



**ASSESSING THE EFFECTIVENESS OF A CUSTOMER LOYALTY
PROGRAMME AS MARKETING TOOL IN THE EZEMVELO KZN
WILDLIFE RESORTS**

This dissertation was submitted in fulfilment of the requirements for a Masters of Management Sciences: Tourism and Hospitality Management, in the Faculty of Management Sciences, Durban University of Technology

By

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DECLARATION

I, Simphiwe Emmanuel Dube, hereby declare that this research project is the result of my own investigation and findings, except where otherwise stated. It has not been submitted in part or in full for any other qualification or any other institution of higher learning.

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DEDICATION

It is with great sincerity that I dedicate this dissertation to my dear mother for believing in me from day one to date, and spending all that she had in ensuring that I have this education. I promise to surprise my mother until her last day on earth.

ABSTRACT

In the hospitality industry, the costs associated with promotions and advertising efforts are greater than those of maintaining relationships with existing customers. However, customer loyalty programmes have been discovered and promoted by different marketing managers and marketing experts in the different industries, as a most prominent and paramount business marketing tool in ensuring customer retention.

The purpose of this research study is to assess the effectiveness of a Customer Loyalty Programme as a marketing tool in the Ezemvelo KZN Wildlife (EKZNW) Resorts. This study strategy is quantitative in nature because of its capability to attain a large number of respondents in a short space of time. The target population of this study is the customer loyalty members of EKZNW, in eight different resorts. Descriptive research was found to be relevant and appropriate for this study. A non-probability sampling, with a convenience sampling technique, was adopted for this research study, to recruit members of the EKZNW Rhino Club's loyalty programme as participants. It was adopted because it allows for quick gathering of data and is also representative of the population. The sample size for data collection was conducted with 376 respondents that are loyalty programme members of EKZNW. A questionnaire was developed as measuring instrument, with the questions designed to be closed-ended. These questionnaires were personally distributed to the respondents in all the selected resorts of EKZNW.

The findings of the study indicated that the majority of tourists holding EKZNW loyalty programme membership are happy with being Rhino Club members, however, some are not satisfied with the incentives provided. They recommend that the Rhino Card should be designed to allow them to also use it in other provinces' game parks.

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ACRONYMS

EKZNW	Ezemvelo KZN Wildlife
KZN	KwaZulu-Natal
SPSS	Statistical Package for Social Science
CRM	Customer Relationship Management

CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

In the hospitality industry, the costs associated with promotions and advertising efforts for the new tourists' market are greater than those of maintaining relationships with existing customers. However, customer loyalty programmes have been discovered and promoted by different marketing managers and marketing experts in the different industries, as a most prominent and paramount business marketing tool for ensuring customer retention. UK Essays (2015) advises that the significance of customer loyalty programmes in the tourism and hospitality industry should not be argued and doubted, simply because various research studies show relationship marketing at the core of technology in tourism and hospitality. On the other hand, Lacey, Suh and Morgan (2007: 84) stress that the practice of investing in customer loyalty programme marketing has gained attention in the tourism industry. Furthermore, this type of marketing has recently become a significant driver of companies' success, with the purpose of building and cultivating long-term positive attitudes and behaviours among valuable customers. This particular research project focuses on the assessment of the Ezemvelo KZN Wildlife (EKZNV) loyalty programme as a marketing tool.

An in-depth understanding of this research study is put forward through an introduction, background, and problem statement, along with the main aim of the study, its objectives and the research questions. This chapter also presents the research study limitations and delimitations, with lastly, a brief summary presentation of what to expect in each chapter.

1.2 RESEARCH BACKGROUND

The history of customer loyalty programmes can be traced back to 1896, when the green post stamps were introduced by a United States (US) company, Sperry & Hutchinson (Lacey and Sneath 2006: 459). Additionally, by the 1960s, the aforementioned US organisation established a rewards catalogue and issued three times as many stamps as the U.S. Postal Service. After the stamp reward programmes decreased in popularity, a variety of programmes appeared in the market place. According to Notte (2010: 1), the most commonly-cited, first customer loyalty programmes were invented by a grocery store in the 1930`s, which offered stamps to customers, based on the volume of their purchases.

The dramatic changes in the tourism and hospitality industry from the 19th century to the 21st century, due to high technological dynamics, saw the popularity of loyalty programmes rapidly increasing in hotels, car rental companies, as well as tour operators and Game and National Parks in the United States of America (USA) and other well developed countries, in terms of economy (Dauksevičute, Vilkaite and Valainis, 2011: 528). Today, the markets of North America, the United Kingdom, and Austria are well-known as the most mature, in terms of customer loyalty programmes. Berman (2006: 127), Lacey and Sneath (2006: 399) argue that the first, modern, customer loyalty programme was introduced in 1981 by the American Airline Companies.

A Report of the KwaZulu-Natal Conservation Board (2012/2013) states that EKZNW is an entity that manages 114 Protected Areas (PA`s), of which 110 are terrestrial and four are coastal and marine reserves. The report further stresses that this entity operates as a state-owned organisation, which deals directly with the management of nature conservation within the KwaZulu-Natal province. The mandate of EKZNW`s marketing department is to ensure that its brand is constantly on the map (Annual Report body 2010/2011). Additionally, it remains

recognisable and fulfils its objectives, aimed at increasing revenue and becoming a prepared, ecotourism destination. The report encouraged the realisation and application of all possible marketing tools.

The Rhino Club Programme:

According to the Report (Annual Report body, 2010/2011), the EKZNW, Rhino Club Programme was introduced in December 2001 and was brought in-house in April 2005. Rhino Club membership has now reached 30 396 members as compare to 2008/2009 which had only 18 909 members. This equals an average of 15 percent per annum increase in membership. The Kids Club, formed in December 2008, comprises 924 members, including 125 eco-school, complimentary memberships. The Loyalty Club Programme exceeded the 2010/11 income target by R539 030, thus earning R3 million. Reciprocal Partnerships with like-minded organisations and companies are being considered, as well as sponsorships for the Loyalty Club packages. Rhino Club member bookings continue to enhance the reservations revenue through a variety of discount structures and value added services, the most popular one being the Leatherback discounts, as well as the low occupancy period discounts. Furthermore, a Rhino Card allows access to all the Ezemvelo Wildlife reserves free, for a period of 12 months from the date of purchase (KwaZulu-Natal Conservation Board Annual Integrated Report, 2012/2013).

Organisations that have employed customer loyalty programmes as part of their marketing strategy of fruitful customer relationship, quality service and customer retention, engage with the process by conducting research studies, with the aim of assessing the effectiveness of how customer relationships are maintained and in the eradication of arising problems.

1.3 RESEARCH PROBLEM

According to Vogt (2011: 360) Customer Loyalty Programmes have not been a well-researched topic by tourism researchers and scholars. Much of the research published on travel and tourism tends to be at a destination level, where Customer Relationship Management (CRM) is widely applied and researched, rather than specific tourism businesses. Palmer (2011: 206) stresses that there are few, published, long-term studies of the effectiveness of loyalty programmes. However, loyalty schemes may fail to give a long-term strategic advantage to a company because they are easy for competitors to copy.

A number of customers in different travel and tourism firms in the industry are complaining about the misinterpretation of customer loyalty programmes by marketing managers. Meyer-Waarden (2002, cited in Hikkerova, 2014: 2) reveals that the costs of loyalty programmes has made several authors question their real effectiveness, when compared to the benefits these programmes bring to the companies. Furthermore, the costs of the programmes are often underestimated and this has resulted in re-examination by certain companies, for example Air France, with its programme 'Flying Blue'. Many tourism and hospitality companies have launched expensive loyalty programmes, whose effectiveness may not be guaranteed (Meyer-Waarden 2002, cited in Hikkerova 2014: 2).

Literature (Meyer-Waarden (2002, cited in Hikkerova, 2014: 2) further points out that firms do not keep their loyalty programme promises, as they, for example, do not provide a sufficient supply of the products or services advertised as rewards, so that customers are turned away or put off. Although there is insufficient research and the resulting publications, regarding the

EKZNW Resorts side of the tourism industry, similar challenges facing customers participating in the customer loyalty programmes of other industries can be found and underline that loyalty programmes can be very stressful for clients. Stauss *et al.* (2008: 230) suggest that everyday media reports, on problems that customers experience in loyalty programmes, may also cause negative emotions.

1.4 RESEARCH AIM

The main aim of this particular study is to critically assess the effectiveness of the Customer Loyalty Programme as a marketing tool in the EKZNW Resorts.

1.5 RESEARCH OBJECTIVES

To be able to achieve the aim of the study, the following objectives will be pursued:

SUB-OBJECTIVE 1: To identify and examine loyalty programmes mostly used as marketing tools by EKZNW.

SUB-OBJECTIVE 2: To identify factors contributing to the satisfaction of tourists of EKZNW resorts after being involved in the loyalty programme.

SUB-OBJECTIVE 3: To examine the impact these factors have on the customer loyalty programmes of EKZNW.

SUB-OBJECTIVE 4: To identify and suggest different types of Customer Loyalty Programmes that could possibly be used by EKZNW resorts.

1.6 RESEARCH QUESTIONS

The following research questions were developed to achieve the research

objectives:

RESEARCH QUESTION 1: What type of customer loyalty programmes employed by Ezemvelo KZN Wildlife as a marketing tool?

RESEARCH QUESTION 2: What are the factors that contribute to the satisfaction of customers who hold customer loyalty programme membership of Ezemvelo KZN Wildlife?

RESEARCH QUESTION 3: What impact and implications do these factors have on the customer loyalty programmes of Ezemvelo KZN Wildlife?

RESEARCH QUESTION 4: What are other types of customer loyalty programmes that could be possibly adopted by Ezemvelo KZN Wildlife resorts?

1.7 RATIONALE FOR THE RESEARCH STUDY

Many tourism and hospitality organisations have recently adopted customer loyalty programmes as a powerful marketing strategy in maintaining good relationships and increasing the retention rate of their target tourists. However, very few have considered the importance of assessing the effectiveness of their retention of tourists. Customer loyalty programmes today are often perceived and realised as being part of a marketers` promotional techniques, which fosters repeat purchases, instead of 'attitudinal commitment'; this indicates a short-term instead of long-term relationship orientation (Bridson, Events and Heikman, 2008: 364). In the tourism sector, loyalty has been poorly studied, therefore, many outstanding questions exist regarding how to retain these particular tourists in the long-term (Zamora, 2005; cited in Campon, Alves and Hernandez, 2013: 16).

The reason for conducting this research study, is to critically assess the Rhino Card loyalty programme, Rhino Card holders' perceptions, satisfaction and perspectives concerning the benefits and incentives included in the package by EKZNW. This research project is significant, in that it contributes towards identifying the impediments hindering progress and improvement of the EKZNW loyalty programme, for future purposes. It will further contribute to the body of knowledge of the loyalty programme team, Rhino Club of EKZNW.

1.8 RESEARCH METHODOLOGY

The research methodology of this study employed quantitative research approach simply because of its capability to attain a large number of respondents in a short period of time. The questionnaires were designed with an aim of obtaining a descriptive data. The questionnaire was designed to have open ended questions. The target population of this study is all EKZNW Rhino cardholders. A sample size of 376 respondents was drawn from a target population of 30 396. Non-Probability sampling was used, simply because it is capable of quickly gathering data and it is also representative of the population. A computerised statistical software package (SPSS programme) of data analysis was employed in the process of this particular study's data analysis.

1.9 DELIMITATIONS AND LIMITATIONS OF THE STUDY

This section of this particular research study, seeks to reveal the delimitations and limitations.

1.9.1 Delimitations

This research study was limited to one organisation, namely EKZNW, whereas it addresses a problem faced by quite a number of tourist destinations, such as National Parks and other types of resorts, in South Africa. This delimitation was applied due to time and budgetary constraints.

1.9.2 Limitations

Since this research study was conducted with only EKZNW, the findings will be presented with this organisation. It will benefit mostly EKZNW compared to other resorts of this nature.

1.10 OUTLINE OF RESEARCH STUDY

A brief summary of all five chapters is presented, entailing what to expect in each:

Chapter 1: Introduction

This chapter briefly highlights the crux of the study. It introduces the reader to the research background, problem statement, aim of the study and objectives, as well as the research questions, delimitations and limitations, with lastly, the outline of the whole research's chapters.

Chapter 2: Literature Review

The literature review chapter discusses the knowledge gathered from the secondary data that has been published on the subject of customer loyalty, customer loyalty programmes and types of customer loyalty programmes in the tourism and various other sectors. The interpretation, effectiveness, and lastly, negative effects of customer loyalty programmes are also discussed.

Chapter 3: Research Methodology

The research strategy is explained in the Research Methodology chapter, along with the target population, and sampling method employed. In addition, data collection procedures, data analysis and lastly, reliability and validity, are clearly outlined.

Chapter 4: Data Presentation

The main purpose of this chapter is to present the statistical data collected from the customer loyalty programme membership holders of EKZNW. This data is presented with both frequency tables and bar graphs, to clearly illustrate the findings of the study.

Chapter 5: Conclusions and Recommendations

The last chapter states whether the study met the aim and its objectives, aligned with the literature review and empirical research findings. The researcher establishes conclusions and offers recommendations, aimed at working in conjunction with study findings, in answering the study objectives against the research problem.

1.11 CONCLUSION

A clear overview of the research background, rationale of the study, and problem statement was described, as well as the research aim, research objectives and questions, and delimitations and limitations. The summary of all five chapters was also presented clearly.

The following chapter seeks to cover the literature review with the aim of giving an in-depth understanding of what other authors have written with reference to customer loyalty programmes worldwide.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

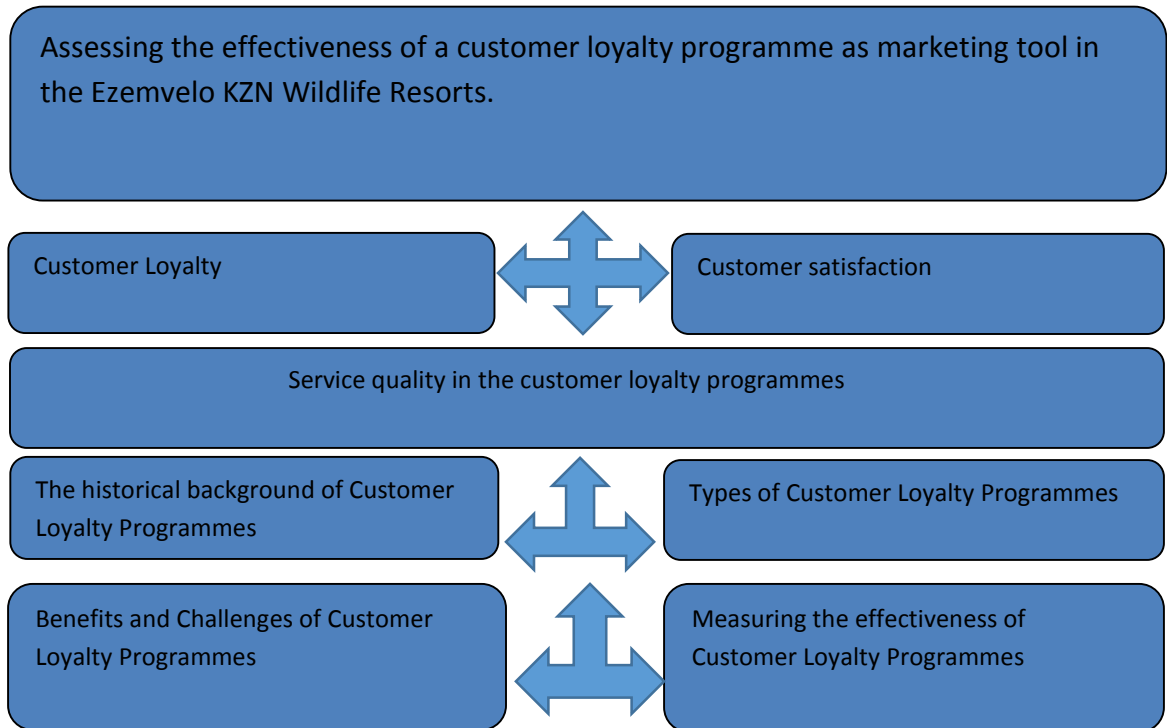
The previous chapter introduced the research study, highlighting the problem statement, with the aim of giving the focal point of the study background. The theoretical background of the study was further explained to acquaint the reader with the concept of adopting a customer loyalty programme, as a marketing tool of EKZNW Resorts.

This chapter seeks an in-depth understanding of customer loyalty programmes, with a discussion of the secondary data of the existing knowledge relating to this study, gathered by different authors. Briefly, customer loyalty is shared for the sake of understanding customers' perceptions of loyalty programmes tools that. Additionally, both the benefits and negative effects of the customer loyalty programme are discussed, particularly when organisations opt to employ them as their marketing strategy or tool.

