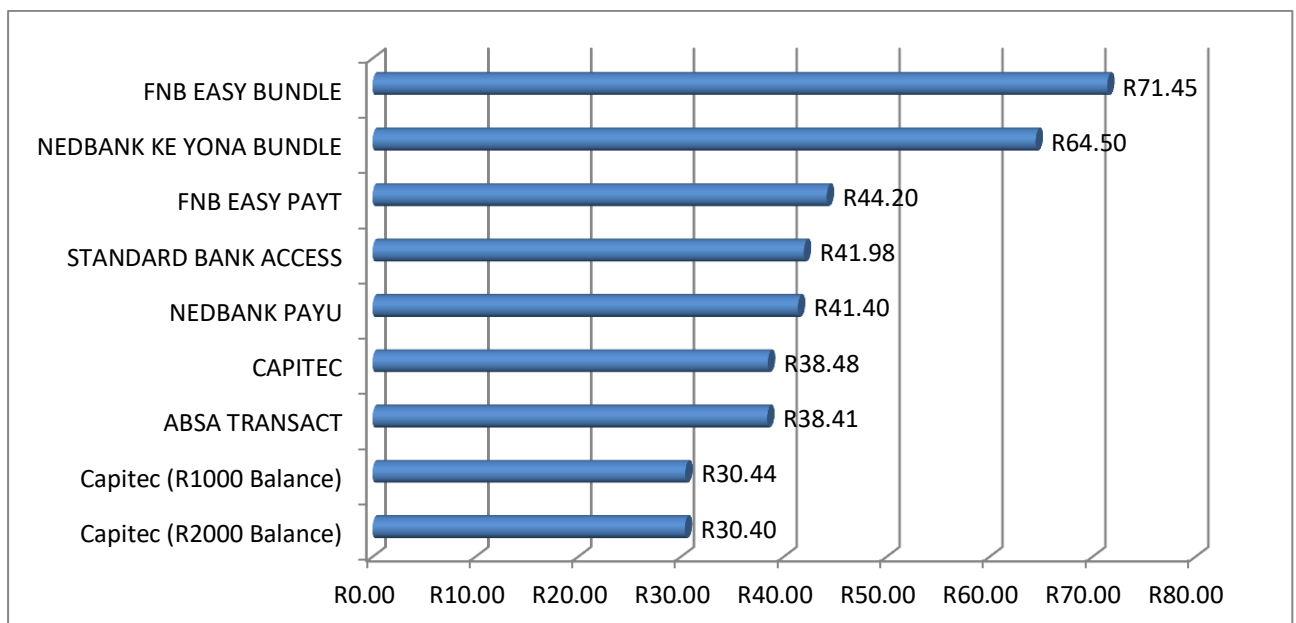
Source: Soldarity Research Institute (2018:9-20)

FNB easy bundle was the is most expensive with a minimum 12 transactions per month. Capitec is the cheapest bank with a minimum of 12 transactions per month.

FIGURE 2.2: MINIMUM 17 TRANSACTIONS PER MONTH
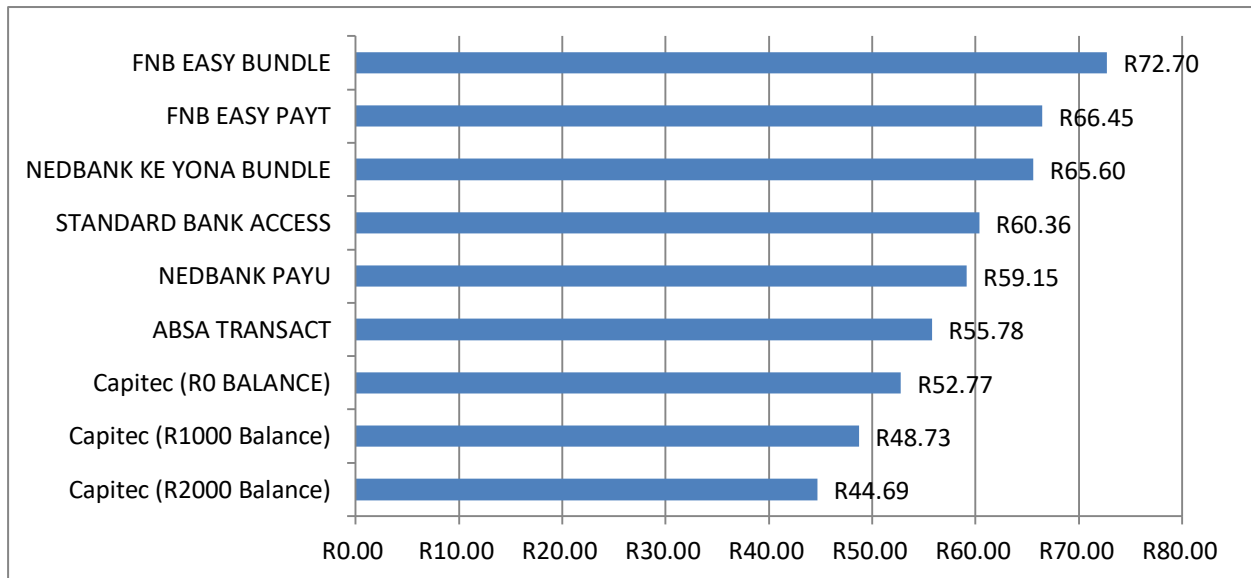
Source: Soldarity Research Institute (2018:9-20)

FNB is most expensive bank with regards to minimum 17 transactions per month. Capitec is the cheapest with regards to a minimum 17 transactions per month.

The second category is middle-class income and sophisticated banking needs which requires a minimum of 25 transactions per month.Therefore this category is marketed toward core clients and consits of the various banks' flagship accounts namely Standard Bank Elite Bundle, Nedbank Savy Plus, FNB Gold Cheque, Absa Gold Bundle and Capitec Global One (Soldarity Research Institute, 2018:9-20). The charges of various middle-income and sophisticated banking accounts offered by the commercial banks in South Africa for a minumum of 25 transactions is provided in Figure 2.3.

FIGURE 2.3: MINIMUM 25 TRANSACTIONS PER MONTH
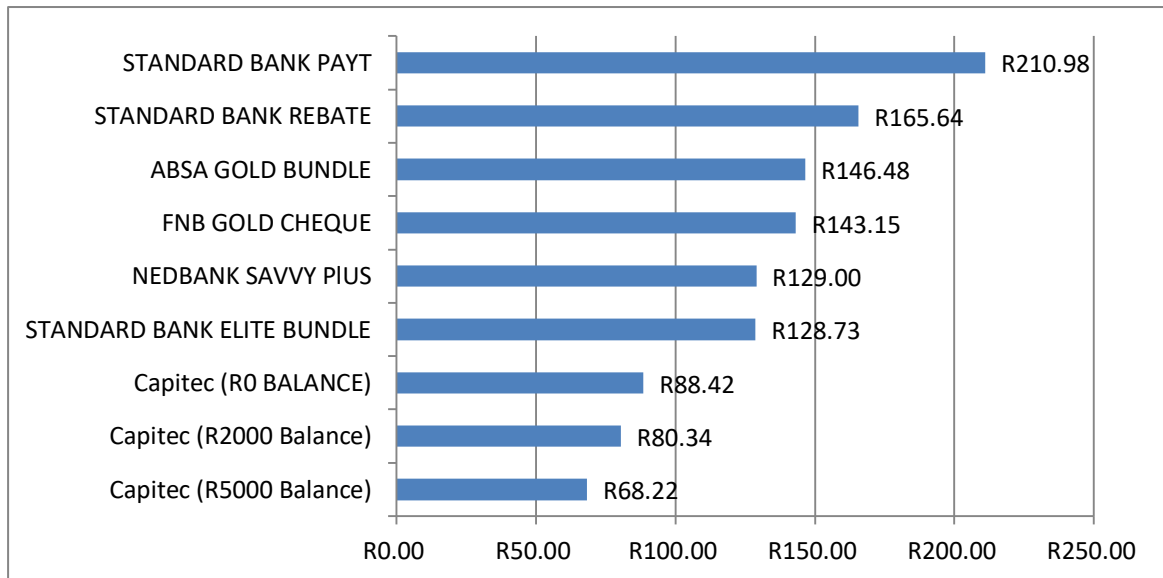
Source: Soldarity Research Institute (2018:9-20)

Standard Bank is the most expensive with regards to minimum transactions of 25 per month. Capitec is the cheapest with regards to minimum transactions of 25 per month.

The third category focuses on the higher middle-class income groups with sophisticated banking needs with a minimum of 30 transactions. Standard Bank offers rebate for cients with a balance of R10 000 in their transactional account (Soldarity Research Institute, 2018:9-20). Standard bank also offers a rebate option if clients keep more then R10 000 in their transactional account (Soldarity Research Institute, 2018:9-20). The charges of various upper middle-income and sophisticated banking accounts offered by the commercial banks in South Africa for a minumum of 30 transactions is provided in Figure 2.4.

FIGURE 2.4: MINIMUM 30 TRANSACTIONS PER MONTH
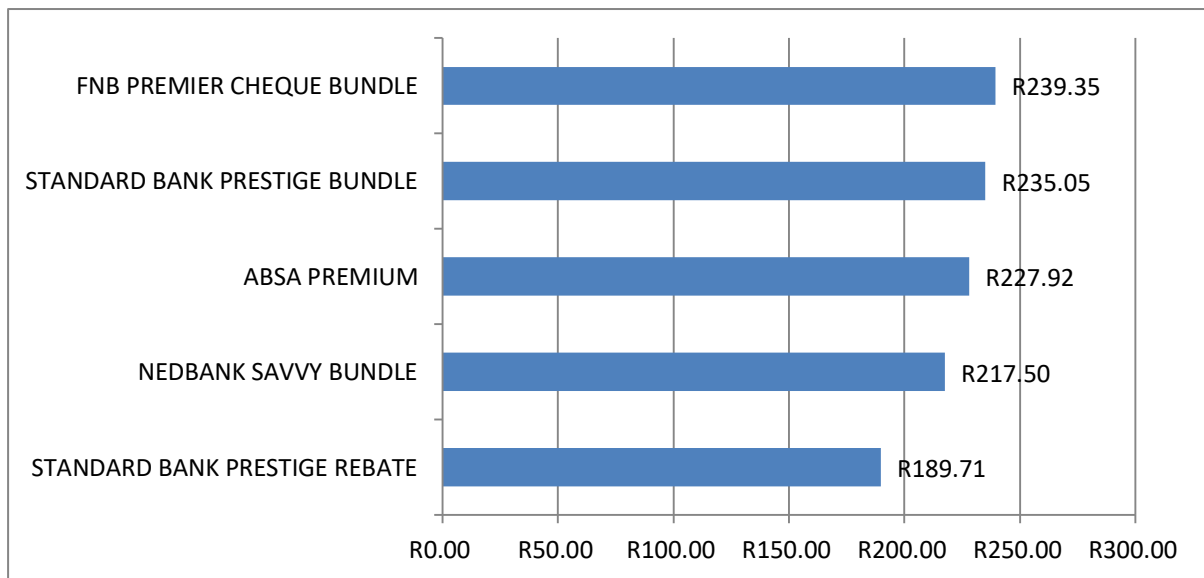
Source: Soldarity Research Institute (2018:9-20)

FNB premier cheque bundle is the most expensive in terms of minimum 30 transactions per month. Standard Bank prestige rebate is the cheapeast in terms of 30 transactions per month.

The costs of withdrawals at another bank ATM's are also an important factor in pricing and are shown in Table 2.2.

TABLE 2.2: COSTS OF WITHDRWAWALS

BANK	WITHDRAWAL AMOUNT		
	R500	**R1 000**	**R2 000**
Capitec	R8.83	R8.83	R8.83
Absa Transact	R12.11	R12.11	R12.11
Nebbank PAYU	R13.00	R13.00	R13.00
Standard Bank	R17.17	R26.27	R44.47
FNB	R18.50	R28.00	R47.00
Absa other accounts	R17.64	R24.69	R38.79
Nebbank other accounts	R18.12	R25.67	R40.77

Source: Soldarity Research Institute (2018:9-20)

Capitec and Absa Bank is the cheapeast for withdrawing money. FNB and Standard Bank are the most expensive when withdrawing money.

2.4.2 SERVICE QUALITY

According Siddiqi (2011:13-16), a service can be decribed as interactions between customers and an employees where the employee provides the customer with the service they require and expect.