2.2 CONCEPTUAL FRAMEWORK

This section seeks to highlights and gives a breakdown of the subtopics that will be discussed in the literature review as the fundamental key content of the study. It consists of the concept of customer loyalty, customer satisfaction, background of the customer loyalty programmes, types of customer loyalty programmes, benefits and challenges of customer loyalty programme and measuring the effectiveness of customer loyalty programmes. The conceptual framework for this particular study is presented in figures 2.1 as a summary of the literature and is in line with the set objectives:

Figure 2.1: Conceptual Framework (Review Framework)



Source: Author

2.3 CUSTOMER LOYALTY

Customers' (tourists) loyalty to destinations has, as of late, been consistently reflected as an essential key variable by marketers and academic researchers. Petrick and Sirakaya (2004: 472) reveal that it is common for tourists to be seen as loyal because of their level of satisfaction; they are more likely to share their past, good experiences with families, friends, colleagues, business partners, etc. By so doing, free Word-of-Mouth (WOM) marketing for that specific tourist destination is created. Furthermore, Siyakaya, Uysal and Yoshioka (2003: 472) argue that, it is less expensive when a tourism entity retains their current tourists, as opposed to seeking new tourists. According to Ganiyu Uche and Elizabeth (2012: 14), customer loyalty has become a topic of high interest in

academia, marketing and the tourism industry. This compels companies, more particularly service rendering organisations, to strive for customer satisfaction and consider it a mounting key factor in winning competition in the market place. To understand customer loyalty programmes, it is imperative to first understand customer loyalty, and what the company achieves through its loyal customers.

As defined by Blomquist, Dahl and Haeger (2001:103), customer loyalty is attained when customers' needs are optimally fulfilled through quality services or products by a company. Whereas Alwi (2009:84) suggests two key components are highlighted by the explanation of customer loyalty. Firstly, loyalty consists of attitude and behaviour or behavioural intention, while the second component is the assessment and creation of loyalty over time. According to Palmer (2011: 204), in the marketing discipline itself, there is much debate and confusion on the definition of customer loyalty. The author further states that customer loyalty is found to be more than merely the loyalty programmes that have become so popular in different service companies. Mascarenhas, Kesavan and Bernacchi (2006: 399) mention that customer loyalty in the marketing field is more associated with a brand. The marketing managers of tourist destinations need to, therefore, invest their focus more on brand awareness campaigns and extensive marketing at large, encouraging tourists to develop loyalty with their destination brands.

Both companies and destinations strive to establish customer loyalty from already existing customers, by trying to meet their exceeding expectations (Jacobson, Olsson and Sjoval 2004: 31). The investment in customer retention programmes is more efficient and more advisable than that of exhausting funds drawing new customers. In support of this statement, Daukseviciute *et al.* (2011: 527) reveal that the cost of satisfying loyal customers is lower, based on the fact that these customers are more familiar or have an in-depth knowledge of the

organisation's products/services. That means they do not need more information, as relative to first-time consumers. Furthermore, these customers can be regarded as partners of the organisation, simply because they spread the word about the organisation's products.

Demoulin and Zidda (2008:46) highlight that customer loyalty is determined by the relationship of customers with the organisation and or the brand. Loyalty is described by Uncles, Dowling and Hammond (2003: 295) as, in general, the spirit consumers may showcase to brands and services. Customer loyalty is generated by the organisation to customers. However, a report by (Hanover Research 2011: 3) stresses that working in conjunction with other organisations in a form of partnership can maximise point collection chances for consumers and improve their loyalty to the company's programme.

Peppers (2009) identified five loyalty best practices to be applied by organisations that are keen to maintain a good relationship with loyal customers:

- **Insight:** The marketing practitioner should not abandon the opportunity of obtaining more insightful customer information; create a platform that will seek to enhance interaction with them on a regular basis.
- **Modularity:** The marketing manager should create a structure of the company's products that will leave space for addition of other strategic partnerships and subtraction of profitable vendors.
- **Openness:** The marketing structure should review the offering of prices that will not need to be redeemed from the company - reward customers without setting explicit limitations concerning prices being confirmed by company products or services.

- **Simplicity:** It is important to avoid unnecessary restrictions, such as black-out dates or specific products as rewards. Make a product/service and rewards simple, for customers to be able take advantage of them.
- **Relationships:** The marketing manager should avoid managing the loyalty programme around products, brands, and companies, but should rather do so around individual customers. An attempt should be made to segment loyalty programme participants and understand their motives clearly to be able to tailor-make the programme. In doing so, the business or company's service quality will be improved. (Peppers 2009).

These five loyalty best practices can be employed in any type of company or business, whether a production or services organisation, to maintain the loyalty of customers with the company's services. The most prominent point to be emphasised in these best practices is relationship, specifically because it relates to the tourism industry, which renders services to tourists. Loyal customers are very essential assets for organisations. Increased competition in the tourism industry has led to the development of customer loyalty programmes by various companies, such as EKZNW.

Taylor and Neslin (2004: 389) argue that the incentives attained from a loyalty programme can possibly increase the subsequent purchase behaviour, as long as the benefited customer develops a positive attitude towards the company. The role of attitude in customer loyalty is vital, since a positive attitude is required to consider repetitive behaviour as true loyalty (Gomez, Arranz and Cillan 2006: 389). Loyalty programmes are designed with the aim of creating loyalty in consumers and establishing long-term relationships with them. Customer loyalty is derived from customer satisfaction.

2.4 CUSTOMER SATISFACTION

This section of the literature review seeks to address the coherence between customer satisfaction and customer loyalty programmes. According to Jamal and Anastasiadou (2009: 399), a number of academic studies and researchers from various industries debate the relationships between customer satisfaction, customer loyalty, and profitability of a company or a tourism destination. Ganiyu, Uche and Elizabeth (2012: 14) asserts that customer satisfaction and customer loyalty are a well-established phenomenon and well known in several areas, such as tourism, marketing, consumer research, economic psychology, welfare-economics, economics and so on. According to Patterson (1995) it was discovered that customer satisfaction is strongly associated with re-purchase intentions. Roberts-Lombard (2009: 73) explains customer satisfaction as the point where a company's product or service performance matches up to the customer's satisfaction. When, on the one hand, the service performance matches or exceeds expectations, it is a given that the customer is pretty much satisfied. On the other hand, if the performance is far below the expectations, then the customer is dissatisfied. Hu, Kandampully and Juwaheer (2009: 115-116), in support of the above statement, state that customer satisfaction is highly influenced by expectations, perceived service, as well as perceived quality by customers. The concept of customer satisfaction cannot be separated from customer expectations when rendering a service. Kotler (2000: 52) mention that customer satisfaction is heavily dependent on how products and services meet customer expectations.

Jacobsen, Olsson and Sjovall (2004: 24) state that achieving customer satisfaction is the primary objective for almost all companies rendering services today. Additionally, customer satisfaction is mostly reliant on the service quality delivered by internal customers to their external customers. It is held by Gil, Hudson and Quintana (2006: 47) that satisfaction is an important key factor in

fostering tourist/visitor retention of a company's services, since it can be highly influenced by purchasing behaviour. Customer satisfaction has the power to determine the future of the company with its customers.

Customer satisfaction is, undoubtedly, linked to the progress of companies in various industries, such as banks, hotels, tourism and ecotourism, and other service companies (Chu, 2002: 54). The formal, in-house training of internal customers is crucial when the company is willing to exceed the expectations of external customers. Jacobson *et al.* (2004: 34) state that satisfied customers are created through loyalty programmes, customers clubs, monetary benefits and social bonds. Customer satisfaction and loyalty is at the heart of organisations' marketing success. As stated by Lee, Graefe and Burns (2007: 465), a number of researchers have attempted to uncover the links between service quality, satisfaction and loyalty. The authors further allude to the existence of a positive relationship among these factors. However, satisfaction is noted as revealing a customer's sense of emotions through response, when assessing the discrepancy between expectations regarding the service and the perception of actual performance (Van Vuuren, Roberts-Lombard and Van Tonder, 2012: 84). The customer first forms expectations based on the needs, values, past expectations and extrinsic cues about the product or service. In the marketing field, the consumer is seen by marketers as more significant than the raw material (Titko and Lace, 2010: 1033).

According to Winter and Ha (2012: 374), the enhanced value perceptions of a customer loyalty programme generated from customised reward offerings, will lead tourists to respond favourably, with respect to satisfaction with the programme and loyalty intention. Marketing managers of tourist destinations should not forget to critically invest in their tourists' satisfaction, whether they are first time or returning visitors. Zins (2001) believes that customer satisfaction

is a key intermediary objective in service operations in service rendering organisations. Satisfaction with a loyalty programme design and benefits represents tourist contentment regarding his/her experiences with the programme (Winter and Ha, 2012: 374).

Improving service quality and establishing higher levels of satisfaction might ultimately increase the number of repeat visitors who are aware of and appreciative of the resorts. According to a report by Hanover Research (2011: 3), consumers are highly influenced by the terminology and perceptions of their significance, compared to others in a loyalty programme. The report further stresses that the status-laden labelling of membership, such as “Gold”, carries much prominence, weight and significance.

In order to ensure the satisfaction of customers, the rewards should offer a personalised incentive or something that a specific customer will want. Kapferer (2005: 2) stresses that highly satisfied tourists frequently defect to the competition because of the global declining trend in customer loyalty in the tourism industry. On the other hand, Fraering and Minor (2013: 335) state that the relationship between satisfaction and loyalty was tested in the research study titled, “*Beyond loyalty: customer satisfaction, loyalty, and fortitude*”. It was discovered that satisfaction demonstrates a moderate relationship between product/service performance and loyalty, whereas, satisfaction was found to affect short-term loyalty more than long-term loyalty. Satisfaction is primarily comprised of cognitive and affective variables.

Schwartz (2012: 1), in the ITSMA Special Report, stresses that tourism organisations and other industries struggle to achieve a clear and precise view of customer satisfaction and loyalty because these programmes are frequently managed separately. Furthermore, when these programmes are integrated, it

will position the organisations, enabling them to act on those perspectives and build a cadre of loyal customers. Coyles and Gokey (2005: 9) argue that customer loyalty alone will hardly achieve the objective of establishing a loyal customer base. Additionally, customer satisfaction alone cannot make a customer loyal and that, merely measuring satisfaction, does not inform an organisation how susceptible its customers are, to changing their expenditures pattern to rivals with a better offering. Customer loyalty and customer satisfaction requires skilled individuals who are fully committed to manage driving the organisation to its destiny. Schwartz (2012: 3) reveals that customer satisfaction and loyalty programmes are not managed to their full capacity, which could be due to a silo problem, as individuals who manage these programmes neither possess the required managerial nor leadership skills to operate these programmes efficiently.

Many tourism and marketing researchers discuss the relationships between customer satisfaction, customer loyalty and profitability of a company (Jamal and Anastasiadou 2009: 398). While tourist loyalty is seen as a direct consequence of a tourist's satisfaction, satisfaction though, is seen as largely influenced by the value of services provided to tourists. Both these concepts are regarded as more of the company's support to its services and result in the customer wishing to develop a long-term relationship with an organisation. Titko and Lace (2010: 1031) stress that customer satisfaction and loyalty are the main components of tourist destinations' success in a market. However, tourists' satisfaction depends on how well services meet customer satisfaction.

Baltic Banking (2009) reveals that the most common and popular index to measure customer satisfaction and loyalty, used in European countries, is called EPSI (European Performance Satisfaction Index) rating. It is further explained that "EPSI is a system to collect, analyse and disseminate information about

image, preferences and perceived quality, as well as loyalty of customers and other stakeholders to commercial entities and other organisations”. Baltic Banking (2009) established a table to showcase customer satisfaction in different countries, according to EPSI:

Table 2.1: Satisfaction of customers by country according to EPSI, 2004-2009

Country	2004	2005	2006	2007	2008	2009
Latvia	72.9	73.7	75.3	78.8	78.1	75.2
Estonia	72.4	72.7	73.5	75.4	75.6	75.4
Lithuania	84.	78.2	80.5	81.3	82.1	78.2
Czech Republic	N/A	69.4	71.6	71.6	69.8	67.8
Denmark	74.0	73.2	74.2	76.2	73.9	68.4
Finland	75.7	75.	74.9	78.2	76.7	77.3
Norway	69.5	71.9	70.0	68.8	69.8	69.4
Sweden	67.8	70.3	71.8	71.3	71.8	72.4
Russian	61.0	63.8	N/A	70.0	75.3	70.6

Source: Baltic Banking (2009)

The table of EPSI ratings (Table 2.1) clearly reflects customer satisfaction rates. This table shows the components, which include image, customer satisfaction, customer perceived service quality, customer perceived product quality, customer perceived value, customer satisfaction, and lastly, customer loyalty. These index values are in the range from 0 to 100, where 100 is the highest possible result, reflecting the highest level of customer satisfaction, with the aforementioned components. Customer loyalty programmes are not new in the

market, however, not much has been written about loyalty programmes in the tourism sector.

2.5 SERVICE QUALITY IN CUSTOMER LOYALTY PROGRAMMES

According to Cameran, Moizer and Pettinicchio (2010: 424), service quality in customer loyalty programmes is well recognised, by both academic and corporate market practitioners, as playing a pivotal role where customer satisfaction and competing in the market place are concerned. Furthermore, quality of service delivery has proved to be a key factor in customer satisfaction. Ou, Shit, Chen and Wang (2011: 195) argue that service quality in customer loyalty programmes enhances customer satisfaction, so that, whenever barriers exist in the relationship between the service provider and customers, a quality loyalty programme reduces dissatisfaction.

Huang and Liu (2010: 3) stress that high service performance in the tourism industry is perceived to be an effective way to improve tourists' satisfaction and enforce loyalty. Service comprises of characteristics, such as intangibility, heterogeneity, simultaneous production, consumption, and lastly, perishability (Zhao, Liu, Bi and Law 2014: 19). Moreover, customer satisfaction is a very powerful retainment element for tourism and hospitality firms. Tourism and hospitality destinations work hard to provide zero-error service, with the aim of enhancing tourist satisfaction and developing long-term customer relationship. However, after all has been said and done, even prestigious tourism companies find it difficult to avoid 'defaults' completely. Thus, this has resulted in many tourist destinations adopting a service recovery strategy for tourists' retention and healthy, long-term, relationship building.

Customer satisfaction with a specific transaction is a variable factor that can clearly reveal how the firm is performing in that particular service delivery (Zhao

et al. 2014: 19). Added to this, Wen and Chi (2013: 307) stress that the more excellent the satisfaction derived from services provided by the service rendering firm, the greater the trust and loyalty of the tourists to that destination, along with tourists' willingness to maintain emotional commitment to the firm's services. Customer loyalty programmes rely heavily on customer satisfying service, for it to be able to perform effectively.

2.6 THE HISTORY OF THE CUSTOMER LOYALTY PROGRAMME

Although the date when these programmes originated differs, the earliest use of a customer loyalty programme can be traced back to 1896, when green post stamps were introduced by a United States (US) company, Sperry & Hutchinson, with the stamps to be collected by customers, number of stamps dependent on purchase volume and exchanged for reward, once the required number had been collected (Lacey and Sneath 2006: 459). By the 1960s, the same US organisation had established a rewards catalogue and issued three times as many stamps as the U.S. Postal Service. After stamp reward programmes decreased in popularity, a variety of programmes appeared in the marketplace. According to Notte (2010: 1), the most commonly-cited, first customer loyalty programmes were invented by a grocery store in the 1930`s, which offered stamps to customers, based on the volume of their purchases. Whereas, Berman (2006: 127), and Lacey and Sneath (2006: 399) argue that the first, modern, customer loyalty programme was introduced in 1981, by the American Airline Companies.

The dramatic changes in the tourism and hospitality industry, due to a high technological dynamic, has seen the popularity of loyalty programmes rapidly increase in hotels, car rentals, tour operators, and Game and National Parks in the USA and other well developed countries, in terms of economy (Daukseviciute *et al.* 2011: 528). Additionally, today, the markets of North

America, the United Kingdom, and Austria are well-known as being the most mature, in terms of customer loyalty programmes.

As stated by Frequent Fliers (2014), the first customer loyalty programmes were introduced in the form of frequent-flyer programmes (FFPs), namely Raleigh cigarette coupons and S&H Green Stamps. The main purpose or idea of these programmes, was to encourage repeat business by rewarding customers for their loyalty to the companies. It is indicated that Green Stamps were pasted into books, and the books, once filled, could be redeemed for various types of merchandise. Customers were rewarded based on the number of purchases. In May 1981, American Airlines, abbreviated as (AA), introduced AAdvantage, the first FFP. The goal: Retain AA's most frequent customers by rewarding them for their loyalty. It is significant that FFPs originated with AA; a company that was and still is, an industry leader in both marketing and computer systems (Frequent Fliers, 2014).

Frequent Fliers (2014) reveals that, late in the same year, 1981, both Delta and TWA introduced their programmes, creating the critical mass necessary to make FFPs a necessary element in any and all airlines' marketing arsenals. At the initial stage, hotels were partners in the airline programs. However, as they discovered the power of FFPs, and the costs of participating in the airline-hosted programmes, they naturally considered launching their own 'frequent-stay' programmes. In January 1983, the Holiday Inn group of hotels became the first to launch its own programme, while Marriott hotels adopted these programmes, with its Honoured Guest Awards programme, in November 1983. In 1987, the National Rental Car Company introduced the first car-rental programme in the market, the Emerald Club, to maintain relationships with loyal customers. Subsequently, in today's marketplace, FFPs and loyalty programmes are, generally, everywhere and are well-applied by various companies, worldwide.

The history behind customer loyalty programmes proves that these programmes are common, but not new.

2.6.1 Customer loyalty programmes

This section will give an in-depth knowledge of customer loyalty programmes as it is the crux of the study. Lacey *et al.* (2007: 84) stress that the practice of investing in customer loyalty programme marketing has gained attention and has recently become a significant driver of company success, with the purpose of building and cultivating long-term, positive attitudes and behaviours among valuable customers. Loyalty programme marketing is increasingly being employed by various organisations in the tourism industry.

Hanover Research (2011: 6) emphasises that customer loyalty programmes seek three outcomes which are set out as follow:

- I. To enhance and revitalise the overall value-proposition of the product or service;
- II. To encourage retention of consumers to the business product or service;
- III. And lastly, to support other aspects of the firms offensive and defensive marketing strategies (Hanover Research 2011: 6).

Customer loyalty programmes are held by Sharp and Sharp (1997: 475), to refer to marketing efforts that reward and therefore, encourage loyal customer behaviour, in order to enhance the profitability of stable customer relationships. This means that, customer loyalty programmes allow travel and tourism industries, particularly e-Markets and other tourism companies, to create a long-term relationship with their customers. In support of the above interpretation, Hu, Huang and Chen (2010: 129) argue that loyalty programmes are defined as a supplier`s structural effort that provides customers with loyalty incentives, such

as points redeemable for prizes or discounts, to increase customers' attitudinal and behavioural commitment to the supplier's market offering. Loyalty programmes are also defined as the marketing strategy designed by tourist destinations' marketing managers, with the aim of building customer loyalty and increasing profits, through providing incentives to valuable customers (Yi and Jeon 2003: 372).

Mukerjee (2012: 113) stresses that customer loyalty is a crucial factor that decides the future of a company. Loyalty programmes have, consequently, become a critical part of the leisure industry, due to increasing competition in the field and the recognition of the importance of loyal visitors. Tepeci (1999: 226) show that resorts and game parks create customer loyalty programmes to acknowledge tourists for their business and as indication that the resorts are interested in building and maintaining a relationship with them. Palmer (2008: 263) supports these statements, explaining that an important aim of loyalty programmes is to extend a customer's life with a company, thus increasing their lifetime profitability. According to Palmer (2008), it can unfortunately be very difficult to measure the effectiveness of a loyalty programme. Loyalty programmes are, usually, set aside from other forms of marketing promotional tools, due to their long-term nature and deliberate emphasis on preserving customer retention and intensifying purchase frequency (Sharp and Sharp, 1997).

Tourism and Hospitality industries are increasingly deploying loyalty programmes as crucial marketing tools, although there is not much that has been researched concerning them, in the hospitality field. Winter and Ha (2012: 371) assert that designing, developing and implementing customer loyalty programmes are perceived as a vital source of sustainable, competitive advantage for tourism companies in a highly advanced and competitive tourism

market. With the increasing expectations in service quality standards in tourism organisations, such as Airlines, Game Parks, hotels, and so on, tourist retention tools, such as loyalty programmes, have lately become more significant to marketing managers. In this regard, customer satisfaction is seen as the most prominent element when creating customer loyalty. In the hospitality industry, which is highly competitive, a company cannot achieve success without striving hard to achieve and sustain customer satisfaction.

2.6.2 Types of Customer Loyalty Programmes

This part of the literature explains the types of customer loyalty programmes available in market employed by different companies worldwide. Turner (2012: 68) points out that the debate, surrounding the nature and ability of loyalty programmes to create attitudinal loyalty or even behavioural loyalty, which is sustainable with their customers, is open for discussion. Each loyalty programme differs from others, depending on the nature of company interest in that particular programme (Jacobsen *et al.*, 2004). Each company must select its appropriate type of loyalty programme for the particular objective it wants to achieve. According to Fear (2009: 2), there are loyalty programme card designed with the ability and purpose of collecting customer`s personal data, while some do not generate data at all levels. Fear (2009) uses the example of FFPs as loyalty programmes that collect information about airlines` highest spending travellers and rewards those who travel regularly.

Dowling and Uncles (1997: 74) developed four types of Customer Loyalty Programmes, which precisely defines the principles of loyalty programmes:

- I. Discounts;
- II. Stimulation;
- III. Nearness and;

IV. Association.

Two more principles were added by Debelak (2005: 37), in addition to the aforementioned loyalty programmes, and composed the typology of almost all customer loyalty programmes. These types of loyalty programmes are unpacked, with brief explanations, as follow:

- **Evaluation** - provides more products and services than customers are expecting;
- **Rewards** - this type of programme gives awards that are not linked with company products or services, to customers;
- **Partnership** – allows customers to choose the awards from other possible companies;
- **Discounts** - present money for customer use when additional purchases are made;
- **Cooperation** – creates long-lasting relationships with customers, based on mutual benefits;
- **Coalition** - this last loyalty programme is when a company associates with other companies, in order to share information about customers and aim to target new, potential customers (Debelak 2005: 37).

Berman (2006: 125) established a table showing the types of customer loyalty programmes, with explanations of characteristics, advantages and shortages.

Table 2.2: Types of Customer Loyalty Programmes

Programme Types	Programmes characteristics/advantages and disadvantages
<p>Loyalty Programme Type</p> <p>1. Registered members receive additional discounts.</p>	<p>In this type of loyalty programme, membership is accessible to every customer. All members of the loyalty programme are entitled to discounts, irrespective of purchase history with that specific company or business. Any client is rewarded with the discounts, based on the fact that he/she produces a loyalty programme membership card during the transaction process. The disadvantage of this type of loyalty programme is that incentives are not accumulated specifically based on the loyal behaviour of customers, but rather, focus only on the card holders, which does not necessarily encourage repeat purchases from every customer.</p>
<p>Loyalty Programme Type</p> <p>2. Loyalty programme holders are rewarded with free products or services.</p>	<p>The membership is accessible to all customers of that particular company. The does not access or depend on the database that reflects the purchasing history of the customers. Consumers who hold membership receive incentives or are rewarded with free products or services, given the fact that they have purchased and reached the required amount. This type of loyalty programme is commonly controlled by customers, based on their willingness to be rewarded, with the loyalty card scanned at the transaction point. The common disadvantage of this type of loyalty programme is that it is extremely simple for rivals in the market to replicate.</p>
<p>Loyalty Programme Type</p> <p>3. Members receive points based on their buying amount.</p>	<p>In this type of loyalty programme, organisations strive to attract the most willing customers to spend in a more unusual manner. Points are earned based on the post purchases of a customer in that certain organisation or company and the amount of expenditure. The advantage of this loyalty programme, is that it stimulates the purchasing power of customers.</p>

<p>Loyalty Programme Type</p> <p>4. Loyalty programme members are only interested in the rewards.</p>	<p>Based on the company's background history of customer purchases through a database, the marketing managers turn to segment their marketing strategies. Organisations rely heavily on demographic information to segment their strategies according to customers and their purchase history. Incentives are then offered to the deserving group of customers, looking at their points. These programmes are seen as playing a major role and are highly used in the organisation's marketing strategy, as tools. The disadvantage associated with this programme is that it is time-consuming to implement.</p>
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Source: Berman (2006: 125)

The type and nature of loyalty card influences its success in the market (Turner 2012: 69). It is found that customers often look for a sophisticated and differentiated rewards programme, thus, it is not enough for the loyalty programme to be an instrument to incentivise (Capizzi and Ferguson, 2005: 73). More imperative is measuring the effectiveness of each type of customer loyalty programme the organisation is opting to employ, in its strategic force of gaining market share. Marketing managers or practitioners need to review the simplicity of employing a loyalty programme, not forgetting to avoid its being easily replicable to competitors in the market.

Laskarin (2013: 121) developed a table reflecting loyalty programmes by types of guests visiting different tourist destinations. The need for tourist organisations to pay detailed, yet holistic attention to different types of guests or tourists' needs, wants and preferences are set out in Table 2.3.

Table 2.3: Loyalty Programme by types of guests visiting tourists destinations

Guest Type	Characteristics
Individual Guest	The marketing team of the tourist destinations need to find out more about background knowledge of each individual needs, wants and preferences. This requires a company to keep data base of their guests. By so doing, tourist destinations are able to segment their marketing strategies based on specific individuals' needs and expectations. This is a very vital strategy of managing a loyalty programme
Allotment Guest	The allotments guests/tourists who visit the tourist destinations or hotels through travel agencies and tour operators. These types of tourists normally pay very little money and usually group themselves with the aim of saving. It is common for tourist destinations not to take them as seriously as other tourists. The organisations that operate loyalty programmes need to make arrangements for their packages, rather than underestimating them and doubting their loyalty.
Group Guests	Group guests/tourists are quite similar to allotment guests. They also travel in groups that contribute to them paying very little money, compared to the individual guests to a tourist destination. Another

	<p>commonality is that their loyalty with the company remains doubtful, in relation to individual guests. This demands that marketing managers of tourist companies think critically about how to arrange group packages in their loyalty programmes. They need to motivate them with the loyalty programmes incentives designed specifically for group visits.</p>
<p>Business Guest</p>	<p>This type of tourist differ totally in their expectations from the above, discussed guests. It is very significant for the tourist destination marketer to take research survey comments into consideration when designing their loyalty programme incentive packages. This type of guest usually spends more money on their holidays; provided their needs are met.</p>

Source: Laskarin (2013: 121)

In conclusion to the above table discussion of types of guests, it is crucial for the tourist destinations marketers to take into consideration the different buying behaviours of their visitors in order to design packages accordingly. The characteristics of the individual guests require the extra attention to each visitor by the destination marketer in order to be able to tailor make their services to meet and exceed their expectations. This could be easily done through keeping the data base records. The allotment and group guests requires the tourist destination marketers to design huge tourists packages based on the affordability of that certain group, rather than underestimating them. The business guest requires a first class designed packages with highest quality service delivery because their willingness to spend.

2.7 BENEFITS OF EMPLOYING CUSTOMER LOYALTY PROGRAMMES

The benefits and incentives associated with customer loyalty programmes are hereby discussed in this section. According to Meyer-Waarden (2008, cited in Kim, Vogt and Knutson, 2011: 1), the purchasing behaviour of non-members and members of customer loyalty programmes are totally different from each other. In addition, customer loyalty programmes are perceived by other academic researchers, customers, and authors, as having numerous advantages to both customers and companies that adopt a key strategy of prolonging relationships with customers. As the hospitality and tourism market has become more competitive and technologically advanced, various companies within the industry have recognised the importance of returning, current tourists/visitors and some have opted to initiate a number of activities and rewards to improve customer loyalty.

The rewards linked with customer loyalty are, according to McMullan and Gilmore (2008: 1084), realised and acknowledged within the tourism and hospitality industry. These benefits include lower costs for returning, existing tourists, rather than constantly recruiting new ones, especially within mature, competitive markets. It is well known that long-term customers are more likely to expand their relationship within the product range. Singh, Jain and Krishnan (2008: 527) agree, stressing that companies today are more interested in returning, current customers, as they generate higher added value by maximising market share, income, profit and by accelerating business development and improving the organisation's image in the market.

These programmes offer consumers broad and extensive benefits, both 'hard' and 'soft', so that they end-up being regular customers and increase their purchasing power to the advantage of the company (Gable, Fiorito and Topol, 2006: 36). Today, nearly all industries, including retailers, hotels, car hire,

National Parks, resorts and others have chosen to employ customer loyalty programmes as a major marketing tool to maintain a competition edge.

Uncles *et al* (2003: 303) argue that:

“Loyalty programmes can be seen as vehicles to increase single-brand loyalty, decrease price sensitivity, induce greater consumer resistance to counter offers or counter arguments, dampen the desire to consider alternative brands and attract a larger pool of customers”.

The parks, which fall under one roof of EKZNW are deemed to have reaped benefits of applying customer loyalty programmes, such as Rhino Card. The key to measuring the influence of loyalty programmes is that they operate as dynamic incentive schemes, by providing benefits based on cumulative purchasing, over time (Lewis, 2004: 281).

It is held by Gomez *et al.*, (2006: 389) that the increase in the number of contacts between both parties (consumer and company) participating in loyalty programs, leads to an improvement in customer knowledge, which translates into an increase in consumer trust and commitment to the organisation, whether a service or production organisation. Schultz and Bailey (2000: 47) state, on the one hand, that marketers essentially use the higher level of benefits achieved through loyalty programmes, as compensation to customers who share personal information. Loyalty schemes are meant to offer mutual benefits to both parties partaking in them; firms and its loyal customers.

On the other hand, researchers divide loyalty programmes based on classes. Gaughan and Ferguson (2005: 2) opted to divide the benefits of customer loyalty programmes for consumers into two broad classes, which are hard benefits (rewards) and soft benefits (recognition). Hard benefits consist mainly of

rewards, which may include upgrades, along with other perks, such as earning miles/points towards rewards at enhanced rates.

In support of the above authors, Lacey *et al.* (2007: 242) demonstrate that a higher level of preferential treatment, in terms of hard benefits, can result in an increase in future purchases. Soft benefits include special privileges, such as restricted check-in counters, priority on waitlists and individually-tailored communications. The most prominent aspect of soft benefits is that they are intended to make firms' best customers feel special and give them a sense of elevated status. Furthermore, Dreze and Nunes (2008: 892) stress that loyalty programmes offer diverse rewards, ranging from tangibles to intangibles. Some examples of tangibles are: special discounts; upgrade after accumulated purchases; priority in sales; and/or priority check-in for travel, whereas intangibles include: the pursuit of luxury; feeling of superiority; and lastly, preferential treatment.

Hospitality and tourism marketing managers have acquainted themselves with the fact that status is more important than anything with tourists when making buying decisions. Jens and Lal (2014: 3) stress that several companies in travel and tourism, and other service businesses, reward regular users by bestowing a status that allows them the privilege of high-value services. They further support this, with the example of British Airways, which allows Executive Club members the privilege of access to airport lounges globally. Additionally, there is even a higher class of lounge facilities for an even more regular traveller, in the first class section. This is not only limited to the airline companies, as even in hotels, better rooms and other high class facilities are offered to regular visitors.

The reward of repeat purchases is stressed by Dreze and Nunes (2008: 891) as one of the most common and primary purposes of customer loyalty

programmes. Nevertheless, a variety of customer loyalty programmes are found to involve more than simple payoffs to customers who make multiple purchases; they are designed mainly to provide less obviously contingent benefits to the firm's best customers. Companies today are more interested in retaining current customers, as they generate higher added value by accelerating market share, income, profit and by hastening business development and improving the organisation's image in the market (Singh *et al.* 2008: 527).

According to a report (Hanover Research 2011: 3), customer loyalty programmes should provide targeted, long-term goals and awards, rather than just immediate satisfaction. The compensation of the loyalty programme of tourist destinations should rely heavily on the satisfaction of tourists, as customers, with the service provided. Jens and Lal (2014:1) state that the adoption of loyalty programmes by several resorts is not surprising, as it is a convenient mechanism of meaningful differentiation from others. Furthermore, a loyalty programme has an additional advantage of being quick to establish, making the threat of price wars from competing companies less reliable.

Priebtasch and Mcyfeeley (2011) suggest specific business strategies that are applied by some successful, engineering company, customer loyalty programmes. These business strategies have been advantageous and brought a number of benefits to businesses:

- **Provide Transactional rewards with few or no obstacles:** when companies solicit consumers to complete an action beyond the transaction, in order to gain credit in a loyalty programme, distance is placed between the positive emotion elicited by the reward and the action of purchasing an item or experience.

- **Reward customers for findings new patrons:** There should be a sophisticated way of incentivising customers for spreading the word among their peers or friends.
- **Advertise the programme effectively:** Social media tools should be used, along with highly trained sales representatives, and traditional signage, to develop strong relationships with customers and ensure they are informed of every single new offering.
- **Provide meaningful rewards options:** Customers are provided with a variety of ways to apply for a customer loyalty programme. It is important to remember to clearly define programme goals, with a clear set of logical steps toward these goals (Priebtasch and Mcyfeeley 2011).

These business strategies are provided by Priebtasch and Mcyfeeley (2011) to assist companies with their adoption, so as to ensure strong relationships with customers, with the customer loyalty programmes being of mutual benefit to both customers and firms. Dreze and Nunes (2006) support this, by stressing that customer loyalty programmes need to be designed to provide differentiated products and services to customers on the basis of their purchasing patterns and profitability. McMullan and Gilmore (2008: 1084) reveal that repeat or behavioural loyal customers are thought to act as information channels, by informally sharing their experiences with their peers, friends, relatives and other potential customers of that specific company.

Loyalty programmes hold a number of advantages for different tourist destinations; dependent on how that particular tourism organisation applies that specific loyalty programme and how the organisation responds to tourists' needs.

Laskarin (2013: 109) established a table with different advantages of loyalty programmes in tourist destinations, which are slightly different from those already discussed.

Table 2.4: Six Advantages of Loyalty Programmes in Tourist Destinations

Feature	Description
1. Individuality	All travellers wish to be included in the loyalty programme of a certain hotel, National Park, Airline company, etc. However, this depends on how the company operates its loyalty programme to appeal to individual guests. The marketing and promotion tools of the loyalty programme are vital in setting the company above the rest in the marketplace.
2. Competitiveness	Tourist destination loyalty programmes must offer an undeniable reason as to why a guest/traveller should opt to join it, as opposed to other programmes offered by rivals. The benefits associated with the loyalty programme must be easy to explain to external customers (guests) by internal customers (employees). It must be designed in a sense that makes it much easier to remember.
3. Interesting	The loyalty programme must be designed to impress and interest the guest because the hotel or destination has limited time to express its capacity.
4. Effectiveness	A loyalty programme for a tourist destination should offer true value-adding to guests/travellers.
5. Flexibility	Programme rewards must be made easily redeemable and offer a wide variety of ways to guests. Basically, loyalty programmes should offer more service options to a guest, for satisfaction purposes.