Service quality also plays an important role in customer satisfaction. In a global study it was found 70% of clients are willing to provide banks with detailed information of themselves if that would lead to client-focused service or improved service (Ernst and Young, 2012:27-35). Overall customer satisfaction is increased with high levels branch and internet banking quality, and expecting banks to expand call centers and mobile banking services in order to provide better customer service (Ernst and Young, 2012: 27-35).

Sevice quality contain the following characteristics:

- Intangibility. Service is not tangible and can not be counted, measured, tested and verified. It is diffulct for banks to understand how clients view and evalaute the qaulity of the services.
- Inseperability. There is a difference between tangible goods and services in respect of production and consumption.
- Varability. Services will vary depending on the various.
- Pershablitity. Services can not be store for future use, because it is service which must be performed (Siddiqi , 2011:13-16).

According to Siddiqi (2011:13-16), Bank Service Quality (BSO) can be used to measure the perceived service quality in the Retail Banking sector. The seven characteristcs of BSO are as follows:

- Bank atmosphere - where bank is sitauted and the attitude of their employers,
- Relationships - the understanding between clients and employers,
- Rates and charges - affect clients perception of BSO,
- ATM's - availability of automatic teller machines,
- Reliability/honesty - it is reflected in bank ratings,
- Tellers - if they are accessible and
- Available and convienient services - full range of services, convienient and easily accessible (Siddiqi , 2011:13-16).

2.4.3 BANKING ACTIVITIES

Banking activities refer to the core activities within a financial instition such as a bank. Clients also expect banks to differentiate between the various banking activities offered. In addition clients expect banks to provide them with numerous banking channels such as online and mobile banking (Ernst and Young, 2012:27-35).

Accordance Brandenberg (2019:1), the main activities at banks are the following:

- Store money - Banks allow clients to save their money in a regular or savings account. The money stored within banks is insured.
- Facilitate payments - Banks allow their clients to pay other customers,debtors or creditors through cheques, paper money and electronic transfers and debit cards.
- Loan money - Banks loan money to clients and in return charge interest on the loaned amount. Banks require clients to provide a collateral for the money borrowed. Banks also make use of clients' money to loan money to its other clients.

TABLE 2.3: ACTIVITIES OFFERED BY BANKS TO THEIR CUSTOMERS

Banks/Financial institution	Activites
Retail banking	Dailiy account, management at branch offices or remotely (mobile, web and app).
Private Banks	Wealth management advising
Corporate financing	Corporate financing
Investment banking	Financial market operations to finance activities, grow investments and hedge risks
Corporate Banking	Strategy aand financial advising

SOURCE: BNP PARIBUS (2015:1)

From Table 2.3 it is evident that different institutions offer different services to their clients.

2.4.4 BANKING SERVICES

According to Bitpipe (2019:1), banking services can be described as any activity where money is received and stored for safekeepong by an individual or an entitty and whereby that money is loaned out in turn to earn a return.

The following banking services are provided by banks:

- Cheque account - It is a bank account where money can be withdrawn using a cheque or debit card.

- Savings account - Bank account where money is kept for a certain amount of time and the money in the account earns interest.

- Loan - An amount of money an individual or an entity can borrow from a financial institution at an agreed rate of interest.

- Cashier's cheque - Cheque issued by a bank to withdraw their own money and which is authorisd by a cashier.

- Money remittance - Is a process followed when transfering funds from one financial instittition to another.

- Traveller cheques - It is documents that have the same function as money and csn be replaced if stolen or lost.

- Safe deposit box - Is a place where clients can stored their valuables within a secure area in the bank. (Citigroup, 2019:1).

Banks also provide clients with electronic bank services which can be divided into:

- Bank cards - Allow money in card holder account to be substrated from bank deposit account for payment of products and srevices.

- Automated bank services - Entail direct deposits from thrid parties to banks, transfer between accounts, transfers to third parties, online banking and bank by phone. (Citigroup, 2019:1).

2.4.5 TECHNOLOGY

The banking sector has adapted to changes in the technolgy to enhance it service towards their cients. Technological changes have transformed the banking indsutry form paper and branch to digitized and networked banking services (Ramey, 2012:1).

E-banking makes it easier for the bank to render it services to clients. Banks do this by making use of a graphical uer interface (GUI), which enables clients to access their bank details on their own computers. Electronic Date Interchange (EDI) makes it possible to tranfer business transaction in computer readable form. RURAL Banking has made it possible to make banking facilities accessible to clients in rural areas by way of mobile money banking facilities. Plastic money refers to the use of credit cards or smart cards. Credit cards clients can borrow money from banks and pay it back at a later time. Smart card works

the same as a debit card money is withdrawn from your bank account. Remote banking refers to banks installing ATM machines in their communities making possible for clients not having to go to the bank themselve to do transactions. Signature retrieval facilities is has help banks reduce incidents of fraud. Banks make use verifies signatures before customers are allowed to withdraw large amounts of money (Ramey, 2012:1). Banks also offer the clients the mobile banking app where clients can make payments and transfers, acess statemnents, buy airtime,dta prepaid electricity, apply for other services, share trading and many more activities. For clients to have access to this mobile banking app they must have a smartphone to download this app (Writer, 2019:1).

2.5   CHAPTER SUMMARY

The main purpose of Chapter Two was to address two of the secondary objectives which is to determine the factors influencing customer satisfaction of banking reward programmes. In doing so, reward programmes were discussed.

The chapter further elaborates of the different types of reward programmes, namely point, spend, tiered and paid. It also explains how customers benefit from reward programmes which include saving money and receiving rewards which can be further divided into gifts or free/discounted products/services.

The next section specified how customer satisfaction is measured and what clients expect from reward programmes. Common measurements of customer satisfaction include the customer satisfaction score, net promoter score and customer effort score. Furthermore, what customers expect from reward programmes is divided into the two categories of product and service. Under products, customers found functionality, price, convience, experience, design, reliability, performance, efficiency and compatibility to be important. Under services, customers found empathy, fairness, transparency, control, options and information to be important.

The final section refers to the factors which influence customer satisfaction. The factors identified are *Fees and charges*, *Service quality, Banking activities*, *Banking services* and *Technology*. It was established that each factor influences each customer differently, and therefore the importance of each factor for each customer varies. Furthermore, businesses, including banks, should see customers as individuals and tailor their products or services to

meet the specific needs of each individual customer rather than to adopt a one-size-fits-all approach.

Chapter Three will provide a detailed research design regarding customer satisfaction and banking reward programmes.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

In Chapter Two, an overview of reward programmes customer satisfaction with rewards to reward programmes and the factors influencing customer satisfaction were provided. Chapter Three is important as it will discuss the research paradigm and the methodology adopted in this study. This chapter will highlight the selected paradigm, methodology and methods and why it is appropriate for this study.

This chapter will explain the different research methods to be used in this study namely primary and secondary research. This chapter will also discuss what a research design is and how the research design will assist this study. This chapter will also explain what research methodology will be followed in this study. In addition this chapter will discuss the population, sample and sampling techniques of this study. The development of the measuring instrument to measure the relationships between the dependent and independent variables will be discussed. Lastly this chapter focus on data collection methods and statistical analysis techniques to analysis the data collected.

3.2 SECONDARY RESEARCH

Secondary research, which is also known as desk research, is a research method that makes use of existing data (Bhat, 2019:1). Secondary research serves as a guide to what information to get by indicating which information is relevant and not. In this study relevant information relates to customer satisfaction of banking reward programmes. The sources that will be consulted will come from Google Scholar, journal articles, webpages, Nelson Mandela University Library, Emerald Journals, Ebscohost, academic textbooks, and newspaper articles. The specific topics that will be covered in the literature are customer satisfaction and reward programmes.

3.3 PRIMARY RESEARCH

During the study, primary research will be used to gain data information from bank customers in the Nelson Mandela Metropole regarding the reward programmes offered by their banks and their satisfaction thereof. An empirical investigation using a self-administered

questionnaire will be used to collect data from the respondents regarding their satisfaction of reward programmes and factors influencing their satisfaction.

3.4   RESEARCH DESIGN

According to Creswell (2014:3), research design is the first step and is used to recognise the data required, the approach used to collect and analyse data, as well how the study should look at the end. Research design also described as given directions to the research. Research design function is to ensure that the evidence gathered helps the researcher to answer the question on hand (Blakstad, 2019:1).

FIGURE 3.1: THE DIFFERENCE BETWEEN RESEARCH DESIGN AND   RESEARCH METHODOLOGY

Research design	Research methodology
Focuses on the end-product. What kind of study is being planned and what kind of results are aimed at. E.g. Historical – comparative study.	Focuses on the research process and the kind of tools and procedures to be used. E.g. Document analysis.
Point of departure = Research problem or question.	Point of departure = Specific tasks at hand.
Focuses on the logic of research: What evidence is required to address the question adequately	Focuses on the individual steps in the research process and the most objective procedures to be employed.

Source: Van Wyk (2019:1)

Figure 3.1: Shows the difference between research design and research methodology. In addition it also states on what to focus and how to go about doing it (Van Wyk, 2019:1).

The following are types of research designs:

- Case study - Is where the researcher has an in-depth look of certain problem (Kowalczyk, 2019:1).
- Experiment - Is an outline which enables researcher to control factors which can affect an experiment (Farooq, 2013:1).
- Longitudinal - It looks at a study over a period of time and then makes repeated observations about the study (Kowalczyk, 2019:1).

- Descriptive – It helps questions like who, what, when and how that is associated with a certain problem (Farooq, 2013:1).

Figure 3.2 will list various types of design types as well as the method of data collection for each of this design types.

FIGURE 3.2: RELATIONSHIP BETWEEN RESEARCH DESIGN AND

PARTICULAR DATA COLLECTION

Design Type	Experiment	Case Study	Longitudinal design	Cross-sectional design
Method of Data collection	Questionnaire Interview (Structured or loosely structured) Observation Analysis of documents Unobtrusive methods	Questionnaire Interview (Structured or loosely structured) Observation Analysis of documents Unobtrusive methods	Questionnaire Interview (Structured or loosely structured) Observation Analysis of documents Unobtrusive methods	Questionnaire Interview (Structured or loosely structured) Observation Analysis of documents Unobtrusive methods

Source: New York University (2019:1)

Figure 3.2 shows the different types of research designs researchers can used. In addition it also lists the method of collection of these various research designs. E.g. the experiment design type methods of collection are questionnaire with respondents, interviews, observation of a group of people, analysing documents and lastly unobtrusive methods.

3.4.1   RESEARCH PARADIGMS

There are two types of research paradigms namely positivistic and phenomenological paradigms. The positivistic research paradigm plays a vital part during research and is seen as the main form of research. Users of this research feel that reality is not subject to personal opinion and is based on facts. The positivistic research paradigm tests theory to have a better

understanding of the study and the study is based on independent and dependent variables (Myers, 2013:38).

Positivistic paradigm makes use of a combination of the deductive approach as way to measure the quantitative data method that helps find and predict human actions. The positivistic research paradigm focuses on knowing and determining the truth and simplifying the rules and laws. Positivistic research designs thus rely on experiments and manipulation of approaches (Struwig & Stead, 2013:5).

Kafle (2011:181) states that the phenomenological paradigm is inclusive of and entails both philosophical movement as well as the various ranges of research approaches. The phenomenological paradigm focuses on what people thoughts and experiences are of the world. The phenomenological paradigm is mostly conducted by following an qualitative research methodology (Kafle, 2011:181). In this study a positivistic research paradigm will be adopted.

3.4.2 RESEARCH METHODOLOGY

Research methodology is a logical way to resolve problems. It is the science of how research ought to be carried out by researchers. Research methodology is essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena. Research methodology also described as a way to study methods whereby knowledge is gained. The aim of research methodology is to give the work plan of research (Rajasejar, Philominathan & Chinnathambi, 2013:5).

There are three research methodologies namely quantitative research, qualitative research and mixed methods.

3.4.2.1 Quantitative research

Quantitative research methodology is based on numerical data and is the collection of numerical data. Quantitative research methodology allows researchers to test a concept and then confirm it with a hypothesis. Data collected in quantitative research is a method to test if the hypotheses collected with the results support the theory. In quantitative research unexpected results can be expected (Brannen, 2017:8). Brannen (2017:6) also states that quantitative research are mainly used when there is not enough information regarding a subject.

There two types of quantitative research namely associational and experimental. Associational research is to do with causation whereas experimental research is about where researchers manipulate dependent and independent variables to affect these variables. If a relationship is found between two variables, then the strength of that relationship is determined. To determine a relationship between variables, statistical testing of relations are done by the researcher to see how closely related two variables are. (Mackey & Gass, 2015:189).

3.4.2.2 Qualitative research

According to Brannen (2017:6) qualitative research is a form of scientific research. Scientific research looks to seek answers to a study, collect evidence, produce findings, produce findings that can be used beyond boundaries of this study and use predefined procedures to answer the question.

According to Creswell (2014:12-13) the following methods can be used to conduct qualitative research:

- Narrative research - It is where the researcher studies the lives of people and asks these people to provide stories about their life.
- Phenomenological research - It is where the research describes the experiences of people that participate in this that research. This type of research method general entails conducting interviews with participants.
- Grounded Theory - Researchers draws a conclusion from the experience of participates.
- Ethnography - Researchers studies the behaviour, language and actions of a group of people in their natural setting.
- Case Studies - Researchers draw a conclusion after analysing a case.

3.4.2.3 Mixed methods

Mixed methods can be defined as the use of both qualitative and quantitative research to provide answers to problems experienced. The aim of mixed methods is to focus on the strengths of qualitative and quantitative research and to reduce the weaknesses of these two research methods. Researcher must provide justification for using mixed methods as mixed methods is not used often (Kuada, 2012:124).

According to Halcomb and Hickman (2015:4-12) the following are key aspects to consider when using mix methods:

- Examine the reason for using mixed methods.

- Explore the philosophical approach - It is the way people see the world.

- Have a good understanding of mixed methods designs - There are various mixed methods designs and researcher must understand their implications.

- Determine the skills needed.

- Review project management options - Carefully look at the implications of choosing design.

- Plan how to integrate qualitative and quantitative aspects in the study.

3.4.2.4 Methodology adopted in this study

In this study the quantitative research methodology will be adopted. Quantitative research methodology allows researchers to test a concept and then confirm it with a hypothesis. Data collected in quantitative research is a method to test if the hypotheses collected with the results support the theory. The quantitative research methodology is appropriate because self-administered questionnaires will be handed to respondents. The results from the questionnaires will then be analysed to see if it aligns with the hypothesis made in this study.

3.4.3 POPULATION, SAMPLE AND SAMPLING TECHNIQUES

In the following sections, the population, sample, sample size and sampling techniques will be addressed.

3.4.3.1 Population, sample and sample size

Population can be defined as the components that form the centre of the study (Struwig & Stead, 2013:114). The population for the study will be customers of commercial banks in the Nelson Mandela Metropole. The reason for selecting customers of commercial banks in the Nelson Mandela Metropole is due to accessibility and convenience. The age range of respondents will be the typical working age which is from age 18 and older.

Due to the fact that the population of the Nelson Mandela Metropole is large and unknown, a sample of the population will be taken. The reasons for using a sample are the following:

- It brings the population to a manageable number.

- Reduces cost.
- Minimises the margin for error that typically comes with larger samples.
- Ease to address the problem at hand. (Emerg, 2017:1).

A sample can be defined as the components that form the focal point of the study (Struwig & Stead, 2013:114). The sample will be customers of the five major commercial banks, namely Absa Bank, Capitec Bank, FNB, Nedbank and Standard Bank, in the Nelson Mandela Metropole. The sample size will be determined by the number of independent and dependent variables. For this study, a sample size of 150 will be sufficient (6 variables, 5 items per variable and 5 respondents per variable). This size matches the requirements for quantitative data due to the relatively large sample size. Therefore, it can be deduced that due to the larger sample size the focus is more on a pattern than on the richness of the data gathered.

3.4.3.2 Sampling techniques

According to Struwig and Stead (2013:118), there are two main sampling techniques, namely probability and non-probability. Probability sampling makes use of random sampling techniques in order to create a sample, whereas non-probability sampling techniques make use of non-random processes that include researcher judgement or convenience sampling (Poopola, 2011:1).

With probability sampling each section of the population has an equal chance of being part of the sample. The different types of probability sampling techniques that can be used are simple random, stratified, cluster, systematic and multi-stage area sampling (Struwig & Stead, 2013:118-120). Simple random sampling is defined as selecting subjects at random. Each case of the population has an equal probability of being included in the sample (Taherdoost, 2016:1). Stratified random sampling separates subjects into mutually exclusive groups and then makes use of random sampling to select members from these groups (Struwig & Stead, 2013:119). These groups are also known as subgroups and can be based on company size, gender or occupation (Taherdoost, 2016:1). Systematic sampling selects participants in a specific order within a list (Struwig & Stead, 2013:120). Cluster random sampling selects subjects at random from a list that is too large for simple random sampling. Multi-stage random sampling makes use of a combination of the abovementioned types of sampling. The advantages of random probability sampling depend on which type of method is used. With simple random sampling, samples are created which represent the whole

population. With stratified random sampling layers that are representative of the population are created. With systemic random sampling, samples that highly representative of the population are created without the aid of a random number generator. In cluster random sampling, the samples are easier to use and therefore creates convenience. In multi-stage random sampling the advantages of the selected sampling methods are achieved. Multi-stage sampling aims to narrow down a broad sample using a systematic process which in turn saves time and resources (Taherdoost, 2016:1). However, there are also disadvantages depending on the sampling method used. With simple random sampling the process tends to be time consuming and dreary (Struwig & Stead, 2013:118). With stratified random sampling, the process also tends to be time consuming and dreary. With systematic random sampling, the sample is not as random as simple random sampling.

With non-probability sampling, the sample is selected based on the researchers' preference and judgement (Struwig & Stead, 2013:116). The chances of selecting a member of a population are unknown with this sampling method. The different types non-probability sampling are convenience, haphazard, purposive, expert, heterogeneity, modal instance, quota and snowball sampling. With convenient sampling, samples are collected from a convenient location for the researcher. In haphazard sampling, the researcher selects the samples in a random manner. With purposive sampling, the researcher selects a sample based on their knowledge of the population they are sampling and of the nature the study they are conducting. The researcher includes cases or participants in the sample because they believe that the cases or participants selected are worthy to be included (Taherdoost, 2016:1). In expert sampling, the researcher selects the sample from some experts in the area of study (Struwig & Stead, 2013:129). With heterogeneity sampling, samples are selected in a manner as to represent all views. In modal instance sampling, the samples that best fit the research objectives are chosen. With quota sampling, the groups in the sample are in proportion to those in the population. In snowball sampling, the participants bring other participants into the study. Snowball sampling is able to gather data from small and exclusive population groups (Taherdoost, 2016:1). As with probability sampling, there are also advantages and disadvantages to each method.

With convenience sampling, the advantages include the ease to get a sample, low cost and availability of participants, while for haphazard sampling the advantages include low costs and flexibility (Struwig & Stead, 2013:120-121). The advantage of purposive sampling is that

it makes it easier to generalise over the sample and for expert sampling it is simple to use to validate other sampling methods. The advantage of heterogeneity sampling is that it can be used for samples that differ in values for each characteristic measured while advantages for modal instance sampling include that it can be used for planning new programs and products, and that it can be used to examine new products. The advantages of quota sampling are that it is easier to administer, quick to create and complete, low cost, takes population proportions into account, and that it can be used when probability sampling techniques cannot be used. Advantages of snowball sampling are that it permits studies to take place that could usually not take place due to the lack of participants, it can reveal hidden characteristics of a population, and it is cost-effective (Taherdoost, 2016:1).

With convenience sampling, disadvantages include not being able to generalise the results to the populations as a whole, over or under-representation of the population and results that are bias because some people decide to take part and others do not (Struwig & Stead, 2013:116). The primary disadvantage of haphazard sampling is its vulnerability to biases while for purposive sampling it is the bias towards its selection of samples. The primary disadvantage of expert sampling is that individuals who claim to be experts in the field may lack knowledge. The disadvantages of heterogeneity sampling include broadly varying outcomes, mixture of favourable and unfavourable results, and that statistical heterogeneity only becomes clear after analysing the results. The disadvantages of modal instance sampling include that it generalises the population by finding the average for the population, and that it is difficult to implement this sampling method in a fair manner. The disadvantages of quota sampling include that selection is not random and that there is bias in the selection process while for snowball sampling the disadvantages include that the sampling error cannot be determined and inferences about the population cannot be made with the sample of the population being examined (Taherdoost, 2016:1).

For this study, non-probability sampling techniques will be used to draw a sample from the population. The non-probability techniques that will be used are convenience and snowball sampling. Convience sampling will be used because it is easy to implement, it assists in reducing any complications in pilot studies, and it effectively documents phenomenon within a sample. Snowball sampling will be used because of the small subgroup of the population that will be interviewed. From there the individual interviewed can nominate other

individuals to be interviewed, and in this way a sufficient number of individuals to take part in the study (Taherdoost, 2016:1).

3.5   DEVELOPING THE MEASURING INSTRUMENT

To measure the relationship between the dependent and independent variables, a measuring instrument needs to be developed. In order to add items onto the measuring instrument, existing measuring instruments that are valid and reliable will be analysed. In order for the measuring instrument to be valid it needs to measure what it is supposed to, and in order for the measuring instrument to be reliable it needs to consistently measure what it is supposed to (Shuttleworth, 2019:1). For this study, the measuring instrument will measure the level of customer satisfaction with banking reward programmes. The measuring instrument that will be used in the study will be questionnaires which the respondents will complete on their own. The items of the questionnaire will address the research questions. The items of the questionnaire will include the factors influencing customer satisfaction of banking reward programmes (independent variables) and customer satisfaction (dependent variable). Demographic data will also be collected from the sample. Demographic data describes characteristics of the sample of the population studied; such characteristics include age, gender and ethnicity amongst others.

In order to better inform the respondents of the questionnaire, a cover letter will be provided which will provide instructions on how to complete the questionnaire, specify the research topic, the objective of the research and a statement promising confidentiality. The respondents will be assured that the data collected will remain confidential and anonymous, and participation will be voluntary where respondents may opt-out of the study at any point in time. English will be the language used in the questionnaires, and in the communication with the respondents. The questionnaire will consist of open and closed-ended questions. Open-ended questions are those that allow the participant to give an answer in any form, whereas close-ended questions give the participant a limited way to answer (Birgili & Kiraz, 2018:1). Section A will consist of open-ended questions, whereas section B will consist of close-ended questions. Section A will include items regarding the factors influencing customer satisfaction of reward programmes (price, service quality, banking activities, banking services and technology) and customer satisfaction. Section B will collect the demographic data of the respondents.

Struwig and Stead (2013:141) state that the Cronbach's Alpha Correlation Coefficient (Cronbach's alpha) is the most common method to measure reliability. Cronbach's alpha is the most useful instrument to use when measuring Likert-type scales where responses range from "strongly agree" to "strongly disagree". Cronbach's alpha range from 0 to 1, and describes the reliability of factors from several items of the selected measuring instrument.

3.6 DATA COLLECTION AND ANALYSIS

Data can be defined as information, including facts or numbers that are collected for examination and consideration in making decisions (Struwig & Stead, 2013:3). During the data collection and analysis phases researchers need to critically examine the data gathered and find resemblances in the data gathered in order to test hypotheses (Struwig & Stead, 2013:7). These phases are expected to be completed by the 31st of August 2019.

During the data collection phase, researchers need to keep the data independent. For the objectives of the research to be achieved, a suitable data collection method must be chosen. Various data collection methods are to be considered and the method that best aligns to the objectives of the research must be chosen. For this study the data collection method that will be used are self-administered questionnaires.

In the data analysis phase, the data gathered is studied by those conducting the research. The volume of information that has been gathered needs to be filtered and compressed while not deviating from the problem. In order to interpret data efficiently the quantity of data needs to be reduced. When analysing the data, researchers filter the data to include only what is necessary which makes the research clear and concise.

For the purpose of this study, data will be collected from bank customers of the five major commercial banks within the Nelson Mandela Metropole. The focus will be to determine the satisfaction that customers have with the reward programmes offered by their respective banks. This questionnaire will assess the factors customers of banks are looking for in reward programmes. The data will be captured and cleaned in Microsoft Excel, and the data analysis will be done in Statistica.