6. Promotability	The loyalty programme of a tourist destination is bound to have a unique name that stands out to targeted guests. Internal customers must have a thorough knowledge of the programme, in order to disseminate meaningful information to external customers.
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Source: Laskarin (2013: 121)

The above table stresses the important advantages of a tourist destination is stressed in Table 2.4, along with ways to apply them accordingly, in order to be beneficial to an organisation. The tourist organisation that applies the Laskarin advice (Table 2.4) should retain and maintain good relationships with their guests.

2.8 CHALLENGES OF CUSTOMER LOYALTY PROGRAMMES

According to the researchers' observation, complaints and negative perspectives of customer loyalty programmes have been made for nearly all industries. Zamora (2005, cited in Campon *et al.*, 2013: 16) reveals that loyalty programmes in the tourism sector have been poorly studied, therefore, many outstanding questions exist regarding how to maintain these particular, existing programmes for tourist relationship with firms. Liu (2007: 19) argues that loyalty programmes do not necessarily foster loyalty and are not cost effective. Additionally, the proliferation of loyalty programmes is, according to Liu (2007), merely hype or a "me-too" scheme.

It is, nonetheless, vital for national parks' marketing managers to consider that the primary aim of a loyalty programme is to foster the tourists' loyalty, in order to retain them as customers. Stauss *et al.* (2005:231) point out that Customer Relationship Management (CRM) activities use certain instruments of customer retention, with negative effects to customer commitment; this turns out to be problematic for customers at a personal level. Customer loyalty programmes

that are not properly researched prior to their introduction could become a setback to a company, in the long run.

Jens and Lal (2014: 5) state that customer loyalty programmes can negatively influence the consumer's price perception of companies. However, the authors further stress that the negative price image is a myth because it does not distinguish between highly valued, loyal consumers and less valued 'switchers'. Some customers who spend less, such as lower-income consumers, may feel less important in the type of loyalty programmes that reward customers based on purchasing power. Petrick and Sirakaya (2004: 472) mention that another key challenge for marketing managers of various companies, in managing the loyalty programmes, is to understand and use the information they receive.

The type of loyalty programme known as 'discount' programmes, have been highly criticised by many researchers, who believe it only offers a discount, rather than developing customer loyalty (Daukseviciute *et al.* 2011: 533). Individuals who have invested in this type of loyalty programme highlight that it ignores the primary purpose of customer loyalty programmes.

Gudonaviciene and Rutelione (2009: 397) state that customer loyalty programmes are not the universal tool or solution with which to solve all business problems, even when programmes are employed without preparing proper tasks. Furthermore, a huge danger of loyalty programmes is that consumers may often feel dissatisfied, when their interactions with the firms are inconsistent with their perceived expectations of services. This poses a serious challenge to the organisation that offers customer loyalty programmes.

Lacey and Sneath (2006: 462) point out that customer loyalty programmes are faced with increasing pressure concerning their use as a facilitator of specific

customer information. In addition, there is the potential to discriminate against non-member customers because of greater marketing resources allocations that are shifted toward selective customers, who are programme card holders.

According to Tierney (2015), two huge barriers facing customer loyalty programmes are, firstly, that there are not enough tourists joining the programme and secondly, poor contact data. Additionally, without enough tourists signing up, it is very challenging to engage tourists with messages and coupons that will drive additional revenue to the programme.

A research paper by SAS and Loyalty 360 (2012: 7) states that, with the treasure trove of customer information stemming from most loyalty programmes, businesses have, by and large, failed to maximise the use of their customer intelligence. The paper further alludes that businesses struggle with the overall issue of customer data complexity and quality, in relation to their loyalty programmes. This shows that many loyalty programmes are, quite literally, detached from the overall customer experience and lifecycle. Morais, Dorsch and Bachman (2004: 2350), in their own theory, reveal that there is a high instance of failed effectiveness, by many loyalty programmes, in developing an attachment between the customer and the company's services. This poses a wake-up call to the EKZNW and other organisations in the tourism industry, to critically scrutinise the effectiveness of customer loyalty programmes, prior to the process and the decision of employing it.

Furthermore, many organisations are not achieving their set goals of instituting customer loyalty programmes because they lack necessary tools, technology and infrastructure, for an effective customer information strategy (SAS and Loyalty 360 Research Paper, 2012:7). This lessens the probability of the loyalty programme being effective for the company and its customers. Without having a

holistic view of the customer to guide loyalty programme development and execution, it is easy to see why so many programmes are faced with poor performance. However, the report further gives insight to why loyalty programme members are dissatisfied with the programmes, the most common complaint being that they believe their membership should offer more value, in comparison to what has been provided (SAS and Loyalty 360 Research Paper, 2012:7). It is of paramount importance that the effectiveness of customer loyalty programmes is measured in the marketplace.

2.9 MEASURING THE EFFECTIVENESS OF CUSTOMER LOYALTY PROGRAMMES

This section of the literature will explain the effectiveness of customer loyalty programmes, based on the secondary sources. Any initiative or strategy the company adopts, needs to have its success, towards achieving the organisation's goals and objectives, assessed. McEachern (2014) stresses that the loyalty programme is effective only when the company's target market and potential target market are aware of it. Companies need to promote their loyalty programmes across their locations to increase visibility and enrolment.

According to Palmer (2008: 263), the tangible reason why it is so difficult to measure the effectiveness of loyalty programmes, is due to the fact that the main benefits to a company is the data that these programmes can give them. The effectiveness of customer loyalty programmes is of paramount importance and an imperative issue to be critically and strategically analysed by marketing managers of EKZNW resorts, before employing it as their marketing tool. Palmer (2011: 205), in support of the above point, highlights that, unfortunately, it can be very problematic and stressful to assess the effectiveness of a company's

loyalty scheme. It is imperative, therefore, that EKZNW marketing managers assess whether their customer loyalty programme will retain tourists or not?

On the other hand, it is stressed that customer loyalty programmes challenge to change customer's choice from operating in a spot market, to operating in a multi-period contractual relationship market of that certain organisation (Dowling and Uncles 1997: 72). It is the responsibility of an organisation's marketers to challenge the customer's choice in the market. Hanover Research (2011: 9) argues that all the customer loyalty schemes provide is delayed gratification, whereas the reward structure can be somewhat flexible. In any marketing strategy an organisation implements, there needs to be a systematic method to measure its marketing success in the market.

Peiguss (2012) states that customer loyalty programmes should escalate customer satisfaction, which would lead to customer retention to the organisation's service. The author suggests measuring methods to validate the effectiveness of a loyalty programme initiative:

- **Customer Retention Rate:** This metric is the evidence that customers are happy with the company's services. They show this through staying with that particular business as loyal customers for a while.
- **Negative Churn:** Churn is the method rate where consumers opt to leave the company; negative churn, however, is a measurement of customers who do the opposite, either by upgrading, or purchasing additional services. These help to offset the natural churn that goes on in most businesses. It depends on the nature of the company and loyalty programme, particularly when the company opts for a tiered loyalty programme; this is an important metric to measure the effectiveness of the programme.

- **Net Promoter Score:** NPS is a customer satisfaction metric that measures, on a scale of 1-10, the degree to which people would recommend your company to others. It must be noted that NPS is calculated by subtracting the percentage of detractors (customers who would not recommend your product), from the percentage of promoters (customers who would recommend you). One way for an organisation to improve its NPS, is to create benchmarks; measure customer loyalty over time, and calculate the effects of the loyalty programme. Marketers need to note that a greater NPS score is over 70 percent of the organisation's loyalty programme and this can aid it to achieve the set goals.
- **Customer Effort Score:** This measures by questioning customers, "How much effort did you personally have to put forth to solve a problem with the company?" Some companies are vying for this metric over NPS because it measures actual experience, rather than the emotional delight of the customer (Peiguss, 2012).

The aforementioned measuring methods of effectiveness of loyalty programmes are designed for different companies in various industries. The SAS and Loyalty 360 Research Paper (k2012: 3) suggests that measurement of loyalty and retention programme effectiveness is imperative at all levels of loyalty programmes. A report by The Logic Group (2013: 3) stresses that the organisation's marketers need to consider where the benefits of a customer loyalty programme comes from, because an understanding of this helps to identify why the fundamentals of programme design are so essential. Furthermore, most of the benefits are generated through creating incremental changes in customer behaviour.

It needs to be fully emphasised that, in any marketing strategy the production/service company implements, there needs to be a systemic way to measure its marketing success, as asserted above. According to Peiguss (2012), loyalty programmes should increase customer happiness and lead to retention. In addition, there are methods to measure these programmes, depending on the nature of the company.

Titko and Lace (2010: 1033) emphasizes, on the point of a NPS measuring method, by asserting that it allows the categorising of customers into three groups, based on their willingness to recommend a company or product to a friend or colleague (using a 0- to-10 point rating scale):

- I. Promoters (score-9-10) are loyal enthusiasts who will keep buying and refer others, fuelling growth.
- II. Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- III. Detractors (score 0-6) are unhappy customers who can damage a brand and impede growth through negative word-of-mouth (Titko and Lace 2010: 1033).

As reported by The Logic Group (2013: 4), loyalty uplift components can be categorised into: engagement uplift and incentive uplift. The engagement uplift is explained as “the increment revenue earned from engaged members of the programme, those members that behave differently because the programme provides them with value in return for their loyal behavior”.

On the other hand, the incentive uplift is explained as “the incremental revenue earned as members change their behavior to attain a reward. The key variable here is the reward distance – the gap between a member’s current reward

balance and the total needed to obtain the desired reward”. Good loyalty programmes provide many advantages for both the company and its customers.

Berman (2006: 133) suggests 10 steps of developing, implementing, and controlling an effective loyalty programme. These are illustrated in a form of structure, as follows:



Figure 2.8: Steps in developing, implementing and controlling an effective loyalty programme

Source: Berman (2006: 133)

These steps, of developing, implementing and controlling an effective loyalty programme are most appropriate for type 3 (*members receive points based on their buying amount*) and type 4 (*loyalty programme members are only interested in the rewards*) of the programmes. When marketing managers adopt the aforementioned steps, it is crucial to note that loyalty programme objectives can be based on revenues, profits, customer loyalty, and increased information on consumers. The well-known, specific, loyalty programme objectives are to increase membership, member purchases, purchase frequency and member profitability, while reducing member attrition, and generating a satisfactory return on loyalty programme investment, during which valuable market research data are received (Berman, 2006: 133).

In addressing the budget, a customer loyalty programme budget needs to show expenses, including initial and ongoing promotional expenses (costs of community with members), IT hardware and hardware servicing costs, database creation and maintenance expenses, as well as loyalty magazines' editorial and production costs, in addition to direct costs of loyalty rewards, and fulfilment function expenses. The proper selection of the customer loyalty programme incentives will always remain at the heart of the loyalty of tourists to the company. The tourist destinations marketing managers must design loyalty programme rewards to attract the visitors. The loyalty programme data base need to be developed, and be always up to date for the tourists follow up purposes. The organization marketers need to regularly evaluate the success and the failures of their customer loyalty programme. Furthermore, by so doing, this will help pointing out the impediments that hinder the success of the loyalty programme and improve where it necessary (Berman, 2006: 134).

2.10 CONCLUSION

In conclusion, the literature has highlighted the vital points of customer loyalty programmes, including an interpretation of customer loyalty and customer loyalty programmes as concepts, with the aim of acquainting the reader with the current study. The customer loyalty has become a topic of high interest in academia, marketing and the tourism industry. The origin of customer loyalty programmes was traced back to 1896, when green post stamps were introduced by a US company called Sperry & Hutchinson. The benefits of employing customer loyalty programmes, as a vital marketing tool in fighting competition were discussed for EKZNW resorts. The customer loyalty programmes are perceived by other academic researchers, customers, and authors, as having numerous advantages to both customers and companies that adopt a key strategy of prolonging relationships with customers. The customer loyalty programmes can negatively influence the consumer's price perception of companies. However, the authors further stress that the negative price image is a myth because it does not distinguish between highly valued, loyal consumers and less valued 'switchers'. The researcher has not found much literature published concerning customer loyalty programmes in the EKZNW, which acts as an umbrella body of different tourist resorts in KZN.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

In the previous chapter, the literature review offered an in-depth understanding of the literature, gathered from various sources, as to lay ground and support the empirical data of the research study. The literature review produced a conceptual framework, which was set out to give a brief illustration of the sub-topics that will be discussed. The literature review also discussed customer loyalty and the background history of customer loyalty programmes. Lastly, it highlighted the satisfaction concept, benefits and challenges of the customer loyalty programme to customers/tourists and organisations.

This chapter explains the manner in which the research project methodology was designed for data collection and analysis. The target population will be defined, after which the research approach and the chosen sampling methods, together with the sample size for this particular research study, will be discussed. The data collection instruments, pilot testing initiatives and lastly, the ethical consideration will also be presented.

3.2 RESEARCH DESIGN

This section is aimed at highlighting the research design that will be employed in this study. Babbie and Mouton (2009: 74) state that research design is a plan or blueprint to which a researcher intends to conduct research, particularly the data collection section of it. In support of the above author's definition, Mudaly (2013: 44) argues that a research design is a framework or blueprint, for conducting a research study, by specifying the procedures necessary for attaining the required information needed to solve the research problem.

This study adopted a quantitative research approach. McDaniel and Gates (2010: 132) state that a quantitative research approach involves statistical analysis and relies on numerical evidence to draw conclusions or to test hypotheses. Leedy and Omrod (2010: 135) reveal that a quantitative research approach consists of analysing the theory, by stipulating narrow hypotheses and gathering data, in order to support or contradict the hypotheses. A quantitative research approach was employed due to its capability to attain a large number of respondents in a short period of time.

Descriptive research was found relevant and appropriate for this study. Veal (2009: 6) stresses that descriptive research can be described as exploratory, since it discovers areas or activities that have not previously been studied. Thus, it is aimed at describing an existing situation, as much as possible. In support of the above, May (2011: 224) suggests that descriptive research was discovered to be valuable and a valid tool for social research because its aim is particularisation and reflecting a single setting, to inform and add knowledge of a specific topic. In relation to this particular study, it is descriptive in nature, due to the fact there is little research conducted in the field of tourism on customer loyalty programmes within the EKZNW resorts and the National Parks of South Africa at large.

3.2.1 Research Sub-objectives

The main purpose of this research methodology was to achieve the following objectives:

SUB-OBJECTIVE 1: To identify and examine the loyalty programmes mostly used as marketing tools by EKZNW.

SUB-OBJECTIVE 2: To examine the impact these factors have on the customer loyalty programmes of EKZNW.

SUB-OBJECTIVE 3: To identify and suggest different types of Customer Loyalty Programmes that could possibly be used by EKZNW resorts.

SUB-OBJECTIVE 4: To identify factors contributing to the satisfaction of tourists of EKZNW resorts, after being involved in the loyalty programme.

3.2.2 The Research Questions

To achieve the research objectives, the following research questions had to be developed:

RESEARCH QUESTION 1: What type of customer loyalty programmes employed by Ezemvelo KZN Wildlife as a marketing tool?

RESEARCH QUESTION 2: What are factors that contribute to the satisfaction of customers who hold membership of the customer loyalty programmes of EKZNW?

RESEARCH QUESTION 3: What impact and implications do these factors have on the customer loyalty programmes of EKZNW?

RESEARCH QUESTION 4: What are other types of customer loyalty programmes that could be possibly adopted by Ezemvelo KZN Wildlife resorts?

3.3 TARGET POPULATION

Sekaran and Bougie (2013: 240) define a target population as the entire group of people or things that the researcher is intending to draw a sample from for the research study. Bryman and Bell (2007: 176) add that a population in quantitative research is the universe of units in which the sample is selected. For this research study, the target population chosen was the entire database of EKZMW Rhino cardholders. According to the Annual Integrated Report (2011/12) of EKZMW, Ezemvelo manages 114 Protected Areas (PAs), of which 110 are terrestrial and four are coastal integrated and marine reserves. The Annual Report (2011) states that Rhino Club membership has reached 30 395 since its formation. Rhino Club membership is comprised of tourists holding a Rhino card.

3.3.1 Sampling Method

It is explained by Lemmer (2011: 13) that sampling is when a sample is selected from a population. Sample techniques are separated into two different types of sampling methods, namely probability sampling and non-probability sampling. Ligthelm, Martins, Tustin and Van Wyk (2005: 344) define non-probability samples as instances in which the chances (probability) of selecting members from the population in the sample are unknown. Probability sampling is when members in the identified population have a known chance, which is also regarded as nonzero chance, of being selected in the sample for data collection (Sekaran and Bougie 2013: 245). For the purpose of this study, a Non-Probability sampling was used, simply because it is capable of quickly gathering data and it is also representative of the population.

A convenience sampling technique was adopted to recruit EKZMW loyalty programme membership holders as participants for this research study. According to Welman, Kruger and Mitchell (2005: 69), in convenience sampling,

the sample selection process is continued until the researcher reaches the required sample size. The researcher approached EKZNW in-service trainees, who are placed in each selected resort, to conduct the empirical research phase on his behalf. A monetary gain was promised to these research assistants. In the given period of time for this study, it is wise that the researcher used this sampling method, as it is well-recognised as being a timesaver, in addition to also saving in terms of financial expenses.

For the purpose of this research project, one resort was selected from each of the regions in KwaZulu Natal. Each region is comprised of the following EKZNW holidays resorts:

- Pietermaritzburg and Midlands - Midmar Dam and Resort,
- South Coast - Oribi Gorge
- Drakensberg - Didima Resort
- North Coast - Sodwana Bay National Park
- Zululand - Hluhluwe-Imfolozi Game Park (Mpila Resort)
- Zululand - Ithala Game Reserve (Intshondwe Camp)
- Durban Metro - Bluff Nature Reserve
- Elephant Coast - Hluhluwe Game Reserve (Hiltop Camp)

The purpose of selecting one resort from each region, is that the findings are representative of the overall utilisation of a loyalty programme as a marketing tool for EKZNW, in its respective regions. Furthermore, it aids in gaining a wider perspective in this regard.

3.3.2 Sample Size

A sample size of 376 respondents was drawn from a target population of 30 396. Sekaran and Bougie (2013: 68) supports the above by advising a sample size of 379 is drawn from a population of 30 000. Mudaly (2013: 46) mentions

that it is common that the larger the sample size, the better and more reliable the research findings. The following table 3.1 is set out to reflect the exact number of questionnaires to be filled by respondents in the EKZNW holiday resorts as follow:

Table 3.1: Selected Resorts for Data Collection

Regions	EKZNW Holiday Resorts	Tourist Questionnaires
Pietermaritzburg and the Midlands	Midmar Dam and Resort	47
Drakensberg	Didima Nature Resorts	47
North Coast	Sodwana Bay National Park	47
South Coast	Oribi Gorge	47
Zululand	Hluhluwe Imfolozi Park (Mpila Resort)	47
Elephant Coast (Maputoland)	Hluhluwe Game Reserve (Hiltop Camp)	47
Durban Metro	Bluff Nature Reserve	47
Zululand	Ithala Game Reserve (Intshondwe)	47

3.4 MEASURING INSTRUMENTS

3.4.1 Survey Method

There is a great need to understand the definition of a questionnaire before taking any further steps of quantitative research data collection. Thomas (2013: 207) defines a questionnaire as a written form of questioning, with a list of prepared questions/statement. This particular research survey used a questionnaire as measuring instrument. In order to maintain the accuracy of the study findings and attributes, the self-administered questionnaires were

delivered to the respondents, together with a consent letter that solicits them to answer the questions.

The questionnaires in this study are comprised of only closed-ended questions. Bless, Higson-Smith and Sithole (2013: 118) define open-ended questions as questions that leave the participants completely free to express their answers as they wish, as detailed and complex, as long or as short as they feel appropriate. Hence, Thomas (2013: 196) defines closed-ended questions as survey questions that demand a certain response or the respondent is asked to select an answer from among a list of provided answers. The 5 point Likert Scale measurement type of questions, where 1 equals “Strongly Agree,” 3 equals “neutral” and 5 equals “Strongly Disagree”, were included in the questionnaire, as the paramount means to draw significant findings. The questionnaire is shown hereunder, with the aim of giving an example of the questions and how the whole measuring instrument is structured. Following are the questions aimed at assessing the selected loyalty programme members’ understanding of customer loyalty programmes as a marketing tool.

Table 3.2: Example 1 of a questionnaire

Introductory questions regarding Customer Loyalty Programme

As a loyalty programme holder, please indicate the primary reason which drove you to join the Ezemvelo Loyalty Programme	
To get discount prices	1
To get relevant and updated information	2
To have easy access to the resorts` information and facilities	3
To be informed of the special offers in the resorts	4
Just joined the Loyalty Programme which was offered by the Park	5
Other (please specify)	6

For how many years have you been a member of the Ezemvelo KZN Wildlife Rhino	
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club?	
Less than a year	1
One year	2
Two years	3
Three and more	4

How often do you visit Ezemvelo KZN Wildlife resorts a year?	
Once a year	1
Twice a year	2
Three times a year	3
Four times and above a year	4

The following questions were mainly aimed at assessing the loyalty programme holders` benefits from the Rhino Card of EKZNW, as their loyalty programmes.

**Table 3.3: Example 2 of a questionnaire
Benefits of customer loyalty programme questions**

Statement	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
Since I joined the Ezemvelo KZN Wildlife loyalty programme, Rhino card have been very helpful to me.					
Ezemvelo KZN Wildlife Rhino card save me time when getting to the resorts` helpdesks.					
Ezemvelo Loyalty programme, Rhino Card gives me options of last-minute Leatherback discounts.					
I am very happy with the free gate entrance to all parks of Ezemvelo that my loyalty card gives to me.					

The monthly newsletter that I receive because of this loyalty card gives me relevant information about Ezemvelo KZN Wildlife.					
Due to the loyalty card' incentives, I can proudly say that I am a loyal tourist of Ezemvelo.					
I am really satisfied with the services I get through this loyalty programme.					

Therefore, in this study, the empirical data was collected using questionnaires. The questions on the questionnaire were originated from the research questions to answer the objectives of the study. The literature review was also used to construct questions and online information of EKZNW about their customer loyalty programmes (Rhino card club). The reliability of these questionnaires was ensured by the pilot testing and they are explained further on the pilot testing section 3.8 below.

3.5 RESPONDENT RECRUITMENT

In attending the issue of respondent recruitment procedures, an email, with the summary information and abstract of the study proposal, was sent to the Marketing and Rhino Card Department of the EKZNW Head Office, at Midlands Cascades, to request permission to conduct empirical research with their resort members that hold a loyalty card.

Therefore, the following procedures were followed:

- The researcher travelled to each selected resort with a Gatekeepers letter, received from the Head Office of EKZNW and produced it to each resort manager when seeking permission to conduct data collection at resort level. The researcher and research assistants worked in conjunction, when collecting the data in two of the selected resorts, namely Sodwana Bay

National Park and Hluhluwe Game Reserve (Mpila Resort). The research assistants were at the help desks/Reception of these two resorts, in order to persuade Rhino cardholders' to participate in the research project, by answering the questions in the questionnaires. The receptionists at the resorts' help desks also played a part in the respondents' recruitment process, since Rhino card are generated by them and they assisted with administering the filling of questionnaires and explained where help was requested. In the absence of the researcher, the research assistants were monitored by the receptionists and front desk managers when collecting data in these resorts.

- The researcher collected the questionnaires at the end of the data collection process. The research assistants received a monetary gain of R500 each after completion of the data collection phase.
- The data from the other six resorts was collected by the researcher alone. The EKZNW marketing management booked three nights in each of the remaining resorts, for the researcher to further his research data collection process. The researcher spent this time at the main gates, reception desks and resort restaurants, with the aim of getting Rhino Cardholders to participate.

3.6 DATA COLLECTION

Churchill and Iacobucci (2005:167) state that data collection is an essential part of a problem-solving process. Thus, this part of research is well-known as empirical research, where respondents give in-put into the study by completing questionnaires. The questionnaires were administered to all respondents that participated to this study. The data collection process of this research study relied heavily on the availability of the respondents/Rhino Cardholders who were on holiday at the resorts. This was due to the researcher being unable to access the loyalty programme card holders' database, as EKZNW management's terms

and conditions with its Rhino Card members does not allow the organisation from sharing any personal information of its members with external people. While some of the respondents reserved bookings in advance with the Reservation Office others opted not to.

The questionnaires were distributed by the researcher to each respondent at resort level. Each questionnaire was accompanied by the letter of informed consent, which motivates participation of respondents and highlights the main aim of the research.

3.7 DATA ANALYSIS

The analysis of survey data can be structured into three distinctive stages, which include describing data, statistical inference and lastly, modelling and multivariate analysis (May, 2011: 122). However, this study used descriptive data, whereby sample survey data employed frequency tables, graphs, descriptive statistics and lastly, correlations statistics, in this research data analysis. Asadoorian and Kantarelis (2005: 2) mention that inferential statistics allow the researcher to actually use probability techniques to review collected data, with the aim of understanding the whole target population's perceptions and perspectives.

The empirical data from the collected questionnaires was analysed by the researcher, with the assistance of a well-recognised, professional statistician. A computerised statistical software package (SPSS programme) of data analysis was employed in the process of this particular study's data analysis.

3.8 PILOT TESTING

O'Leary (2014: 206) emphasizes that pilot testing is essential and allows you to test/ pilot questionnaires with a group of respondents that have a similar

background to your actual sample. A pilot testing of this particular study was undertaken with a small sample of respondents (five) from the gate of Spioenkop Royal Nature Reserve. The EKZNW holiday resort where the pilot test was done, was not included in the actual data collection process of this study. It was chosen because of its location, being in one of the KZN Tourism Regions demarcated by Tourism KZN.

An additional a five questionnaires were pilot-tested with professional academics within the Department of Hospitality and Tourism and the Department of Marketing and Retail Management, at Durban University of Technology, as well as Corlo Court Residence Post-Graduate students. In doing so, this acted to avoid/ anticipate any errors or ambiguity in the questionnaire that need to be identified, in order to maintain accuracy, before the actual data collection process. Lastly, the questionnaires were also taken to an academic editor before the actual data collection process resumed.

3.9 DELIMITATIONS

Delimitation refers to the way a researcher sets out the limitations or boundaries of the study (Ask, 2013). This study will focus only on the EKZNW Rhino Card loyalty programme cardholders, not first time visitors.

3.10 LIMITATIONS

Limitations refer to the influences, constraints and conditions that are beyond the researcher`s control. This research study was set out to be conducted with a sample size of 387, out of a population of 30 365, because of time constraints and financial costs involved. Due to the nature of the study and time set out for it, the researcher was compelled to book three nights in each of the selected resorts of EKZNW to complete the data collection phase. The locations for data

collection (the empirical phase) were also too scattered, which resulted in only eight resorts being selected.

Additionally, the researcher could not reach consensus with EKZNW management, in persuading them to make contact details of loyalty programme card holders from the EKZNW data base available, due to the terms and conditions that the organisation has with its Rhino Card members, which prohibits the organisation from sharing any personal information.

3.11 RELIABILITY AND VALIDITY

The data collected from the study is required to be valid and reliable. Reliability and validity are separate concepts, yet they are closely connected, which results in the terminology being applied incorrectly by some researchers (Wagner, Kawulich and Garner, 2012: 80).

Punch (2005: 95) defines reliability as referring to the central concept in measurement. In ensuring the reliability of the findings, the questionnaires were piloted to safeguard that all question items are interpreted by the pilot sample in the same way. Furthermore, a draft of a questionnaire and the informed letter of consent was sent to an academic editor before any further steps were taken concerning data collection. The pilot testing was also done to refine the questions addressed in the questionnaire with an aim of ensuring that the respondents do not encounter unnecessary problems in answering it. The reliability was also ensured by making the sample size to be 376, large enough for reliable data. The questionnaire was revised after the pilot testing revealed a few errors.

Validity concerns the accuracy of the questions asked, the data collected and the explanations offered (Denscombe, 2010: 143). The questionnaires were sent

to selected professional academics, within the Department of Hospitality and Tourism and the Department of Marketing and Retail Management, for proofreading and correspondence with the study objectives, in a form of pilot testing. This was done with the aim of ensuring that the study findings are valid and can be relied on by future researchers and the EKZMW Marketing Team as well. In order to ensure the quality of the study results, the researcher opted to administer the data collection process by handing over the questionnaires directly to the respondents. Only two areas of data collection where the researcher hired the research assistants to help in collecting data, simply because of the distance. The data research report was also taken to the editor for quality assessing process.

3.12 ETHICAL CONSIDERATION

May (2011: 61) states that ethics attempt to establish codes and principles of the researchers' moral behaviour. Respondents were informed of all the terms and conditions related to the completion of questionnaires. The researcher declared that these research results/findings were for his independent work, except where stated. Other sources are acknowledged, giving explicit references. The information and content letter clearly indicates that individual respondents' output/perspectives will remain unknown.

3.12.1 CONFIDENTIALITY AND ANONYMITY

Neuman (1997: 452) explains confidentiality as, when the respondents' personal information may have names attached to it, but the researcher holds it in confidence or keeps it secret from the public, whereas, anonymity is when respondents remain anonymous throughout the academic research study. Participants will remain anonymous throughout this study. The information supplied will be confidential, as the names of respondents will not be published.

The findings were set out to be statistical in nature; hence no personal details of any individual were revealed when compiling the dissertation report. Confidentiality and anonymity was clarified in the letter of consent prior to the completion of the questionnaires and participants had the right to participate or permanently withdraw from the study.

3.13 CONCLUSION

This chapter has managed to explain the research methodology that was employed in the research study. This entailed the research design, target population, sample methods together with sample size, as well as the measurement instrument. Respondent recruitment, data collection and data analysis were discussed, in addition, to pilot testing, delimitations and limitations, confidentiality measurement, reliability and validity, and lastly, ethical consideration.

The empirical data collection of this research project was conducted at eight EKZNW resorts. The sample size of 376 was drawn from the target population of 30 395, with the numbers stated in the EKZNW Annual Report of 2012. The respondents of this research study were explained as loyalty programme members that are Rhino Cardholders of EKZNW. Each selected resort had a target of 47 respondents that were required to complete the surveys.

The following chapter will present the research data analysis and will be presented using graphs, descriptive statistics and appropriate inferential statistics.

CHAPTER FOUR

DATA PRESENTATION

4.1 INTRODUCTION

The previous chapter offered an in-depth understanding of the methodology adopted in this research study. The research design discussed the target population, sampling methods and sampling size, data collection plan and data analysis.

This chapter mainly sets out the analysis of the findings of data collected, presented based on the research questions and research problem, which were addressed in chapter one. The questionnaire of this study was designed with closed-ended questions, addressing the demographic information of respondents at the start. The data of this study are presented with frequency tables and bar graphs.

4.2 PRESENTATION OF RESEARCH DATA

The demographic information of this section consists of the gender, age, race, continent, and income, as well as the Ezemvelo Rhino Cardholders' understanding of customer loyalty programme concepts and are mainly presented using frequency tables and graphs. This study was conducted with a sample size of 376 respondents. In the above mentioned sample size, only 192 respondents participated and completed the questionnaires.

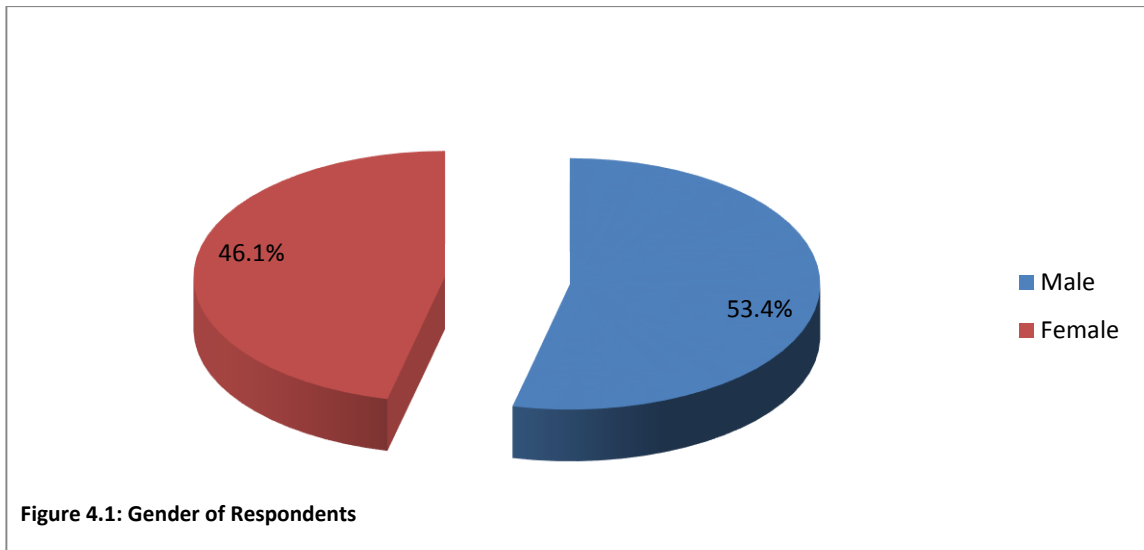
4.2.1 GENDER

This question was asked to identify which gender visits the EKZNW resorts more often and what impact it has. Most organisations' researchers examine this type of question to segment and design their products according to the target

market that is more interested in specific commodities. Table 4.1 and Figure 4.1 illustrate the gender of the study's respondents.