The measuring instrument will be put through validity and reliability testing. Validity is the process whereby researchers test the accuracy of the findings, and if the findings are consistently accurate then the measuring instrument is reliable (Struwig & Stead, 2013:17). In order to test the validity of the measuring instrument, a pilot study will be conducted to

ensure face and content validity, while an exploratory factor analysis (EFA) need to be conducted to ensure construct validity. A factor loading of 0.4 will be used to ensure the items are valid (Samuels, 2016:1). Cronbachs' alpha will be used to test reliability of measuring instrument. Reliability is the degree to which test scores are accurate, consistent or stable (Struwig & Stead, 2013:138). A Cronbachs' alpha of 0.6 will be regarded as reliable (Samuels, 2016:1).

Section A of the questionnaire will be statistically analysed using inferential statistics, namely Pearson Product Moment Correlation coefficient (Pearson correlation) and multiple regression. Pearson correlations will be used to determine whether any associations exist between the variables. Multiple regression analysis will be used to test relationships between independent and dependant variables.

Section B will collect the demographic data of respondents such as gender, age, bank used and name of reward programme. The data gathered will be analysed by using basic descriptive statistics and presented in frequency tables.

3.7   CHAPTER SUMMARY

This chapter described what primary and secondary research is. Primary research was described as direct interaction with customers who have a bank account with one of the commercial banks that operate in the Nelson Mandela Metropole. Secondary research was described as already published data of customer satisfaction with banking reward programmes of the commercial banks that operate in the Nelson Mandela Metropole. The research design specified that a positivistic research paradigm will be adopted following a quantitative approach. The research methodology that will be adopted is the quantitative research methodology. The population will be customers of the five major commercial banks in the Nelson Mandela Metropole. The sample of the study will be the 146 respondents from the five major commercial banks in the Nelson Mandela Metropole selected to complete the questionnaires, and the sampling technique that will be used will be non-probability with the convenience and snowball sampling methods. The data collection methods that will be used are self-administered questionnaires.

Chapter Four presents the results of the data analysis and the discussion thereof.

CHAPTER FOUR

EMPIRICAL RESULTS

4.1   INTRODUCTION

Chapter One states that the primary objective of this study is to investigate whether customers are satisfied with their banking reward programmes. In Chapter Two, an overview of reward programmes, customer satisfaction reward programmes and the factors influencing customer satisfaction of reward programmes were provided. Chapter Three discussed the research paradigm and the methodology adopted in this study. For the purpose of this study, a positivistic paradigm using a quantitative methodology was adopted. Non-probability convience and snowbal sampling was used to draw a sample from the population from whom data was collected by means of a self-administered questionnaire.

Chapter Four focuses on the results of the empirical survey of customer satasfication regarding the banking reward programmes by examining whether there are any relationships between the six independent variables and the one dependent variable. The results will be presented and discussed in the chapter.

The chapter will begin with a summary of the demographic data gathered from the respondents that took part in this study. Furthermore an exploratory factor analysis were done, which measures the validity of the measuring instrument.

The Cronbach's alpha correlation coefficient was calculated to determine the reliability of the measuring instrument. Descriptive statistics were used to determine the mean score and the standard deviation of the dependent and indepenent variables. The Pearson product moment correlation coefficient was used to determine the associations between all the variables which were under investigation. The mutiple regression was used to determine whether relationships exist between the independent and dependent variables.

4.2   DEMOGRAPHIC DATA OF RESPONDENTS

The demographic data in Section B of the questionnaire consists of items relating to the respondents' age, gender and highest qualification. Table 4.1 summarises the descriptive statistics of the demographic data (age, gender and highest qualification) of the respondents in the form of the frequency and percentage distribution.

TABLE 4.1: SUMMARY OF DEMOGRAPHICAL DATA FROM RESPONDENTS

Variable	Respondents	
Age	**Frequency (N)**	**Percentage (%)**
18-29	50	34.24
30-39	38	26.03
40-49	24	16.44
50-59	16	10.96
60+	18	12.33
TOTAL	**146**	**100**
Gender	**Frequency (N)**	**Percentage (%)**
Male	64	43.84
Female	80	54.79
Missing	2	1.37
TOTAL	**146**	**100.00**
Highest Qualification	**Frequency (N)**	**Percentage (%)**
Grade 11 or lower	1	0.69
Grade 12	6	4.11
National Diploma or certificate	49	33.56
Bachelor's degree	45	30.82
Postgraduate degree/diploma	25	17.12
Other	20	13.70
TOTAL	**146**	**100**

From Table 4.1 it is evident that the age of the sample of the respondents ranged from18 to 29 (34.24%), 30 to 39 (26.03%), 40 to 49 (16.44%), 50 to 59 (10.96%), and 60 and older (12.33%). Most respondents were between 18 and 29 years. The sample comprised of slightly more females (54.79%) than males (43.84%). The highest qualification obtained by the respondents are Grade 12 (33.56%), National diploma or certificate (30.82%), bachelor's degree (17.12%), Postgraduate degree (13.70%), other (0.68%) and Grade 11 or lower (4.11%). The category Other (13.70%) is not specified.

Table 4.2 provides a summary of the responses of the respondents regarding bank bank-related questions that is how long the client has been a member of the reward programme, how long the client has been banking with their current bank and the name of the banking institution.

TABLE 4.2: SUMMARY OF THE BANK-RELATED DATA OF RESPONDENTS

Length of membership of reward programme	Frequency (N)	Percentage (%)
0-9 years	112	76.72
10-19 years	27	18.49
20-29 years	3	2.05
30-39 years	3	2.05
40-49 years	0	0
50-59 years	0	0
60+ years	1	0.69
TOTAL	**146**	**100**
Length of membership of bank	**Frequency (N)**	**Percentage (%)**
0-9 years	81	55.48
10-19 years	34	23.29
20-29 years	13	8.90
30-39 years	12	8.22
40-49 years	5	3.42
50-59 years	0	0
60+ years	1	0.69
TOTAL	**146**	**100**
Banking institution	**Frequency (N)**	**Percentage (%)**
ABSA	27	18.49
Capitec Bank	43	29.45
FNB	34	23.29
Nedbank	16	10.96
Standard Bank	23	15.75
Other	2	1.37
Missing	1	0.69

TOTAL	146	100
Reward programme name	**Frequency (N)**	**Percentage (%)**
Absa rewards	27	18.49
Live better benefits	43	29.45
Ebucks	34	23.29
Greenbacks	16	10.96
Ucount	23	15.75
Other	2	1.37
Missing	1	0.69
TOTAL	**146**	**100**

Evident from Table 4.2, most of the respondents belong to their reward programme less than nine years (76.72%). The remainder of the respondents belong to their bank reward programmes between 10 and 19 years (18.49%), 20 and29 years (2.05%), 30 and39 years (2.05%) and 60 years or more (0.69%). It is of the researchers' opinion that the respondents whom stated that they belonged to their bank's reward programme for 30 years or more did not answer accurately or did not understand the question, as banks did not have reward programmes 30 years ago.

Regarding how long the respondents have been a client of their bank, it is evident that the majority is less than 10 years (55.48%) members of their bank. The remainder of the respondents belong to their bank for between 10 and 19 years (23.29%), 20 to 29 years (8.90%), 30 to 39 years (8.22%), 40 to 49 years (3.42%) and more than 60 years (0.69%).

Most of the respondents bank with Capitec Bank (29.45%) using Live better benefits (29.45%). The respondents also bank with FNB (23.29%) using Ebucks (23.29%), ABSA (18.49%) with ABSA rewards (18.49%), Standard Bank (15.75%) with Ucount (15.75%) and Nedbank (10.96%) with Greenbacks (10.96%). Two respondents indicated other bank (1.37%) but did not specify and one respondent was did not answer the question (0.69%).

4.3   VALIDITY TESTING

As discussed in Chapter Three face validity was done, when experts in the field of management where asked to review the questionnaire. Content validity was carried out using a pilot test. The pilot test was completed by 15 respondents before finalising the final

questionnaire. The pilot test ensures that the question asked in the measuring instrument is understood by the respondents.

Lastly, to ensure construct validity, an EFA is required. The aims of the EFA are to minimise the number of variables, inspect the structure or relationship between variables, and to prove or disprove proposed theories (Williams, Onsman & Brown, 2010:2). As mentioned in Chapter Three, an EFA will be used to ensure the construct validity of the measuring instrument. In this study, the EFA is used to test whether the items used to measure a specific factor are indeed measuring the correct factor. The factors with a minimum of three items with factor loadings of at least 0.40 will be regarded as valid.

4.3.1   RELIABILITY OF THE INDEPENDENT VARIABLE FEES AND CHARGES

For this study, *Fees and charges* refer to the money charged by banks towards clients' using their services. Table 4.3 summarises the factor loadings for the independent variable *Fees and charges.*

TABLE 4.3:   FACTOR LOADINGS FOR THE INDEPENDENT VARIABLE *FEES AND CHARGES*

Item number	Item	Factor 1
FC1	My monthly bank charges are reasonable	-0.5893
FC2	Cash withdrawal costs are important when choosing a bank	-0.6802
FC3	Switching costs influence my decision to switch banks	-0.5957
FC4	Fees and charges are important when deciding on a bank	-0.6411
FC5	My bank offers affordable interest rates when using credit facilities	-0.6528
FC6	My bank offers a reward programme that is free to all clients	-0.5076
Variance		37.66%

Table 4.3 shows the factor loadings for the independent variable *Fees and charges*. All six items (FC1, FC2, FC3, FC4, FC5, FC6) created to measure the factor *Fees and charges* loaded onto one factor with factor loadings higher than 0.4. The factor loadings show that all the items for *Fees and charges* were acceptable to measure that factor. The factor loadings ranged from a minimum of -0.5076 to a maximum of -0.6802. The factor *Fees and charges* explains 37.66% of the variance of the data. Therefore, sufficient evidence of construct validity for the factor *Fees and charges* was found.

4.3.2   RELIABILITY OF THE INDEPENDENT VARIABLE SERVICE QUALITY

For this study, S*ervice quality* refers to the dimensions of tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding or knowing the customer.

Table 4.4 summarises the factor loadings for the independent variable *Service quality*.

TABLE 4.4: FACTOR LOADINGS FOR THE INDEPENDENT VARIABLE *SERVICE QUALITY*

Item number	Item	Factor 2
SQ1	My bank offers good quality services	-0.7135
SQ2	My bank offers good physical facilities	-0.6079
SQ3	My bank provides fair, safe and reliable service	-0.7637
SQ4	My bank's personnel provide a prompt service	-0.7566
SQ5	My bank's personnel are competent	-0.7222
SQ6	It is easy to contact my bank	-0.7018
SQ7	It is easy to communicate with my bank	-0.7433
SQ8	My bank offers a good reward programme	-0.5109
Variance		48.28%

Table 4.4 shows the factor loadings for the dependant variable *Service quality*. All eight items (SQ1, SQ2, SQ3, SQ4, SQ5, SQ6, SQ7 and SQ8) originally developed to measure the factor *Service quality* loaded onto one factor with factor loadings higher than 0.4. The factor loadings indicate that all the items for the factor *Service quality* were acceptable to measure that factor. The factor loadings for *Service quality* ranged from a minimum of -0.5109 to a maximum of -0.7637. The factor *Service quality* reported a variance of 48.26%. Therefore, sufficient evidence of construct validity for the factor *Service quality* was found.

4.3.3   VALIDITY OF THE INDEPENDENT VARIABLE BANKING ACTIVITIES

For this study, *Banking activities* refers to Banks offering mobile and internet banking. It entails viewing of account balance, pin activation and replacement, money transfers, loan applications and search for a local branch.

Table 4.5 summarises the factor loadings for the independent variable *Banking activities*.

TABLE 4.5: FACTOR LOADINGS FOR THE INDEPENDENT VARIABLE *BANKING ACTIVITIES*

Item number	Item	Factor 3
BA1	My bank provides an online banking platform where I can apply for a loan	-0.7261
BA2	My bank provides a mobile banking platform that I can use to access my bank account	-0.7207
BA3	It is easy to open a savings account at my bank	-0.7457
BA4	I can apply for my bank comprehensive insurance online	-0.7782
BA5	My bank offers easy payment platforms	-0.7742
BA6	I can apply online for overdraft facilities	-0.5924
BA7	It is easy to open a current/cheque account at my bank	-0.5665
BA8	I receive rewards for using my bank account	-0.5662
Variance		47.50%

Table 4.5 shows the factor loadings for the independent variable *Banking activities*. All eight items (BA1, BA2, BA3, BA4, BA5, BA6, BA7, BA8) created to measure the factor *Banking activities* with a factor loading higher than 0.4. The factor loadings show that all the items for banking activities were acceptable to measure that factor. The factor loadings ranged from a minimum of -0.5662 to a maximum of -0.7782. The factor *Banking activities* explains 47.50% of the variance of the data. Therefore, sufficient evidence of construct validity for the factor *Banking activities* was found.

4.3.4 VALIDITY OF THE INDEPENDENT VARIABLE BANKING SERVICES

For this study, *Banking services* refers to banks offering the following services such as business loans, checking accounts, savings accounts, as well as debit and credit cards. In addition, banks also provide clients with merchant services; which entails credit card processing, reconciliation and reporting.

Table 4.6 summarises the factor loadings for the independent variable *Banking services*.

TABLE 4.6: FACTOR   LOADINGS   FOR   THE   INDEPENDENT   VARIABLE *BANKING SERVICES*

Item number	Item	Factor 4
BS1	My bank offers overdraft facilities on their cheque account	-0.5687
BS2	My bank offers a savings account with competitive interest rates	-0.6978
BS3	The requirements to obtain a loan from my bank is reasonable	-0.6349
BS4	My bank offers credit facilities at reasonable interest rates	-0.6629
BS5	It is easy to replace a lost card at my bank	-0.6579
BS6	My bank offers easy-to-use automated bank services	-0.7542
BS7	My bank offers me a reward programme	-0.6806
BS8	My bank arranges foreign currency for clients that are travelling internationally	-0.6021
Variance		43.50%

Table 4.6 shows the factor loadings for the independent variable *Banking services*. All eight items (BS1, BS2, BS3, BS4, BS5, BS6, BS7, BS8) created to measure the factor *Banking services* with a factor loading higher than 0.4. The factor loadings show that all the items for banking services were acceptable to measure that factor. The factor loadings ranged from a minimum of -0.5687 to a maximum of -0.7542. The factor *Banking services* explains 43.50% of the variance of the data. Therefore, sufficient evidence of construct validity for the factor *Banking services* was found.

4.3.5   VALIDITY OF THE INDEPENDENT VARIABLE TECHNOLOGY

For this study, *Technology* refers to the use of cell phones to access the various banking apps provided by banks to do mobile and internet banking, as well as online and database security

Table 4.7 summarises the factor loadings for the independent variable *Technology*.

TABLE 4.7: FACTOR LOADINGS FOR THE INDEPENDENT VARIABLE *TECHNOLOGY*

Item number	Item	Factor 5
TEC1	My bank provides online banking services	-0.7802
TEC2	My bank provides a mobile banking app	-0.7809
TEC3	My bank's mobile banking app is compatible with most cellular phones	-0.7678
TEC4	My banks' mobile banking app offers good security	-0.8389
TEC5	My bank offers effective signature retrieval facilities	-0.6421
TEC6	My bank's online banking is secure	-0.7890
TEC7	My bank keeps up with the latest technological developments in the banking sector	-0.7086
Variance		57.84%

Table 4.7 shows the factor loadings for the dependant variable *Technology*. All seven items (TEC1, TEC2, TEC3, TEC4, TEC5, TEC6 and TECH7) originally developed to measure the factor *Technology* loaded with factor loadings higher than 0.4. The factor loadings indicate that all the items for the factor *Technology* were acceptable to measure that factor. The factor loadings for *Technology* ranged from a minimum of -0.6421 to a maximum of -0.8389. The factor *Technology* explains 57.84% of the variance of the data. Therefore, sufficient evidence of construct validity for the factor banking services was found.

4.3.6 VALIDITY OF THE DEPENDENT VARIABLE CUSTOMER SATISFACTION

For this study, *Customer satisfaction* refers to the overall satisfaction of customers based on the independent variables of *Fees and charges, Service quality, Banking activities, Banking services* and T*echnology*.

Table 4.8 summarises the factor loadings for the independent variable *Customer satisfaction*.

TABLE 4.8: FACTOR LOADINGS FOR DEPENDENT VARIABLE *CUSTOMER SATISFACTION*

Item number	Item	Factor 6
CS1	I am satisfied with the reward programme offered by my bank	-0.8605
CS2	I am satisfied with the benefits provided by my bank's reward programme	-0.8444
CS3	I would recommend my bank's reward programme to others	-0.8105
CS4	My bank's reward programme is free of charge	-0.6735
CS5	My bank offers efficient service on its reward programme	-0.8509
CS6	The benefits of my bank's reward programme is in line with what other banks offer	-0.5638
Variance		60.09%

Table 4.8 shows the factor loadings for the dependant variable *Customer satisfaction*. All seven items (CS1, CS2, CS3, CS4, CS5 and CS6) were originally developed to measure the factor *Customer satisfaction* loaded with factor loadings higher than 0.4. The factor loadings indicate that all the items for the factor *Customer satisfaction* were acceptable to measure that factor. The factor loadings for *Customer satisfaction* ranged from a minimum of -0.5638 to a maximum of -0.8605. The factor *Customer satisfaction* explains 60.09% of the variance of the data. Therefore, sufficient evidence of construct validity for the factor *Customer satisfaction* was found.

4.4   RELIABILITY TESTING

The Cronbach's alpha correlation coefficient (referred to as Cronbach's alpha) was calculated to determine the measuring instruments' reliability. The Cronbach's alpha indicates the degree to which each factor is interrelated to another factor (Johnson & Christensen, 2012:142). The study used a reliability coefficient of 0.6; which means that the questionnaire items developed in relation to the variables can be considered reliable, and that the items measure what they were meant to measure. In this research items with Cronbach's alphas less than 0.6 are considered unreliable (Tavakol & Dennick, 2011:53-55).

According to Diedenhofen and Musch (2016:56-58), acceptable alpha values range from 0.70 to 0.95. A low alpha value may be due to bad interrelationships between items, or heterogeneous constructs. The simplest way to find items with a low alpha value is to calculate the correlation between each sample item and the complete score test; items with

small correlations are removed (approaching zero). If alpha is too big, some products may be redundant as they test the same question in a different way. The recommended peak alpha value is 0.90.

4.4.1   RELIABILITY OF THE INDEPENDENT VARIABLES

In measuring reliability of the measuring instrument, the Cronbach's alpha was calculated for each variable, namely *Fees and charges, Service quality, Banking activities, Banking services*, and *Technology*. Table 4.9 summarises the Cronbach's alphas for each of the items used to measure the independent variable *Fees and charges*.

TABLE 4.9:   RELIABILITY OF BANKING *FEES AND CHARGES*

Item number	Summary for scale: Mean=23.2192 Std.Dv.=3.92778 Valid N:146 (Data capture sheet Cleaned) Cronbach alpha: .658677 Standardized alpha: .666072 Average inter-item corr.: .252342		
		Item-Totl correl	Alpha if deleted
FC1	My monthly bank charges are reasonable	0.3860	0.6188
FC2	Cash withdrawal costs are important when choosing a bank	0.4262	0.6044
FC3	Switching costs influence my decision to switch banks	0.3556	0.6276
FC4	Fees and charges are important when deciding on a bank	0.4093	0.6119
FC5	My bank offers affordable interest rates when using credit facilities	0.4582	0.5912
FC6	My bank offers a reward programme that is free to all clients	0.3193	0.6451

Cronbach's alpha for the independent variable *Fees and charges* is 0.6587. Cronbach's alpha is between 0.59 and 0.7 indicating that the variable is reliable.

Table 4.10 summarises the Cronbach's alphas for each of the items used to measure the independent variable *Service quality*.

TABLE 4.10: RELIABILITY OF *SERVICE QUALITY*

Item number	Summary for scale: Mean=31.8820 Std.Dv.=5.4412 Valid N:146 (Data capture sheet Cleaned) Cronbach alpha: 0.8411 Standardized alpha: 0.8436 Average inter-item corr.: 0.4076		
		Item-Totl correl	Alpha if deleted
SQ1	My bank offers good quality services	0.5924	0.8199
SQ2	My bank offers good physical facilities	0.4937	0.8321
SQ3	My bank provides fair, safe and reliable service	0.6564	0.8119
SQ4	My bank's personnel provide a prompt service	0.6526	0.8121
SQ5	My bank's personnel are competent	0.6079	0.8181
SQ6	It is easy to contact my bank	0.5748	0.8222
SQ7	It is easy to communicate with my bank	0.6311	0.8153
SQ8	My bank offers a good reward programme	0.4028	0.8462

Cronbach's alpha for the independent variable *Service quality* is 0.8411. This is between 0.8 and 0.9, which means that the scales can be interpreted as highly reliable measuring scales for *Service quality.*

Table 4.11 summarises the Cronbach's alphas for each of the items used to measure the independent variable *Banking activities*.

TABLE 4.11: RELIABILITY OF *BANKING ACTIVITIES*

Item number	Summary for scale: Mean=31.6164 Std.Dv. =5.8772 Valid N:146 (Data capture sheet Cleaned) Cronbach alpha: 0.826909 Standardised alpha: 0.8384 Average inter-item corr.: 0.3991		
		Item-Totl correl	Alpha if deleted
BA1	My bank provides an online banking platform where I can apply for a loan	0.6098	0.7984
BA2	My bank provides a mobile banking platform that I can use to access my bank account	0.5757	0.8066
BA3	It is easy to open a savings account at my bank	0.6016	0.8020
BA4	I can apply for my bank comprehensive insurance online	0.6608	0.7920
BA5	My bank offers easy payment platforms	0.6368	0.7971
BA6	I can apply online for overdraft facilities	0.4900	0.8151
BA7	It is easy to open an current/cheque account at my bank	0.4651	0.8198
BA8	I receive rewards for using my bank account	0.4698	0.8246

Cronbach's alpha for the independent variable *Banking activities* is 0.8269. Cronbach's alpha is between 0.8 and 0.9 indicating that the variable is highly reliable.

Table 4.12 summarises the Cronbach's alphas for each of the items used to measure the independent variable *Banking services.*

TABLE 4.12: RELIABILITY OF *BANKING SERVICES*

Item number	Summary for scale: Mean=30.9911 Std.Dv.=5.6604 Valid N:146 (Data capture sheet Cleaned) Cronbach alpha: 0.8060 Standardised alpha: 0.8127 Average inter-item corr.: 0.3555		
		Item-Totl correl	Alpha if deleted
BS1	My bank offers overdraft facilities on their cheque account	0.4513	0.7977
BS2	My bank offers a savings account with competitive interest rates	0.5570	0.7787
BS3	The requirements to obtain a loan from my bank is reasonable	0.4824	0.7893
BS4	My bank offers credit facilities at reasonable interest rates	0.5155	0.7846
BS5	It is easy to replace a lost card at my bank	0.5027	0.7865
BS6	My bank offers easy-to-use automated bank services	0.6298	0.7728
BS7	My bank offers me a reward programme	0.5693	0.7762
BS8	My bank arranges foreign currency for clients that are travelling internationally	0.4944	0.7882

Cronbach's alpha for the independent variable *Banking services* is 0.8059. Cronbach's alpha is between 0.8 and 0.9 indicating that the variable it is highly reliable.

Table 4.13 summarises the Cronbach's alphas for each of the items used to measure the independent variable *Technology*.

TABLE 4.13: RELIABILITY OF *TECHNOLOGY*

Item number	Summary for scale: Mean=29.3989 Std.Dv.=4.9389 Valid N:146 (Data capture sheet Cleaned) Cronbach alpha: 0.8765 Standardised alpha: 0.8771 Average inter-item corr.: 0.5120		
		Item-Totl correl	Alpha if deleted
TEC1	My bank provides online banking services	0.6816	0.8564
TEC2	My bank provides a mobile banking app	0.6767	0.8563
TEC3	My bank's mobile banking app is compatible with most cellular phones	0.6708	0.8574
TEC4	My banks' mobile banking app offers good security	0.7598	0.8446
TEC5	My bank offers effective signature retrieval facilities	0.5323	0.8750
TEC6	My bank's online banking is secure	0.6904	0.8548
TEC7	My bank keeps up with the latest technological developments in the banking sector	0.6065	0.8652

The Cronbach's alpha for the independent variable *Technology* is 0.8765. This is between 0.8 and 0.9, which means that the scales can be interpreted as highly reliable measuring scales for *Technology*.