Table 4.1: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	103	53.4	53.6	53.6
	Female	89	46.1	46.4	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



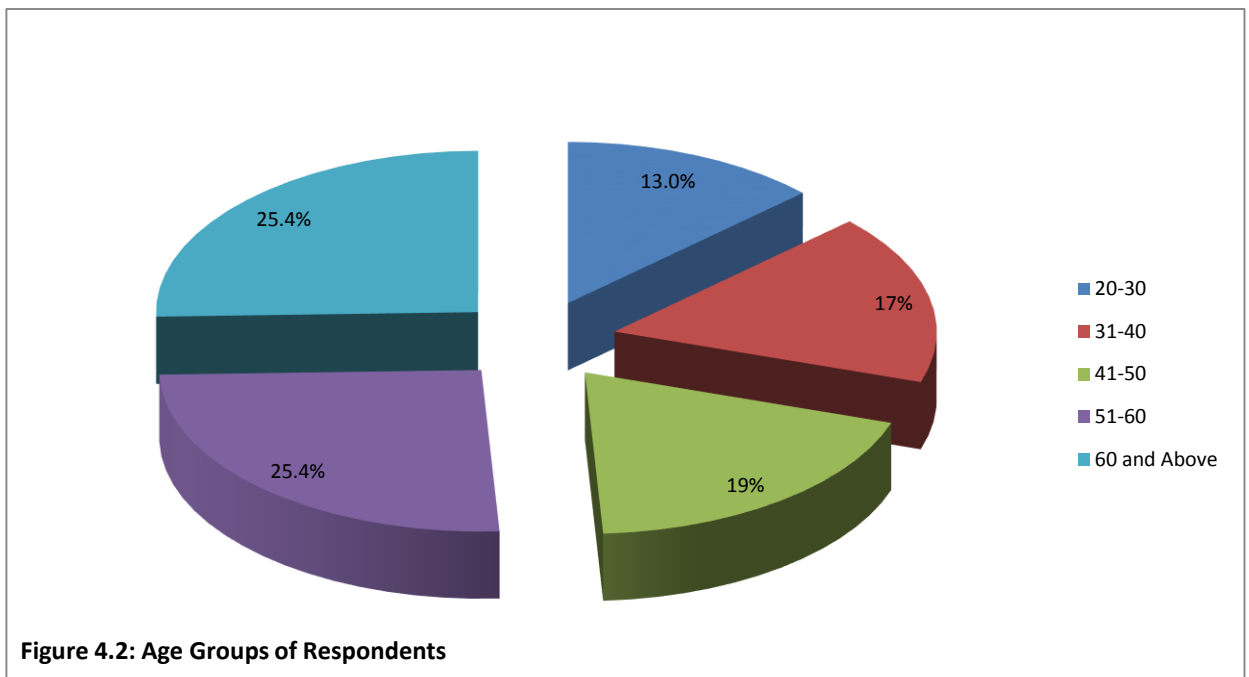
Of the 376 respondents that were given questionnaires to complete, 192 answered, with 46.1 percent of the respondents being female and 53.4 percent male (Table 4.1 and Figure 4.1). This proves that males that hold a Rhino Card are more interested in visiting EKZNW resorts, compared to females. The reasons may range from the activities that they engage in, when they get to these resorts.

4.2.2 Age

Frequency Table 4.2 and Figure 4.2 illustrate the age groups of loyalty programme members of EKZNW that participated in the study.

Table 4.2: Age Groups of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	25	13.0	13.0	13.0
	31-40	32	16.6	16.7	29.7
	41-50	36	18.7	18.8	48.4
	51-60	49	25.4	25.5	74.0
	60	49	25.4	25.5	99.5
	6.00	1	.5	.5	100.0
Total		192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



The majority of the respondents above the age of 51 and older seem to have more time to visit EKZNW resorts with their loyalty program card, compared to younger members (Table 4.2 and Figure 4.2). This may be the result of the fact that people under the age of 51 are still working, whereas the 51 to 60 age group mostly own businesses, while some of them have retired. This is reflected by the percentage figures that illustrate both people from the age group of 51 to 60 and 61 years and above made up 25.4 percent of the respondents, followed by the 41 to 50 year olds at 19 percent, while the 31 to 40 year age group consisted of 17 percent, with lastly, 13.0 percent of the respondents ranging from 20 to 30 years. The significant level for age variable was measured and found to be ($\chi^2=.639$, $df=1.37654$, $P=.034$) which means results were significant (see Appendix 7 and 8).

4.2.3 Race

The race of respondents is shown in Table 4.3 below.

Table 4.3: Race of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African	29	15.0	15.1	15.1
	White	140	72.5	72.9	88.0
	Coloured	6	3.1	3.1	91.1
	Indian/Asian	16	8.3	8.3	99.5
	Other	1	.5	.5	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

This question was asked with the aim of identifying whether any of the ethnic groups are more prevalent as member of the EKZNW loyalty programme. The majority of EKZNW loyalty programme cardholders were found to be White. This

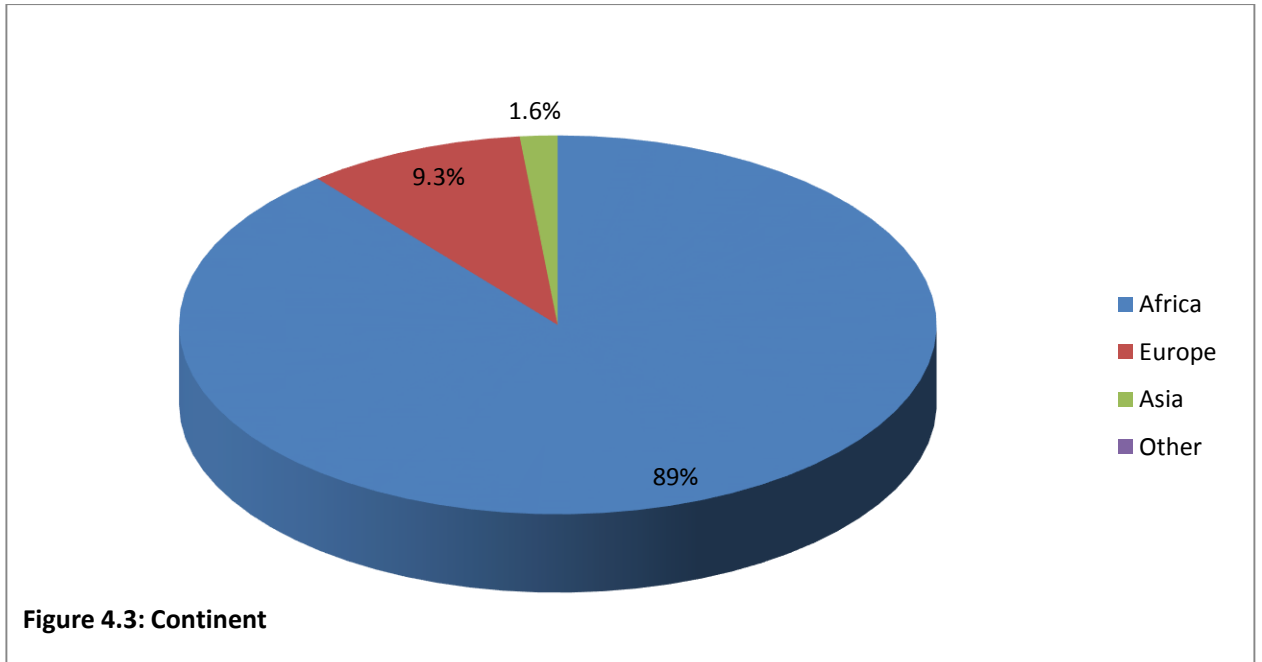
is clearly illustrated (Table 4.3) by the percentages of the data collected, which shows that 72.5 percent of the members that hold loyalty card are White, followed by Africans at 15.0 percent, then Asians with 8.3 percent, 'other' at five percent and lastly, Coloured respondents made up only 3.1 percent of respondents who held a loyalty programme card. This proves that South Africa's tourism industry is still dominated by White people, in relation to other ethnic groups. The significant level for race variable was measured and found to be ($X^2=.933$, $df=.74935$, $p=.006$) which means results were significant (see Appendix 7 and 8).

4.2.4 Continent

In order to establish the home continent of the respondents of this particular research study, the participants were to choose between Africa, Europe, Asia or other (Table 4.4 and Figure 4.3).

Table 4.4: The Home continent of the respondents

		Continent			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Africa	171	88.6	89.1	89.1
	Europe	18	9.3	9.4	98.4
	Asia	3	1.6	1.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



The researcher included this question, in order to identify the home continents of the participants of the study, which are Rhino Card holders. The majority of EKZNW loyalty programme holders were found to live in Africa. Of the 192 respondents of this particular study, 89 percent indicated their continent as Africa. The 9.3 percent that stated they were from Europe could be people who permanently reside in South Africa and regard themselves as Europeans. This could also hold true for the 1.6 percent of respondents that indicated their continent as Asia, with lastly, no other continents were indicated. The findings reveal that loyalty programme members of a tourism destination, such as EKZNW, are more likely to have a local, rather than a foreign target market. The significant level for continent variable was measured and found to be ($X^2=472$, $df=.37598$, $P=.052$) which means results were significant (see Appendix 7 and 8).

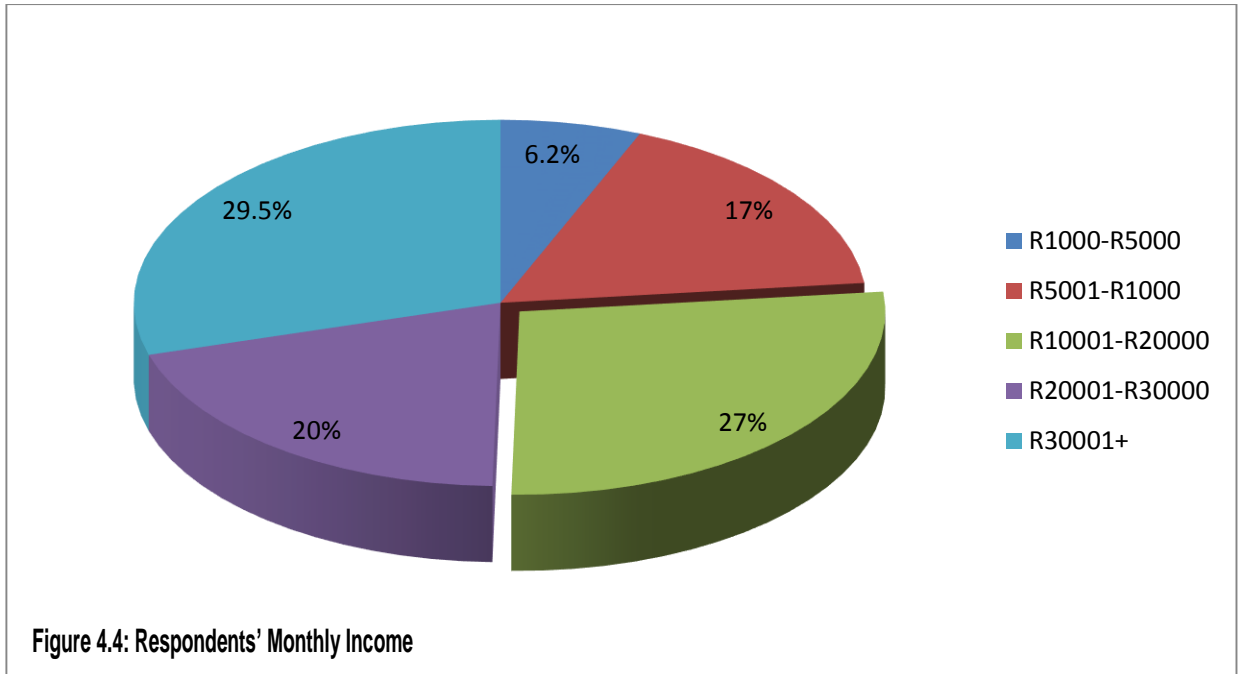
4.2.5 Income

Jens and Lal (2014: 5) show that customers who spend less, such as lower-income consumers, may feel less important in the type of loyalty programmes

that reward customers based on purchasing power. Income is one of the major influences on tourists' decision to join a certain tourist destination loyalty programme. This does not only apply to the tourism industry, but also in other industries, such as food, furniture, etc. The bellow frequency table 4.5 and graph 4.3 proves the aforementioned statement about the income which segment customers. Based on the findings gathered in the empirical phase of the study, it is evident that EKZNW tourists that earn less end-up not joining the Rhino Card loyalty programmes.

Table 4.5: Respondents Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	R1000-R5000	12	6.2	6.3	6.3
	R5001-R10000	32	16.6	16.7	22.9
	R10001-R20000	52	26.9	27.1	50.0
	R20001-R30000	38	19.7	19.8	69.8
	R30001+	57	29.5	29.7	99.5
	6.00	1	.5	.5	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



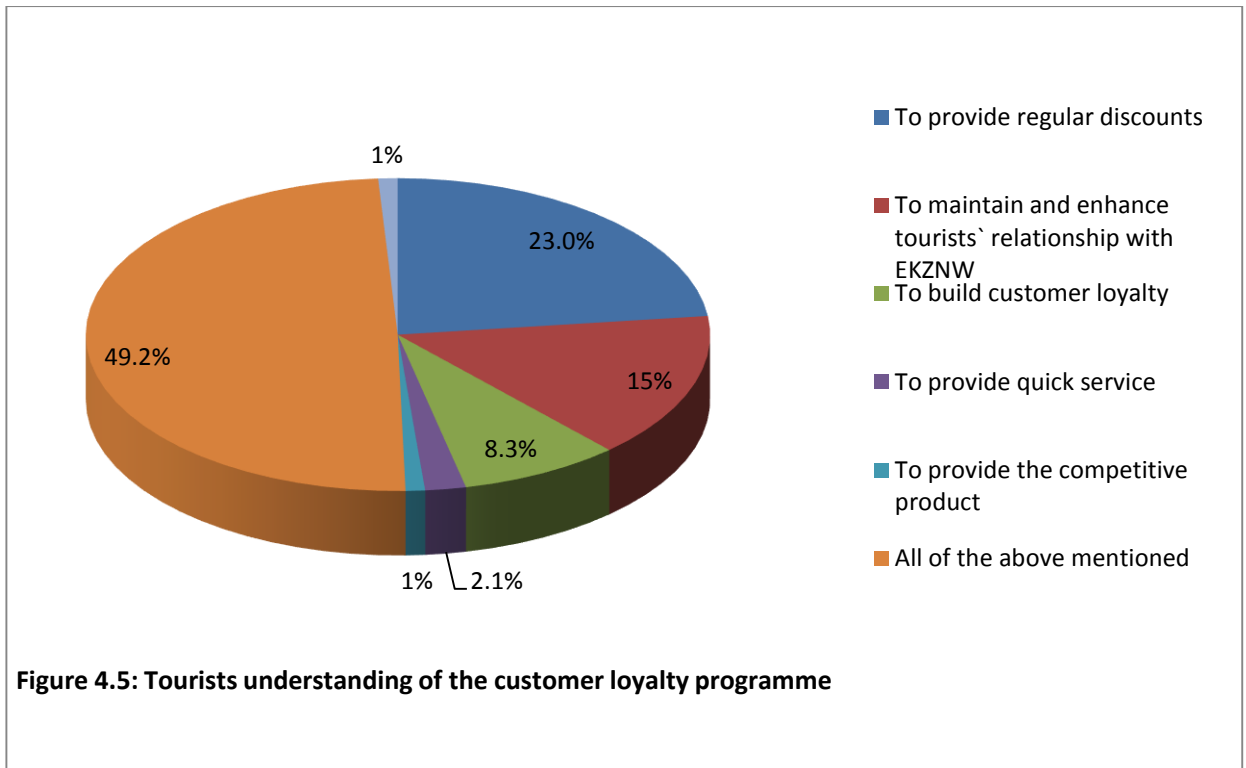
The empirical data of this research study reveal that the majority of the EKZNW customer loyalty programmes are joined mostly by respondents with a high monthly income. Respondents that earn between R30 001 and above are 29 percent of the population, those who earn between R20 001 to R30 000 are 27 percent, followed by those who earn R10 001 to R20 000, which are 20 percent, with the R5 001 to R10 000 category consisting of 17 percent and lastly, R1 000 to R5 000 monthly income earners are only 6.2 percent of the research population. The affordability factor comes into place, showing that members who earn more enjoy having loyalty programmes. The significant level of income variable was measured and found to be ($\chi^2=082$, $df=1.26150$, $P=.258$) which means results were significant (see Appendix 7 and 8).

4.2.6 Tourists' understanding of the aim of a customer loyalty programme

Customer loyalty programmes have, of late, gained attention in the tourism industry because of the power in tourist retention. It is crucial to understand the knowledge of your target market concerning loyalty programmes. Yi and Jeon (2003: 372) stress that loyalty programme are well-known as marketing strategies designed by tourist destinations' marketing managers, with the aim of building customer loyalty and increasing profits, through providing incentives to valuable customers. Frequency Table 4.6 and Figure 4.5 seek to illustrate the level of EKZNW loyalty programme members' understanding of the meaning of having loyalty programmes.