4.4.2   RELIABILITY OF THE DEPENDENT VARIABLE

Table 4.14 summarises the Cronbach's alphas for each of the items used to measure the independent variable *Customer satisfaction*.

TABLE 4.14: RELIABILITY OF *CUSTOMER SATISFACTION*

Item number	Summary for scale: Mean=21.4178 Std.Dv.=5.1792 Valid N:146 (Data capture sheet Cleaned) Cronbach alpha: .08542 Standardised alpha: 0.8616 Average inter-item corr.: 0.5276		
		Item-Totl correl	Alpha if deleted
CS1	I am satisfied with the reward programme offered by my bank	0.7404	0.8128
CS2	I am satisfied with the benefits provided by my bank's reward programme	0.7373	0.8138
CS3	I would recommend my bank's reward programme to others	0.7137	0.8156
CS4	My bank's reward programme is free of charge	0.5409	0.8536
CS5	My bank offers efficient service on its reward programme	0.7556	0.8109
CS6	The benefits of my bank's reward programme is in line with what other banks offer	0.4271	0.8688

The Cronbach's alpha for the dependant variable *Customer satisfaction* is 0.8542. This is between 0.8 and 0.9, which means that the scales can be interpreted as highly reliable measuring scales for *Customer satisfaction.*

4.5 DESCRIPTIVE STATISTICS OF THE INDEPENDENT AND DEPENDENT VARIABLES

Descriptive statistics will be used to statistically summarise the data collected from Section A of the questionnaires using a five-point Likert-type scale, ranging from strongly agree (5) to strongly disagree (1). The mean and standard deviation were the two descriptive measures used in this analysis. Table 4.15 summarises the mean and standard deviation scores of the independent factors (*Fees and charges, Service quality, Banking activities, Banking services* and *Technology*) and the dependent variable (*Customer satisfaction*).

Table 4.15 summarises the descriptive statistics for independent and dependent variables.

TABLE 4.15: DESCRIPTIVE STATISTICS FOR THE INDEPENDENT AND DEPENDENT VARIABLES

Variables	Mean	Standard deviation	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Fees and charges	3.85	0.2821	2.05%	4.79%	54.79%	38.36%	0.00%
Service quality	3.96	0.1571	2.05%	2.74%	36.99%	52.74%	5.48%
Banking activities	3.93	0.2718	2.05%	4.12%	43.15%	40.41%	10.27%
Banking services	3.85	0.1551	1.37%	5.48%	44.52%	42.47%	6.16%
Technology	4.16	0.1746	1.37%	2.74%	27.40%	54.79%	13.70%
Customer satisfaction	3.54	0.1387	4.11%	13.70%	46.57%	30.14%	5.48%

The factor *Fees and charges* received a mean score of 3.85, which implies respondents have a tendency towards an agreement opinion for the items used to measure this variable. Of the respondents, 2.05% strongly disagreed, 4.79% disagreed, 54.79% were neutral, 38.36% agreed and none strongly agreed. *Service quality* has a mean score of 3.96, implying that respondents have a tendency towards neutral agreement for the items used to measure this variable. The results show that 2.05% of the respondents strongly disagreed, 2.74%
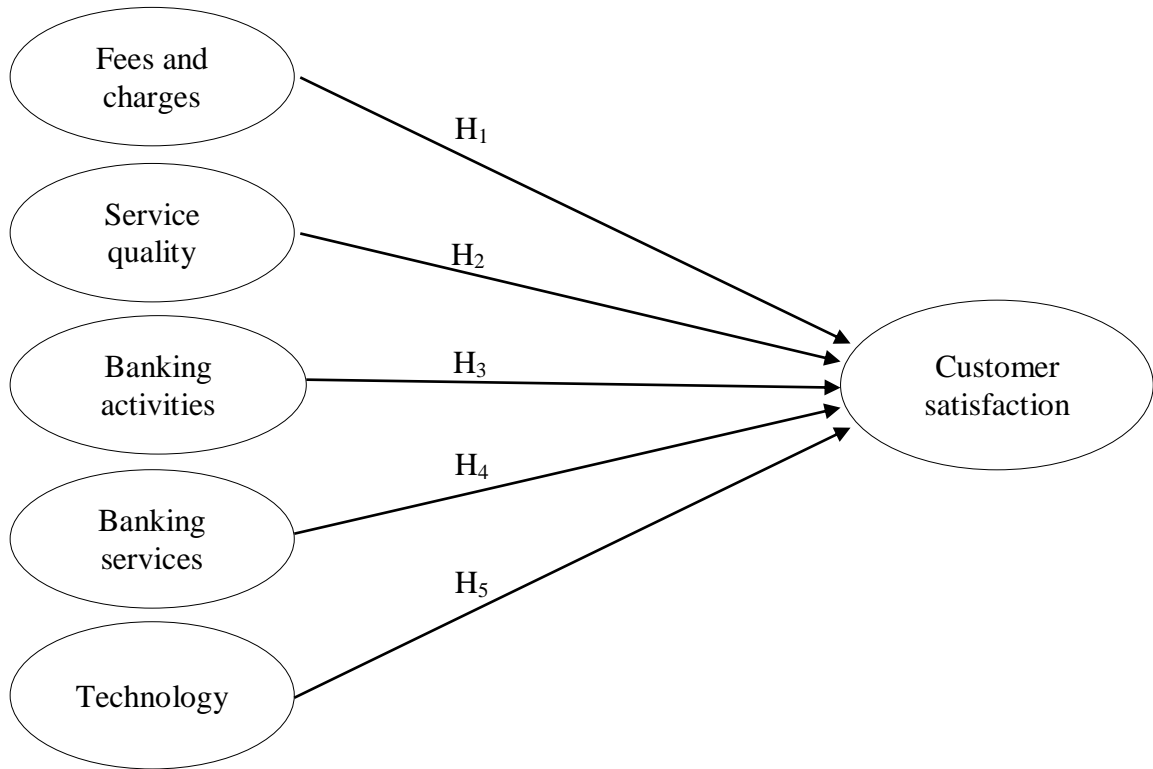
disagreed, 36.99% were neutral, 52.74% agreed and 5.48% strongly agreed. Table 4.15 shows that *Banking activities* received a mean score of 3.93, which implies respondents have a tendency towards an agreement opinion for the items used to measure this variable. Of the respondents, 2.05% strongly disagreed, 4.11% disagreed, 44.15% were neutral, 40.41% agreed and 10.27% strongly agreed. The factor *Banking services* received a mean score of 3.85, which implies respondents have a tendency towards an agreement opinion for the items used to measure this variable. Of the respondents, 1.37% strongly disagreed, 5.48% disagreed, 44.52% were neutral, 42.74% agreed and 6.16% strongly agreed. *Technology* has a mean score of 4.16, which means respondents agreed with the items used to measure this variable. The results show that 1.37% of the respondents strongly disagreed, 2.74% disagreed, 27.40% were neutral, 54.79% agreed and 13.70% strongly agreed. Table 4.15 shows that *Customer satisfaction* has a mean score of 3.54, which implies that respondents have a neutral with a tendency towards agreement perception for the items used to measure this variable. The results show that 4.11% of the respondents strongly disagreed, 13.70% disagree, 46.58% were neutral, 30.14% agreed and 5.48% strongly agreed.

When considering the standard deviation of the variables, the responses for each of the variables are closely knitted together as the standard deviations ranged between 0.1387 for *Customer satisfaction* and 0.2821 for *Fees and charges*.

4.6   HYPOTHESISED MODEL

The proposed hypothesised model of the factors influencing customer satisfaction towards banking reward programmes remains unchanged. Figure 4.1 illustrates the hypothesised relationships between the five independent variables (*Fees and charges*, *Service quality*, *Banking activities*, *Banking services* and *Technology*) and dependent variable (*Customer satisfaction*).

FIGURE 4.16: **HYPOTHESISED MODEL OF FACTORS INFLUENCING CUSTOMER SATISFACTION OF BANKING REWARD PROGRAMMES**

The following hypotheses are formulated to be tested:

H_1: There is a significant relationship between *Fees and charges* and *Customer satisfaction.*

H_2: There is a significant relationship between *Service quality* and *Customer satisfaction.*

H_3: There is a significant relationship between *Banking activities* and *Customer satisfaction.*

H_4: There is a significant relationship between *Banking services* and *Customer satisfaction.*

H_5: There is a significant relationship between *Technology* and *Customer satisfaction.*

4.7 PEARSON PRODUCT MOMENT CORRELATION COEFFICIENT

The coefficient of correlation (r) for the product time of Pearson was calculated to assess the strength of the correlation between the independent and dependent variables used in this

research. The coefficient of correlation may vary from + 1 to -1. A positive relationship is represented by + 1 representing no relationship, whereas -1 represents a negative relationship (Struwig & Stead, 2013:168).

Table 4.17 Summarises the Pearson correlation coefficient results.

TABLE 4.16: PEARSON CORRELATION COEFFICIENT RESULTS

Variable	Means	Std.Dev.	Correlations (Data capture sheet Cleaned) Marked correlations are significant at p < .05000 N=146 (Casewise deletion of missing data)					
			FC Mean	SQ Mean	BA Mean	BS Mean	TEC Mean	CS Mean
FC Mean	3.8699	0.6546	1.000000					
SQ Mean	3.9852	0.6801	0.6379	1.0000				
BA Mean	3.9521	0.7347	0.5979	0.7512	1.0000			
BS Mean	3.8739	0.7076	0.6750	0.7344	0.8655	1.0000		
TEC Mean	4.1998	0.7056	0.5981	0.8043	0.7691	0.7094	1.0000	
CS Mean	3.5696	0.8632	0.5491	0.5965	0.7006	0.7020	0.4781	1.0000

FC – Fees and charges, SQ – Service quality, BA – Banking activities, BS – Banking services; Tec – Technology, CS – Customer satisfaction

There are positive correlations between all factors at a confidence level of 95 percent ($p < 0.05$), although the strength of the correlations varies from moderate to strong. The strongest positive correlation was between *Banking activities* and *Banking services* ($r = 0.8655$, $p < 0.05$). Positive correlations, were also found between *Technology* and *Service quality* ($r = 0.8043$, $p < 0.05$). *Technology* and *Banking activities* ($r = 0.7691$, $p < 0.05$). *Banking activities* and *Service quality* ($r = 0.7512$, $p < 0.05$), *Banking services* and *Service quality* ($r = 0.7344$, $p < 0.05$), *Technology* and *Banking services* ($r = 0.7094$, $p < 0.05$), *Customer satisfaction* and *Banking service* ($r = 0.7019$, $p < 0.05$), *Customer satisfaction* and *Banking activities* ($r = 0.7006$, $p < 0.05$), *Banking services* and *Fees and charges* ($r = 0.6750$, $p < 0.05$), *Service quality* and *Fees and charges* ($r = 0.6379$, $p < 0.05$), *Technology* and *Fees and charges* ($r = 0.5981$, $p < 0.05$), *Banking activities* and *Fees and charges* ($r = 0.5979$, $p < 0.05$), *Customer satisfaction* and *Service quality* ($r = 0.5965$, $p < 0.05$) as well as between *Customer satisfaction* and *Fees and charges* ($r = 0.5490$, $p < 0.05$). Only one moderate correlation was between *Customer satisfaction* and *Technology* ($r = 0.4878$, $p < 0.05$).

4.8   MULTIPLE REGRESSION

Multiple regression analysis aims to learn more about the relationship between multiple independent variables and the dependent variable (Khandelwal, Shirani, Faradonbeh & Monjezi, 2017:13-21). It can also be used to determine whether there are relationships between independent and dependent variables. As stated in Chapter One, multiple regression will be used to evaluate the formulated hypotheses to either accept or reject the hypotheses. The study has five independent variables, namely *Fees and charges, Service quality, Banking activities, Banking services* and *Technology*. The dependent variable is *Customer Satisfaction*. Table 4.18 summarises the multiple regression results.

TABLE 4.17: INFLUENCE OF INDEPENDENT VARIABLES ON *CUSTOMER SATISFACTION*

N=146	Regression Summary for Dependent Variable: CS Mean (Data capture sheet Cleaned) R= .75735580 R²= .57358780 Adjusted R²= .55835880 F (5,140) =37.664 p					
	b*	Std.Err. of b*	B	Std.Err. of b	t (140)	p-value
Intercept			-0.0185	0.3227	-0.0575	0.9543
FC Mean	0.1438	0.0786	0.1896	0.1037	1.8289	0.0695
SQ Mean	0.2299	0.1036	0.2918	0.1315	2.2188	0.0281
BA Mean	0.4762	0.1239	0.5596	0.1457	3.8418	0.0002
BS Mean	0.2753	0.1209	0.3358	0.1475	2.2761	0.0244
TEC Mean	-0.3544	0.1029	-0.4336	0.1259	-3.4427	0.0008

Table 4.18 indicates that the independent variables explain 75.74% of the variance in *Customer satisfaction*. A statistically positive relationship exists between *Service quality* and *Customer satisfaction* (b = 0.2918; $p < 0.05$). This means that customer satisfaction can be improved with efficient and reliable service quality. A statistically positive relationship exists between *Banking activities* and *Customer satisfaction* (b = 0.5996; $p < 0.05$). This suggests that customer satisfaction can be improved by banks offering more activities to their clients. A statistically positive relationship also exists between *Banking services* and *Customer satisfaction* (b = 0.3358; $p < 0.05$). This suggests that customer satisfaction is influenced by the various banking services offered by banks and if the banking services are improved or increased, customer satisfaction can be improved. There is also a statistically negative relationship between *Technology* and *Customer satisfaction* (b = -0.4336; $p < 0.05$). This

suggests that customer satisfaction will not be improved by banks being technologically advanced and keeping up with the latest technological trends.

It is evident from Table 4.18 that there is a positive, but not statistically significant relationship between *Fees and charges* and *Customer satisfaction*. Furthermore, the t-value indicates the strength of the relationship. The higher the t-value, the stronger the influence *Banking activities, Banking services, Fees and charges, Service quality* and *Technology* (independent variables) have on *Customer satisfaction* (dependent variable). In this study the relationship between *Banking activities* and *Customer satisfaction* ($t = 3.84176$) is the strongest while the relationship between *Technology* and *Customer satisfaction* ($t = -3.44265$) is the negative.

4.9   HYPOTHESES TESTING SUMMARY

Table 4.19 summarise the hypotheses testing results indicating whether each hypothesis is accepted or rejected.

TABLE 4.18: HYPOTHESES TESTING SUMMARY

Hypothesis	Decision
H_1: There is a significant relationship between *Fees and charges* and *Customer satisfaction*.	Reject, p>0.05
H_2: There is a significant relationship between *Service quality* and *Customer satisfaction*.	Accept, p<0.05
H_3: There is a significant relationship between *Banking activities* and *Customer satisfaction*.	Accept, p<0.05
H_4: There is a significant relationship between *Banking services* and *Customer satisfaction*.	Accept, p<0.05
H_5: There is a significant relationship between *Technology* and *Customer satisfaction*	Accept, p<0.05

Evident from Table 4.19 four of the five hypotheses are accepted at a 95% significant level ($p < 0.05$) while only one of the hypotheses is rejected at a 95% significant level ($p > 0.05$).

4.10   SUMMARY

This chapter focussed on the empirical results of this study's analysed data. The chapter started with a summary of the respondents' biographical information. The measuring instrument has a factor loading of at least 0.4, therefore it can be deemed as valid.

Reliability of the measuring instrument was assessed by calculating Cronbach's alpha coefficients. The independent variables of *Banking activities, Banking services, Service quality, and Technology* and the dependant *Customer satisfaction* were above 0.80. *Fees and charges* were 0.8542. The measuring instruments were thus regarded as reliable.

Descriptive statistics such as the mean and standard deviation were used to analyse the independent and dependant variables. Way something about the Pearson results in terms of associations. To assess the value of the independent variables based on the value of the dependent variable, a multiple regression analysis was carried out. Of the six hypotheses, five were accepted for this study.

The following and final chapter, Chapter 6, summarises the entire research undertaken. Chapter Five's empirical results will be interpreted, and suggestions will be made thereafter. The section will include the study's contributions, study constraints and suggestions for future studies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1   INTRODUCTION

Chapter Five outlined the empirical results of the study and examined whether relationships exist between the independent variables (*Fees and charges*, *Service quality*, *Banking activities*, *Banking services* and *Technology*) and dependent variable (*Customer satisfaction*). Chapter Six offers a summary of the study investigation's most significant and meaningful results, as well as suggestions on how clients view banking reward programmes. This section will conclude by considering the contributions and constraints of the study and suggestions for future studies will be made. A reflection on the learning will also be provided.

5.2   SUMMARY OF RESEARCH OBJECTIVES

The background of this study which was discussed in Chapter One allowed the researchers to determine the problem statement, the purpose of the study and several objectives for the research. The goal of the study was to determine the factors influencing customer satisfaction with regards to their various banking reward programmes in the banking industry in the Nelson Mandela Metropole. To achieve this goal, relationships between the independent variables and dependent variable needed to be measured and analysed.

To address the primary objective of the study, the following secondary objectives have been formulated. These objectives are:

- To determine the factors influencing clients' satisfaction of reward programmes.

- To determine the rewards offered by the various banking rewards programmes.

- To determine whether the clients are satisfied with the rewards offered by their banks.

5.3   SUMMARY OF LITERATURE REVIEW

Chapter Two provided an overview of the reward programmes in general as well as reward programmes of the major banks in South Africa. Lastly the literature review discussed the factors influencing customer satisfaction.

The different types of reward programmes offered are point, spend, tiered and paid. They main reward programmes offered by the major banks in South Africa are Absa rewards (Absa), Live Better Benefits (Capitec), Ebucks (FNB), Greenbacks (Nedbank) and UCount (Standard Bank).

The factors influencing customer satisfaction are fees and charges, service quality, banking activities, banking services and technology. Customer satisfaction leads to happier clients, which in turn leads to a higher retention of clients.

Challenges facing banks are the type of rewards they offer to their clients and at what level the banks offer these various rewards to their clients. Other challenges are technology advancements, switching costs, service quality and competing banks.

5.4   SUMMARY OF THE RESEARCH DESIGN AND METHODOLOGY

Chapter Three addressed the research design, methodology and techniques used to analyse the data extracted from the problem statement and research objectives. A positivistic paradigm was adopted and as such a quantitative approach was followed to determine whether relationships exist between the independent variables and dependent variable when investigating customer satisfaction of banking reward programmes in the banking industry in Port Elizabeth. In addition, the primary data was gathered using a five-point Likert-type scale in the form of self-administered questionnaires. Academic journals, websites and books gathered the secondary data. Clients using banking facilities within Port Elizabeth were the population for this research.

In Chapter Four, basic descriptive statistical methods were used to analyse the primary data collected from the questionnaires which included indicators such as the mean and standard deviation. To determine the study's validity, a pilot study and an EFA were performed. To determine the reliability of the questionnaire items, Cronbach's alpha coefficients were calculated. The Pearson product moment correlation coefficients were used to determine if a correlation exists between the variables. In addition, multiple regression was used to determine whether relationships exist between the independent variables and dependent variables and to assess the strength of these relationships.

5.5   SUMMARY OF THE RESULTS FROM THE EMPIRICAL STUDY

The results indicated that most of respondents are between the age 18 to 29 (34.24%). The gender of the respondents was mostly female (54.79%). Most respondents have a National Diploma/certificate (33.56%) or a Bachelor's degree (30.82%). The majority of the respondents were subscribed to their reward programmes for less than ten years (76.72%), while the majority of the respondents bank with Capitec (29.45%) and using Live better benefits (29.45%).

Section A of the questionnaire consisted of items relating to the independent and dependant variables that produced results in relation to the degree to which the respondents agreed or disagreed with the items of the questionnaire. A pilot study was conducted to test the content validity of the measuring instrument. To determine the validity of the measuring instrument, an EFA was conducted. The EFA tested if the used items are measuring the factors that they set out to.

The items of each variable that had a factor loading greater than 0.4 were acceptable. If the factor loading for an item was less than 0.4, that item was excluded from further analysis. No items were excluded from statistical analysis as they all had a factor loading of greater than 0.4.

The study used a Cronbach's alpha coefficient of 0.6 as a measure of reliability; which means that the questionnaire items developed in relation to the variables can be considered reliable, and that the items measure what they were meant to measure. In this research items with Cronbach's alphas less than 0.6 are considered unreliable. The Cronbach's alphas for all the variables were above 0.6, which indicates that the measuring instrument was regarded as being reliable. The highest Cronbach's alpha was for *Technology* with 0.8411. The lowest was for *Fees and charges*, which were 0.6587 meaning *Fees and charges* are unreliable as it is below 0.7.

Descriptive statistics described the independent variables and the dependant variable. The two primary descriptive measures of the mean and standard deviation were calculated for each variable. The independent variable *Technology* has the highest mean of 4.1552, while the dependent variable *Customer satisfaction* had the lowest mean of 3.5378. The independent variable *Fees and charges* had the highest standard deviation of 0.2821. The dependent variable *Customer satisfaction* had the lowest standard deviation of 0.1387. This

implies that the respondents' responses for *Fees and charges* varied more than the responses for *Customer satisfaction*.

The Pearson product moment correlation coefficient was used to establish whether a correlation existed between the independent variables and the dependent variable and to measure the strength of the correlation. The strongest positive correlation exists between *Banking activities* and *Banking services*. The weakest correlation existed between *Technology* and *Customer satisfaction*. A possible explanation is that clients do not use technology as they may be concerned about online security.

Multiple regression analysis was used to establish the extent to which the independent variables had a relationship with the dependent variable. The multiple regression results showed that four hypotheses were accepted. A summary of the hypotheses testing is presented in Table 5.1

TABLE 5.1: HYPOTHESES TESTING SUMMARY

Hypothesis	Decision
H_1: There is a significant relationship between *Fees and charges* and *Customer satisfaction*.	Reject, $p>0.05$
H_2: There is a significant relationship between *Service quality* and *Customer satisfaction*.	Accept, $p<0.05$
H_3: There is a significant relationship between *Banking activities* and *Customer satisfaction*.	Accept, $p<0.05$
H_4: There is a significant relationship between *Banking services* and *Customer satisfaction*.	Accept, $p<0.05$
H_5: There is a significant relationship between *Technology* and *Customer satisfaction*	Accept, $p<0.05$

5.6   RECOMMENDATIONS

The use of reward programmes has become increasingly more popular throughout South Africa, yet many customers are unaware that their bank offers reward programmes or the benefits that these programmes offer. The banking industry needs to monitor and adapt customer behaviour and new trends towards the adoption of banking reward programmes. Banks can do this by investing in database marketing, relationship management and customer planning (Hill & Alexander, 2016:1-5). The banking industry in South Africa can do this by developing customer charters to exhibit their commitment to customer service, and carrying

out professional customer surveys to obtain reliable data. The industry can adapt to new trends by using the results from the surveys to identify priority areas. The industry must then determine how to allocate resources in order to meet the objectives set out in the customer charters. This will assist banks to better cater for the ever-changing needs and wants of customers when it comes to the offerings of their reward programmes.

When carrying out financial transactions, clients within the banking industry always aim to save time and money. Banking institutions can attract more customers by allowing them to access quicker and easier methods of performing daily transactions. Client demands are constantly evolving with developments in technology and banking institutions will need to continually adapt to remain competitive in the sector.

Based on the Pearson correlation coefficient *Banking activities* and *Banking services* are suitable factors to improve *Customer satisfaction*. The MRA results, the independent variables indicate that all the relationships are significant, except for *Fees and charges*. This indicates that lower *Fees and Charges* leads to higher *Customer satisfaction*. Based on these results if banks want to maximise customer satisfaction they should:

- Aim to provide a wider range of Banking Activities to their clients that assist them in receiving the best possible experience that it able to fit their individual needs.
- Provide efficient and reliable service to clients in order to help them address their needs and concerns in the quickest and most efficient way possible.
- Try to lower fees and charges to the best possible extent so that clients feel that they are receiving value for the monthly charges they pay to their respective bank.

If banks better advertised their reward programmes and maintained better levels of online security, then clients will feel more secure to make use of the reward programmes. Banks can also ask clients to provide feedback as to what they would want reward programmes to entail.

The banking industry must maintain a holistic approach to banking reward programmes, paying attention to customer behaviour and costs of implementing the reward programmes, while still maintaining the appearance of providing clients with the best value.