Table 4.6: Understanding of the aim of a customer loyalty programmes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To provide regular discounts	44	22.8	22.9	22.9
	To maintain and enhance tourism	29	15.0	15.1	38.0
	To build customer loyalty	16	8.3	8.3	46.4
	To provide quick service	4	2.1	2.1	48.4
	To provide a competitive product	2	1.0	1.0	49.5
	All of the above	95	49.2	49.5	99.0
	Other	2	1.0	1.0	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



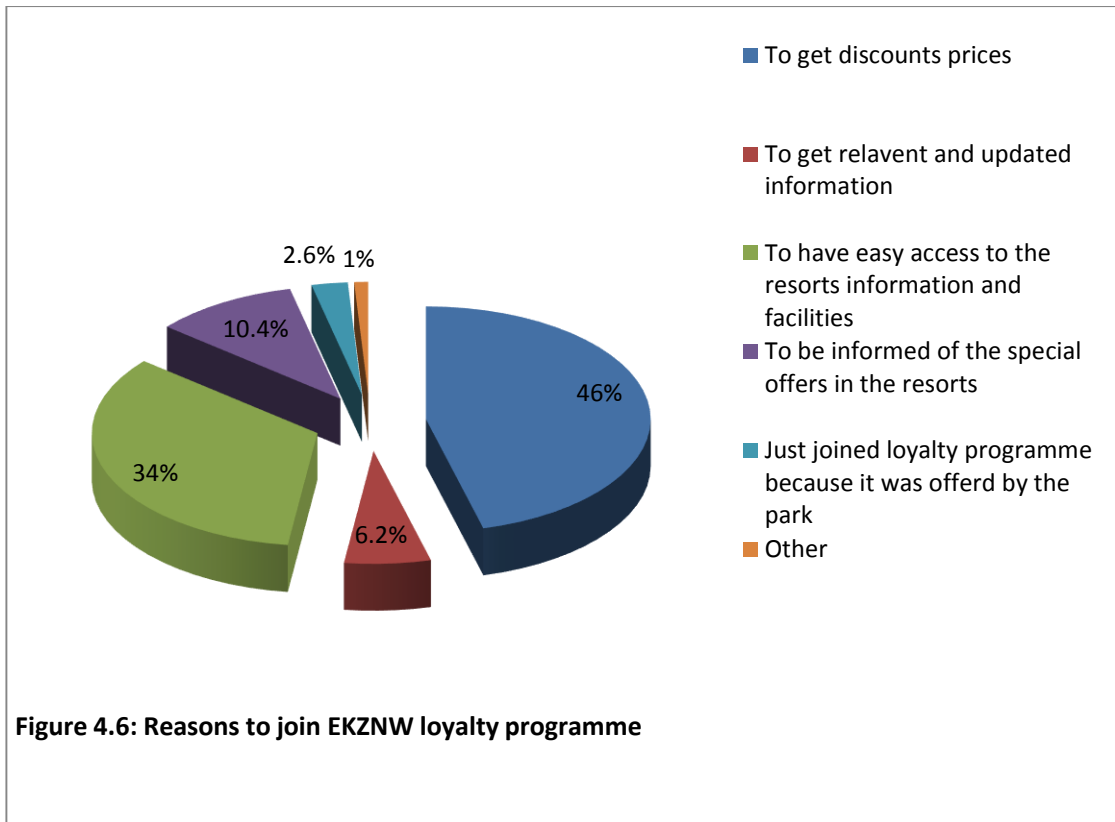
Most loyalty programme members of EKZMW's Rhino card have been shown to have insightful knowledge of what the customer loyalty programme is about. This is shown through 50 percent of respondents indicating the category of 'all of the above', followed by 23 percent indicating 'to provide regular discounts', with 'to maintain and enhance tourists' relationship with EKZMW' at 15 percent. In addition, 'to build customer loyalty with the organisation' was indicated by 8.3 percent of the respondents, whereas 'to provide quick service' garnered 2.1 percent, while 'to provide a competitive product' and the 'other' category were each selected at one and one percent. The significant level for understanding variable was measured and found to be ($\chi^2=.144$, $df=.2.20384$, $P=-.106$) which means results were significant (see Appendix 7 and 8).

4.2.7 The main reason to join EKZNW Loyalty Programmes, Rhino Card

There is a vast number of valid reasons that drive tourists to join loyalty programmes. According to Gomez *et al.* (2006: 23), the increase in the number of contacts between both parties (consumer and company) participating in loyalty programmes leads to an improvement in customer knowledge, which translates into an increase in consumer trust and commitment to the organisation, whether a service or production organisation. Reasons for EKZNW tourists to join the Rhino Club loyalty programme are set out in Table 4.7 and Figure 4.6.

Table 4.7: Reasons to join EKZNW loyalty programme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To get discount prices	88	45.6	45.8	45.8
	To get relevant and updated information	12	6.2	6.3	52.1
	To have easy access to the resorts' information and facilities	65	33.7	33.9	85.9
	To be informed of special offers in the resorts	20	10.4	10.4	96.4
	Just joined the Loyalty Programme that was offered by the Park	5	2.6	2.6	99.0
	Other	2	1.0	1.0	100.0
	Total	192	99.5	100.0	
	Missing	System	1	.5	
Total		193	100.0		

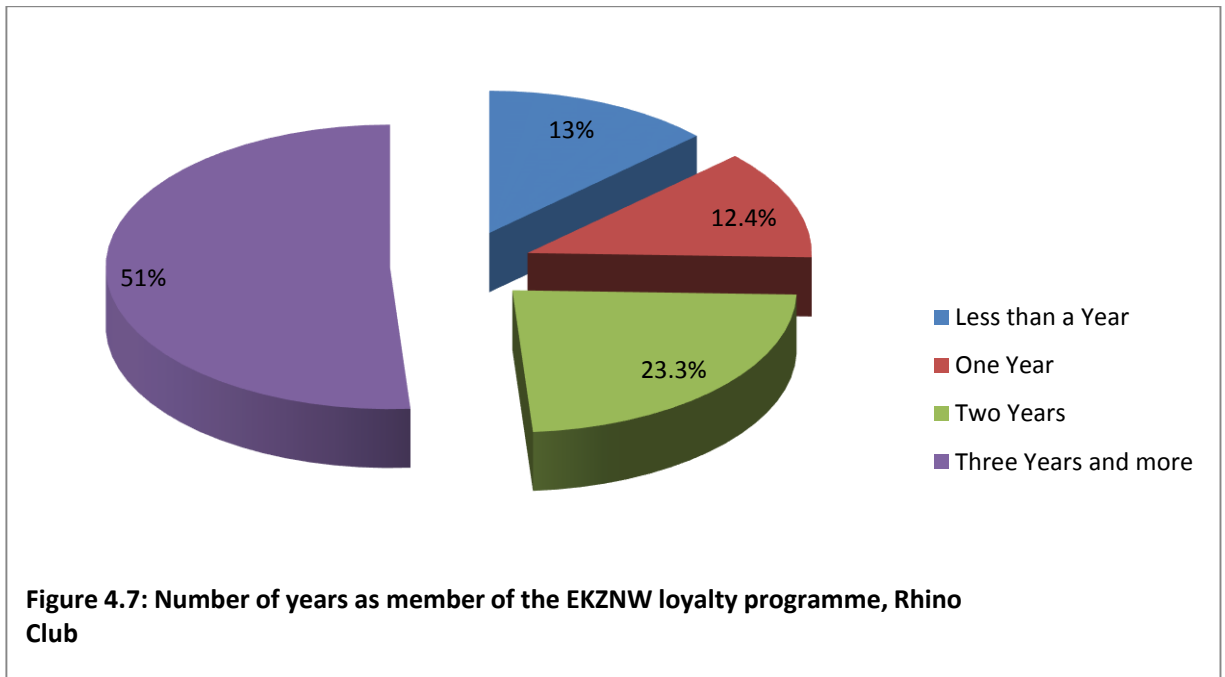


4.2.8 How many years have you been a member of the EKZNW Rhino Club?

Respondents were asked to indicate how many years they have been members of the organisation's loyalty programme (Table 4.8 and Figure 4.7).

Table 4.8: Number of years as members of the EKZNW loyalty programme, Rhino Club

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than one year	25	13.0	13.0	13.0
	One year	24	12.4	12.5	25.5
	Two years	45	23.3	23.4	49.0
	Three and more	98	50.8	51.0	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



This question was posed to the loyalty programme members with the intention of establishing how long they have been members of the Rhino Club loyalty programme of EKZNW. Loyalty programme members with three and more years were found to make up the majority, followed by members with two and one year standing or below. The category of three years was indicated by 51 percent of

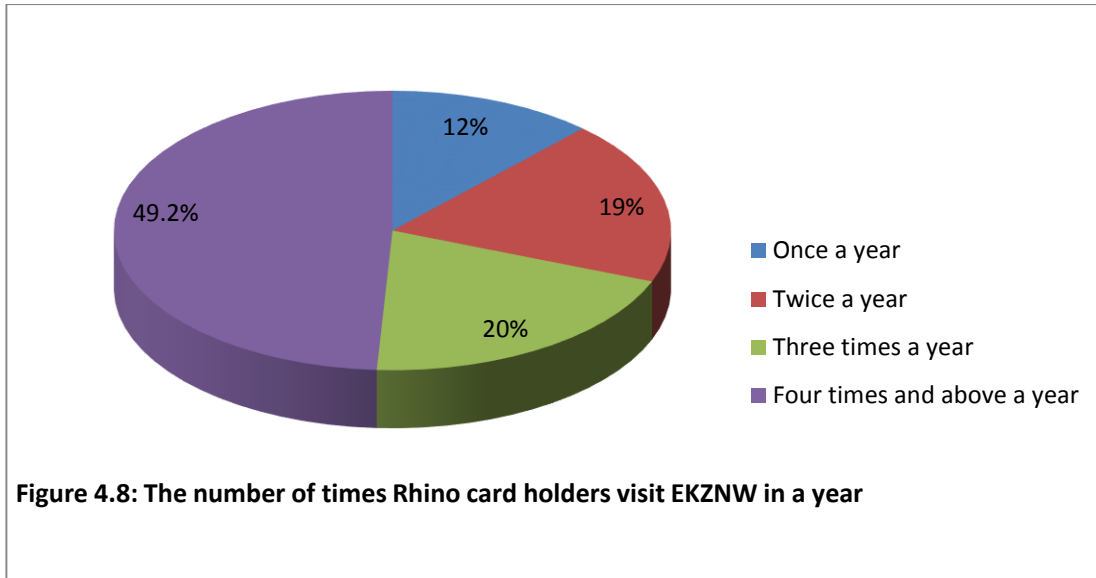
the respondents, followed by two years, achieving 23.3 percent, less than a year at 13 percent and lastly, membership of one year was indicated at 12.4 percent. Loyalty programme members with three years' membership of the EKZNW's Rhino Club visit the resorts more frequently, compared to new members in the Rhino Club cycle. The significant level for years variable was measured and found to be ($\chi^2=.409$, $df=1.07079$, $P=.060$) which means results were significant (see Appendix 7 and 8).

4.2.9 How often do you visit EKZNW resorts a year?

According to Hanover Research (2011: 6), one of the reasons for a customer loyalty programme, is to encourage retention of consumers to the business' services and the product. The frequency of the EKZNW loyalty programme members' visits to resorts in a year are illustrated in Table 4.9 and Figure 4.8.

Table 4.9: The number of times a year Rhino Cardholders visit EKZNW Resorts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Once a year	23	11.9	12.0	12.0
	Twice a year	36	18.7	18.8	30.7
	Three times a year	38	19.7	19.8	50.5
	Four times and above a year	95	49.2	49.5	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		



It was necessary to establish the number of times loyalty programme members visit EKZN resorts a year per tourist (Table 4.9 and Figure 4.8). The findings show that almost half of the tourists in possession of EKZWN a loyalty programme, Rhino Card visit resorts more than four times yearly. This is reflected through the category of four times and above a year being indicated by 49.2 percent of the respondents, three times a year was indicated by 20 percent, with respondents who indicated twice a year at 19 percent and 12 percent are those that pay visit once a year. The significant level for often variable was measured and found to be ($X^2=.420$, $df=1.07839$, $P=-.059$) which means results were significant (see Appendix 7 and 8).

4.2.10 Benefits associated with the EKZWN loyalty programme

The graphs and frequency tables hereunder, are set out to present and illustrate findings that respond to the aforementioned objective. It focuses on the benefits associated with tourists who are members of the Rhino Club loyalty programme.

4.2.10.1 Since I joined EKZNW loyalty programme, Rhino card has been very helpful to me

The loyalty programme should appear as a helpful mechanism to customers and satisfy them to the maximum level. Gil *et al.* (2006: 47) assert that satisfaction is an important key factor in fostering tourist/visitor retention to a company's service, since it can be of high influence in purchasing behaviour.

Table 4.10: Satisfaction with the loyalty programme, Rhino Card incentives EKZNW

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	100	51.8	52.1	52.1
	Agree	61	31.6	31.8	83.9
	Neutral	24	12.4	12.5	96.4
	Disagree	4	2.1	2.1	98.4
	Strongly Disagree	3	1.6	1.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

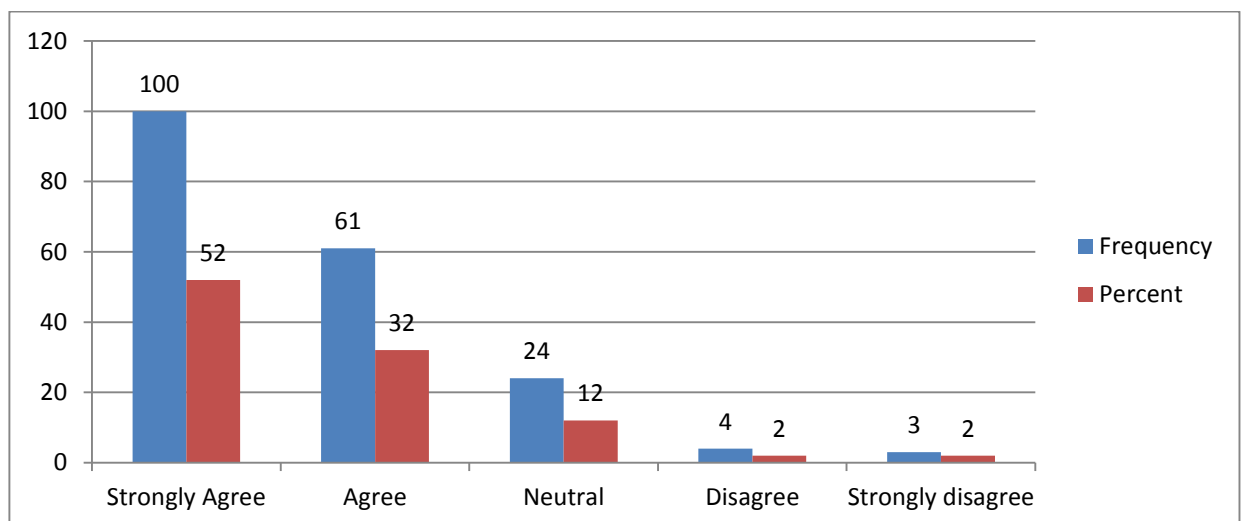


Figure 4.9: Satisfaction with the loyalty programme, Rhino card incentives of EKZNW

The question was stressed to assess the satisfaction of Rhino Card loyalty programme members of EKZNW. It is shown that, out of 192 respondents, 100 (52 percent) chose strongly agree, which indicates that they are satisfied with the benefits and incentives associated with the EKZNW loyalty programme. This is followed by 32 percent of the respondents that indicated agreement, which also reveals that they are happy with incentives provided. Respondents that remained neutral is 12 percent (24 respondents), disagreement was indicated by two percent of the respondents and lastly, strongly disagree was also chosen by two percent (Table 4.10 and Figure 4.9). This demonstrates that EKZNW loyalty programme members are satisfied with the incentives provided to them. The significant level for benefits, helpful variable was measured and found to be ($X^2=.126$, $df=.88285$, $P=.111$) which means results were significant (see Appendix 7 and 8).

4.2.10.2 EKZNW loyalty programme being a time saver

The customers of the tourism industry are extra careful of the time they spend at check-in points of tourist destinations. This poses a challenge to the loyalty programme innovators to consider putting time as one of the most prominent incentives included in their programme packages. Dreze and Nunes (2008: 892) mention some examples of tangibles incentives, which are special discounts, upgrade after accumulated purchases, priority in sales, and/or priority in check-in for travel. Table 4.11 and Figure 4.11 explain the perceptions of respondents, expressed through ticking Likert scale categories, consisting of strongly agree, agree, neutral, disagree and strongly disagree.