5.7   LIMITATION TO THE STUDY

The study had some constraints, as constraints in all research fields are often anticipated. When interpreting the survey, it is essential that these factors are considered. The constraints are as follows:

- The research focused solely on clients using banking reward programmes situated in Port Elizabeth for reasons such as time and resource constraints. Therefore, the results may not represent the precise representation of the larger population of South Africa.

- Time constraints were another restriction with respect to the completion of this research, as it shaped the treatise function of the researchers' honours degrees.

- The study focused on the reward programmes of the five major banks in South Africa to determine how satisfied customers are with the reward programmes offered by these banks. However, there are also smaller banks and private banks that offer reward programmes or the equivalent thereof.

- When conducting field research many of the respondents were not easy to contact.

5.8   FUTURE PROPOSED RESEARCH

This research concentrated on the banking industry of the Nelson Mandela Metropole. It is therefore suggested that a study be conducted in wider South African geographic regions. This research will provide a more general view on how customer satisfaction is affected when using reward programmes for banking.

More customers can be analysed with a larger sample taken, therefore creating a wider opinion with regards to customer satisfaction of banking reward programmes. Given advancements in technology, changes in customer tastes and the automation of programmes. Banking services, future research is likely to take on a completely different path with regards to reward.

5.9   REFLECTION OF LEARNING

The study allowed the researchers to have a better understanding of the banking industry, and more specifically the reward programmes that banks offer. The researchers have more knowledge about the reward programmes offered by the different commercial banks in South Africa (ABSA, Capitec Bank, FNB, Nedbank, and Standard Bank) and how these programmes are assisting banking clients with their daily banking activities.

With focus on banking institutions, more knowledge was gained by analysis of the banks' annual reports, textbooks, journals and websites. The researchers also gained experience in research from gathering information from journal articles, books, the websites of banking institutions and academic journals. It was noted that all banking institutions are regulated by Acts, independent institutions and boards such as The Banking Association of South Africa.

Knowledge on the different types of research designs and methodologies were acquired. The skill of developing a measuring instrument was acquired, more specifically in the form of a data matrix.

Lastly, the researchers gained significant experience in academic writing skills, how to interpret data and reporting on it.

5.10   CONCLUSION TO THE STUDY

The study undertaken provided relevant summarised data to understand how the factors influencing customer satisfaction plays an important role in the reward programmes offered by banks to their clients. In this study an investigation was taken to determine whether the independent variables (Fees and charges, Service quality, Banking activities, Banking services and Technology) influence the dependent variable (Customer satisfaction) with regards to banking reward programmes.

Customer satisfaction plays an important role in how clients perceive their banks. Reward programmes offered by the major banks in South Africa are one of the main reasons clients decide to stay or leave their respective banks. Banks that are able to provide clients with the best value are most likely to attract and retain their clients.

A valuable contribution was made by the study to the banking industry in South Africa especially towards the major banks (ABSA, Capitec Bank, FNB, Nedbank and Standard Bank). These banks can now better understand what clients expect from reward programmes and that reward programmes play an important role towards customer satisfaction.

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ANNEXURE A

NELSON MANDELA
U N I V E R S I T Y

<div align="right">

Department of Business Management
South Campus
Department of Business Management
Tel. 071 283 3373/ 076 970 8826
July-August 2019

</div>

Dear Respondent

RESEARCH PROJECT: CUSTOMER SATISFACTION TOWARDS BANKING REWARDS PROGRAMMES

We would like to thank you for your enthusiasm to aid us in this research project. It is hereby confirmed that Business Management Honours students Alex Will Jonas and Jacques van Rensburg at Nelson Mandela University are busy with an honours treatise investigating customer satisfaction towards banking rewards programmes. Attached find a questionnaire to be completed for this study.

Reward programmes play an important role with regards to banks retaining customers. It also allows banks to compete with one another in terms of retaining customers through various benefits provided by their reward programmes that in turn lead to customer satisfaction.

It would appreciate if you could assist the abovementioned students in completing a short questionnaire. Kindly respond to these statements as it applies to you and not as how you would like it to be. Section A is about factors influencing customer satisfaction of reward programmes. Section B requires demographic data. Please place a cross (X) in the appropriate column with which you agree. It should take 15-20 minutes to complete the questionnaire.

Please note that the information provided will be treated as strictly confidential and will only be used for research purposes. At no stage will individual results be published. We trust that you will find this in order and thank you for your time and effort in completing this questionnaire.

Kind regards

AW Jonas   *J van Rensburg*

Mr AW Jonas (Honours student)   **Mr J van Rensburg (Honours student)**
(Cell: 0769708826)   (Cell:0712833373)

Prof J Krüger   *Prof C Rootman*

Prof J Krüger (Supervisor)   **Prof C Rootman (Co-supervisor)**

SECTION A: FACTORS INFLUENCING CUSTOMER SATISFACTION OF REWARD PROGRAMMES

Please answer the following questions based on your own perceptions of your bank. There is no right or wrong answer. Please indicate by means of a cross (X) to what extent that you agree with the following statements, namely (1) strongly disagree, (2) disagree, (3) neutral, (4) agree and (5) strongly agree.

	Statements regarding your bank	SD				SA
1	It is easy to communicate with my bank	1	2	3	4	5
2	The benefits of my bank's reward programme is in line with what other banks offer	1	2	3	4	5
3	My bank offers overdraft facilities on their cheque account	1	2	3	4	5
4	My bank offers affordable interest rates when using credit facilities	1	2	3	4	5
5	It is easy to replace a lost card at my bank	1	2	3	4	5
6	My banks' mobile banking app offers good security	1	2	3	4	5
7	My bank provides a mobile banking platform that I can use to access my bank account	1	2	3	4	5
8	My bank's mobile banking app is compatible with most cellular phones	1	2	3	4	5
9	It is easy to open a savings account at my bank	1	2	3	4	5
10	My bank's reward programme is free of charge	1	2	3	4	5
11	Cash withdrawal costs are important when choosing a bank	1	2	3	4	5
12	I would recommend my bank's reward programme to others	1	2	3	4	5
13	My bank provides fair, safe and reliable service	1	2	3	4	5
14	My bank provides online banking services	1	2	3	4	5
15	It is easy to open an current/cheque account at my bank	1	2	3	4	5
16	My bank offers a good reward programme	1	2	3	4	5
17	My bank offers effective signature retrieval facilities	1	2	3	4	5
18	My bank offers good physical facilities	1	2	3	4	5
19	My bank's personnel provide a prompt service	1	2	3	4	5
20	I can apply online for overdraft facilities	1	2	3	4	5
21	My bank offers a savings account with competitive interest rates	1	2	3	4	5
22	Switching costs influence my decision to switch banks	1	2	3	4	5
23	My bank offers me a reward programme	1	2	3	4	5
24	My monthly bank charges are reasonable	1	2	3	4	5
25	The requirements to obtain a loan from my bank is reasonable	1	2	3	4	5
26	My bank offers good quality services	1	2	3	4	5
27	My bank arranges foreign currency for clients that are travelling internationally	1	2	3	4	5
28	My bank offers a reward programme that is free to all clients	1	2	3	4	5
29	My bank's personnel are competent	1	2	3	4	5
30	My bank provides an online banking platform where I can apply for a loan	1	2	3	4	5
31	I can apply for my bank comprehensive insurance online	1	2	3	4	5

	Statements regarding your bank	SD----------------------------SA				
32	My bank's online banking is secure	1	2	3	4	5
33	It is easy to contact my bank	1	2	3	4	5
34	I am satisfied with the benefits provided by my bank's reward programme	1	2	3	4	5
35	I am satisfied with the reward programme offered by my bank	1	2	3	4	5
36	My bank offers easy payment platforms	1	2	3	4	5
37	My bank offers easy-to-use automated bank services	1	2	3	4	5
38	My bank keeps up with the latest technological developments in the banking sector	1	2	3	4	5
39	My bank offers efficient service on its reward programme	1	2	3	4	5
40	Fees and charges are important when deciding on a bank	1	2	3	4	5
41	My bank offers credit facilities at reasonable interest rates	1	2	3	4	5
42	My bank provides a mobile banking app	1	2	3	4	5
43	I receive rewards for using my bank account	1	2	3	4	5

SECTION B: BIOGRAPHICAL INFORMATION

Please indicate with cross (X) in the appropriate block.

1. Age

18-29	1	30 – 39	2	40 – 49	3	50-59	4	60+	5

2. Gender

Female	1	Male	2

3. Highest qualification

Grade 11 or lower	1	Postgraduate degree/diploma (e.g. Honours/ Masters)	5
Grade 12	2		
National Diploma or certificate	3	Other, Please specify	6
Bachelor's degree	4		

4. What benefits or offers would do you feel your bank could include in their reward programmes?

   _____

   _____

5. How long have you been using the bank's reward programme? _____

6. How long have you been a client from your current bank?   _____

7. Banking institution:

ABSA	1	Nedbank	4
Capitec Bank	2	Standard Bank	5
FNB	3	Other, please specify:	6

8. Name of reward programme _____

THANK YOU FOR YOUR PARTICIPATION!

ANNEXURE B

NELSON MANDELA
UNIVERSITY

FACULTY OF BUSINESS AND ECONOMIC SCIENCES

ETHICS CLEARANCE FOR TREATISES / DISSERTATIONS / THESES

Instructions:

- Should be completed by study leader and student
- Must be signed off by student, study leader and HOD
- **Please note that by following this Proforma ethics route, the study will NOT be allocated an ethics clearance number**

FACULTY: Business and Economic Sciences

SCHOOL / DEPARTMENT: School of Management Sciences / Business Management

I, Krüger, J the study leader for Jonas, AW (215388356) and Van Rensburg, J (214072851) candidates for the degree of BCom Hons (Business Management) with a treatise entitled Investigating customer satisfaction towards banking rewards programmes considered the following ethics criteria:

		YES	NO
1.	Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?		X
2.	Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		X
2.1	Are subjects/participants/respondents of your study:		
2.1.1	Children under the age of 18?		
2.1.2	NMMU staff?		X
2.1.3	NMMU students?		X
2.1.4	The elderly/persons over the age of 60?		X
2.1.5	A sample from an institution (e.g. hospital/school)?		X
2.1.6	Handicapped (e.g. mentally or physically)?		X
			X
			X

3.	Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)		X
3.1	Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?		X
		YES	NO
4.	Will the participant's privacy, anonymity or confidentiality be compromised?		x
4.1	Are you administering a questionnaire/survey that:		
4.1.1	Collects sensitive/identifiable data from participants?		x
4.1.2	Does not guarantee the anonymity of the participant?		x
4.1.3	Does not guarantee the confidentiality of the participant and the data?		x
	Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?		x
4.1.5	Will create doubt whether sample control measures are in place?		x
4.1.5	Will be distributed electronically via email (and requesting an email response)?		x
	Note: If your questionnaire DOES NOT request respondents' identification, is distributed electronically and you request respondents to return it manually (print out and deliver/mail); AND respondent anonymity can be guaranteed, your answer will be NO. If your questionnaire DOES NOT request respondents' identification, is distributed via an email link and works through a web response system (e.g. the university survey system); AND respondent anonymity can be guaranteed, your answer will be NO.		
5.	Do you wish to publish an article from this study and submit to an accredited Journal?		x
Please note that if ANY of the questions above have been answered in the affirmative (YES) the student will need to complete the full ethics clearance form (REC-H application) and submit with the relevant documentation to the Faculty RECH (Ethics) representative.			

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.
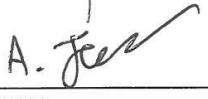
J Krüger

C Rootman

HEAD OF DEPARTMENT

AW Jonas

J van Rensburg

16/4/19
DATE

16/4/19
DATE

23/04/2019
DATE

25/04/2019
DATE

25/04/2019
DATE

ANNEXURE C

Customer Satisfaction

ORIGINALITY REPORT

30%	17%	5%	28%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Nelson Mandela Metropolitan University Student Paper	3%
2	Submitted to Mancosa Student Paper	2%
3	core.ac.uk Internet Source	1%
4	Submitted to Eiffel Corporation Student Paper	1%
5	ibc-conference.com Internet Source	1%
6	Submitted to University of Stellenbosch, South Africa Student Paper	1%
7	Submitted to Higher Education Commission Pakistan Student Paper	1%
8	Submitted to Universiti Teknologi Malaysia Student Paper	1%