Table 4.11: EKZNW loyalty programme, Rhino Card being a time saver for loyalty holders at the help desks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	74	38.3	38.5	38.5
	Agree	64	33.2	33.3	71.9
	Neutral	46	23.8	24.0	95.8
	Disagree	5	2.6	2.6	98.4
	Strongly Disagree	3	1.6	1.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

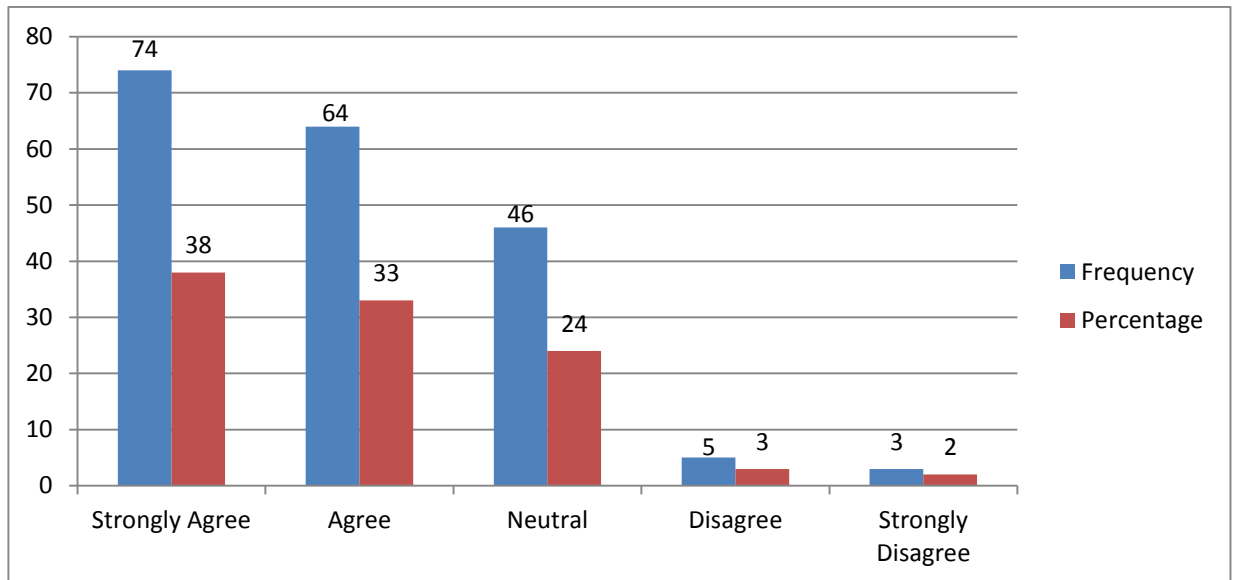


Figure 4.10: EKZNW loyalty programme, Rhino Card being a time saver for cardholders at the help desk

In this question, respondents were urged to indicate whether they strongly agree, strongly agree, are neutral, disagree or strongly disagree, with the fact that having an EKZNW Rhino Card helps to save time at the help desk as their

advantage. Table 4.11 and Figure 4.10 show that the majority of respondents strongly agree that, by being in possession of a Rhino Card, they have the advantage of being assisted first. This is reflected by the strongly agree category that was chosen by 38 percent of respondents, followed by agree, with 33 percent, neutral is 24 percent, disagree is three percent and lastly, strongly disagree was indicated by only two percent of the respondents. This clearly justifies the EKZNW, Rhino Club option, of offering time saving as an incentive to loyalty programme members, which on its own plays a major role in tourist satisfaction. The significant level for save time variable was measured and found to be ($X^2=.115$, $df=.93388$, $P=.114$) which means results were significant (see Appendix 7 and 8)

4.2.10.3 Leatherback discounts

Dreze and Nunes (2008: 892) stress that loyalty programmes offer diverse rewards ranging from tangibles and intangibles. To name a few examples of tangibles (special discounts, upgrade after accumulated purchases, priority in sales, and/or priority in check-in for travel) whereas, intangibles include (the pursuit of luxury, feeling of superiority, and lastly, preferential treatment). The bellow table and the graph will illustrate the importance of the discounts to loyalty programme holding tourists of EKZNW.

Table 4.12: Last minute Leatherback discounts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	57	29.5	29.7	29.7
	Agree	63	32.6	32.8	62.5
	Neutral	65	33.7	33.9	96.4
	Disagree	5	2.6	2.6	99.0
	Strongly Disagree	2	1.0	1.0	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

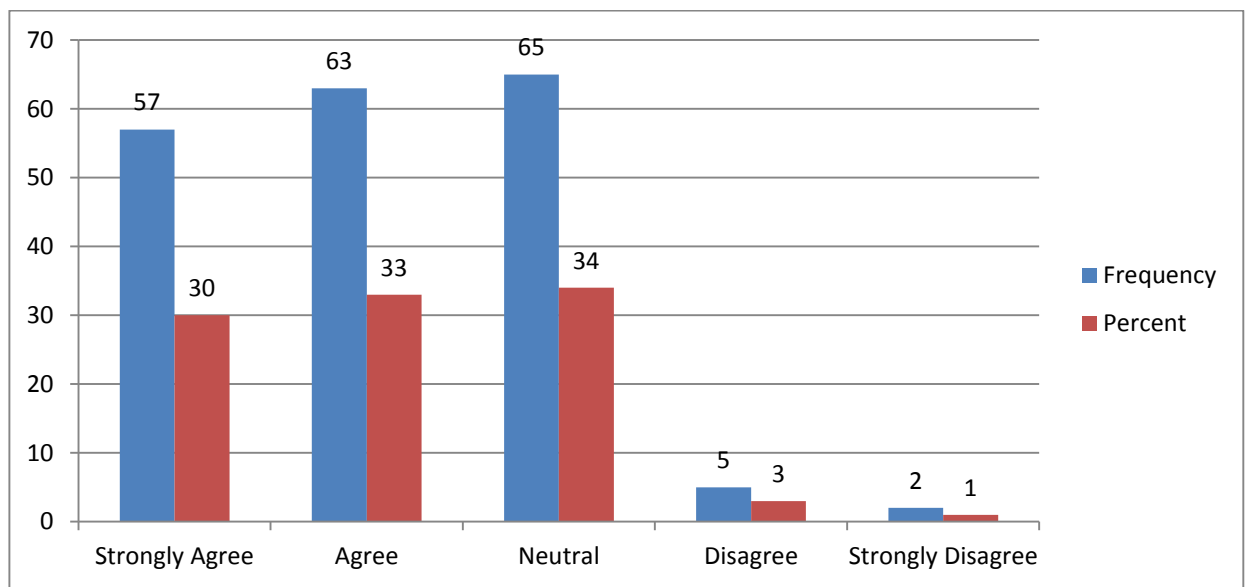


Figure 4.11: Last minute Leatherback discounts

Table 4.12 and Figure 4.11 illustrate the response to a question, aimed at determining whether loyalty programme members that hold a Rhino Card of EKZNW, are aware of and see last-minute, Leatherback discounts as a benefit

or not. The above bar graph and frequency table reflect that 34 percent of the loyalty programme members indicated neutral or undecided regarding this incentive. The majority of respondents revealed that there are unaware of the last-minute Leatherback discount benefit catered for loyalty programme members. The significant level for leatherback discount variable was measured and found to be ($X^2=.083$, $df=.90664$, $P=.126$) which means results were significant (see Appendix 7 and 8).

4.2.10.4 Free gate entrance

Gable *et al.* (2006: 36) state that loyalty programmes offer consumers broad and extensive benefits, both hard and soft, so that they end-up being customers and increase their purchasing power to the advantage of the company. The free gate entrance incentive of EKZNW resorts may seem an extreme benefit that leads to tourist retention. Table 4.13 and Figure 4.12 seek to present the findings of the question, posed to assess the satisfaction of loyalty programme members with free gate entrance as an incentive.

Table 4.13: Free gate entrance in all EKZNW Resorts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	127	65.8	66.1	66.1
	Agree	45	23.3	23.4	89.6
	Neutral	15	7.8	7.8	97.4
	Disagree	3	1.6	1.6	99.0
	Strongly Disagree	2	1.0	1.0	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

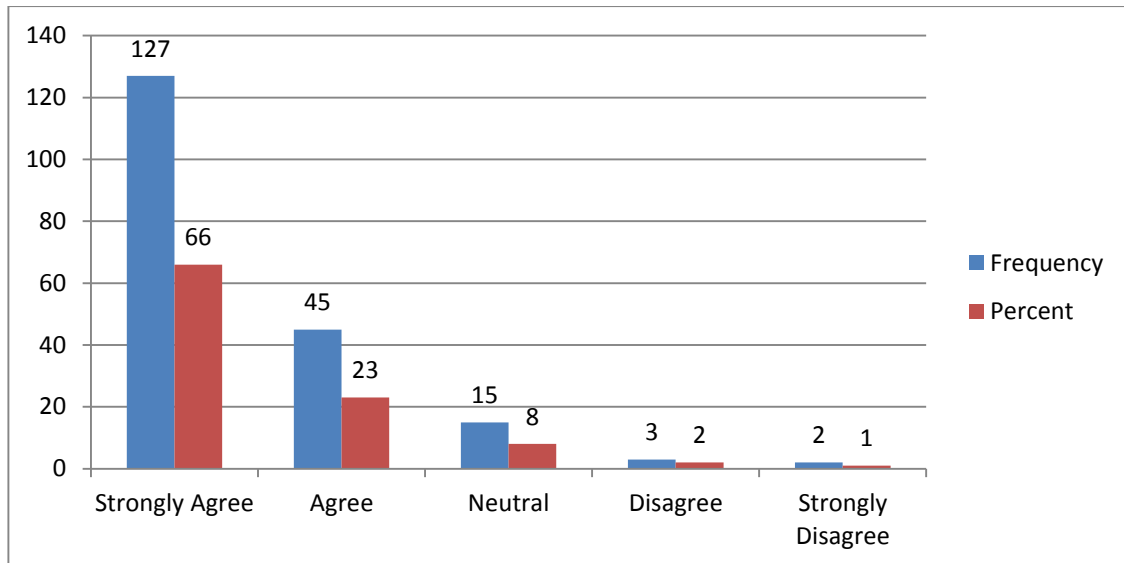


Figure 4.12: Free gate entrance in all EKZMW Resorts

This question was intended to establish whether the loyalty programme members who are Rhino Card holders are happy or not with the free entrance at the gates of all EKZMW resorts. Table 4.13 and Figure 4.12 illustrate the findings, which stress that 66 percent of the respondents strongly agree, 23 percent also agreed, while eight percent remained neutral regarding this incentive, about two percent disagreed and lastly, only one percent strongly disagreed. The findings show that this is a benefit of Rhino Club which excels in attracting tourists to join the loyalty programme of EKZMW. This incentive seems to be essential to tourists that are members of the EKZMW loyalty programme. The significant level for free gate entrance variable was measured and found to be ($X^2=.329$, $df=.79236$, $P=071$) which means results were significant (see Appendix 7 and 8).

4.2.10.5 Monthly Newsletters

The newsletters are created by the various organisations within EKZNW, in order to share their extraordinary events and updates of special offers, with their target market. This establishes a bond or long-term relationship with the company's consumers.

Table 4.14: The monthly newsletters

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	65	33.7	33.9	33.9
	Agree	69	35.8	35.9	69.8
	Neutral	49	25.4	25.5	95.3
	Disagree	4	2.1	2.1	97.4
	Strongly Disagree	5	2.6	2.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

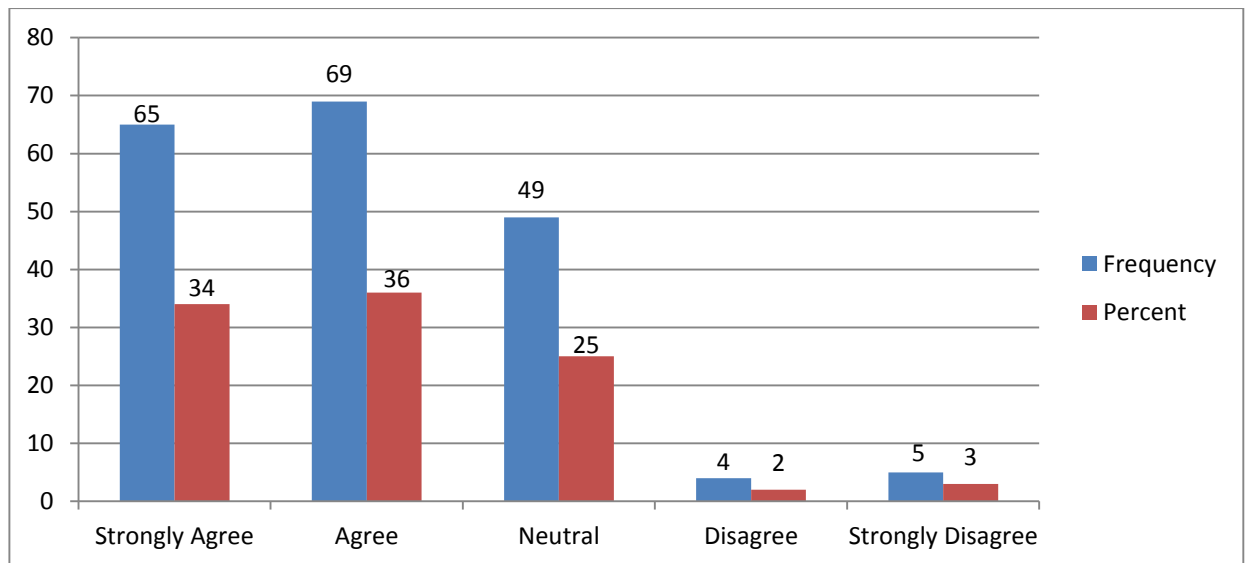


Figure 4.13: The monthly newsletters

The feelings of the respondents, regarding the newsletters of EKZMW to the loyalty programme members, are illustrated by means of Table 4.14 and Figure 4.13. The respondents were expected to choose between the five categories of a Likert scale, with choices from strongly agree, agree, neutral, disagree and strongly disagree. The results reveal that 36 percent of the respondents agreed, 34 percent strongly agreed, with 25 percent that remained neutral, three percent strongly agreed, and two percent of the respondents disagreed that they are happy with the newsletters. Some of the loyalty programme members have, however, never received these newsletters, therefore they chose neutral. The significant level for monthly newsletter variable was measured and found to be ($X^2=.571$, $df=.95650$, $P=041$) which means results were significant (see Appendix 7 and 8).

4.2.10.6 Loyal tourists of EKZMW

According to Palmer (2011: 204), customer loyalty is found to be more essential than the loyalty programmes that have become so popular in different companies. The loyalty customers of the company can also be regarded as the strategic partners of the organisation, simply because they spread the word about the organisation's products. Table 4.15 and Figure 4.14 seek to present the primary findings of the loyalty members of EKZMW.

Table 4.15: Loyalty programme members being loyal tourists of EKZNW, due to benefits associated with a Rhino card

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	73	37.8	38.0	38.0
	Agree	69	35.8	35.9	74.0
	Neutral	41	21.2	21.4	95.3
	Disagree	6	3.1	3.1	98.4
	Strongly Disagree	3	1.6	1.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

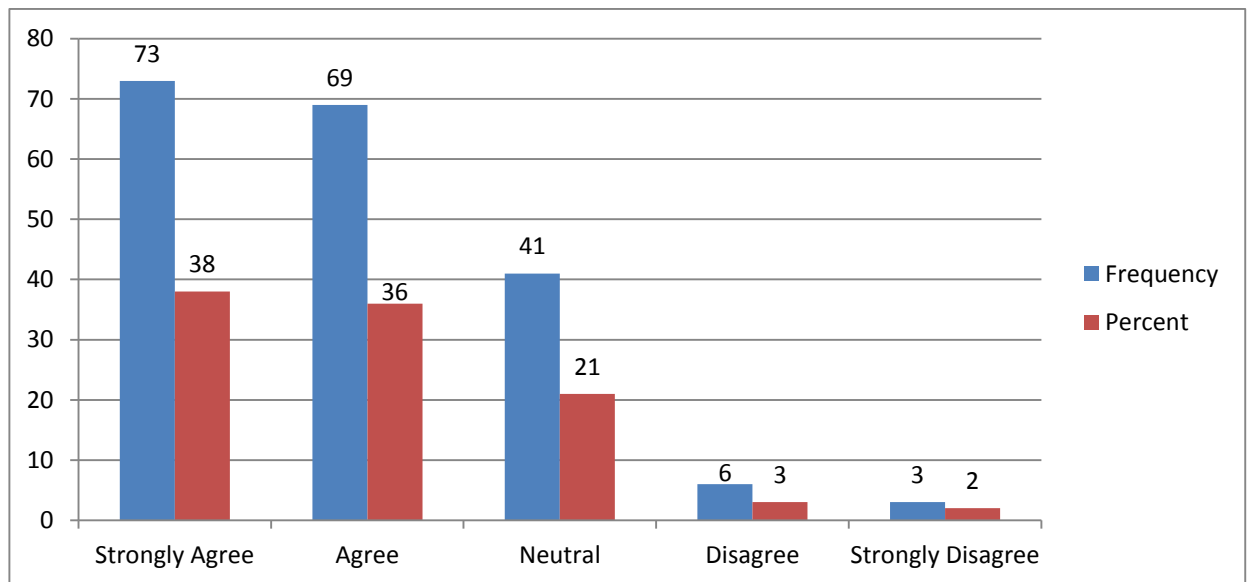


Figure 4.14: Loyalty programme members being loyal tourists of EKZNW, due to benefits associated with a Rhino card

Findings of the question, intended to assess whether tourists that are holding EKZNW loyalty programme membership, agree they are loyalty customers or not are illustrated in Table 4.15 and Figure 4.14. It is reflected that 38 percent of respondents strongly agreed and 36 percent agree, whereas 21 percent

remained neutral, three percent disagreed and two percent strongly disagreed that they are loyalty tourists of EKZNW resorts. The majority of respondents proved to be loyalty tourists of EKZNW resorts because of the benefits and incentives associated with it. The significant level for loyal tourist variable was measured and found to be ($X^2=.571$, $df=.92767$, $P=.058$) which means results were significant (see Appendix 7 and 8).

4.2.10.7 Satisfaction with the overall service of the EKZNW loyalty programme

Roberts-Lombard (2009: 73) stresses that if the service performance matches or exceeds the expectations, it is a given fact that the customer is pretty much satisfied. Whereas, if the performance is bellow far the expectations, then the customer is dissatisfied. Table 4.16 and Figure 4.15 present an analysis, regarding the satisfaction of EKZNW loyalty programme members, with the service.

Table 4.16: Satisfaction with the overall service of the EKZNW loyalty programme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	61	31.6	31.8	31.8
	Agree	66	34.2	34.4	66.1
	Neutral	52	26.9	27.1	93.2
	Disagree	7	3.6	3.6	96.9
	Strongly Disagree	6	3.1	3.1	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

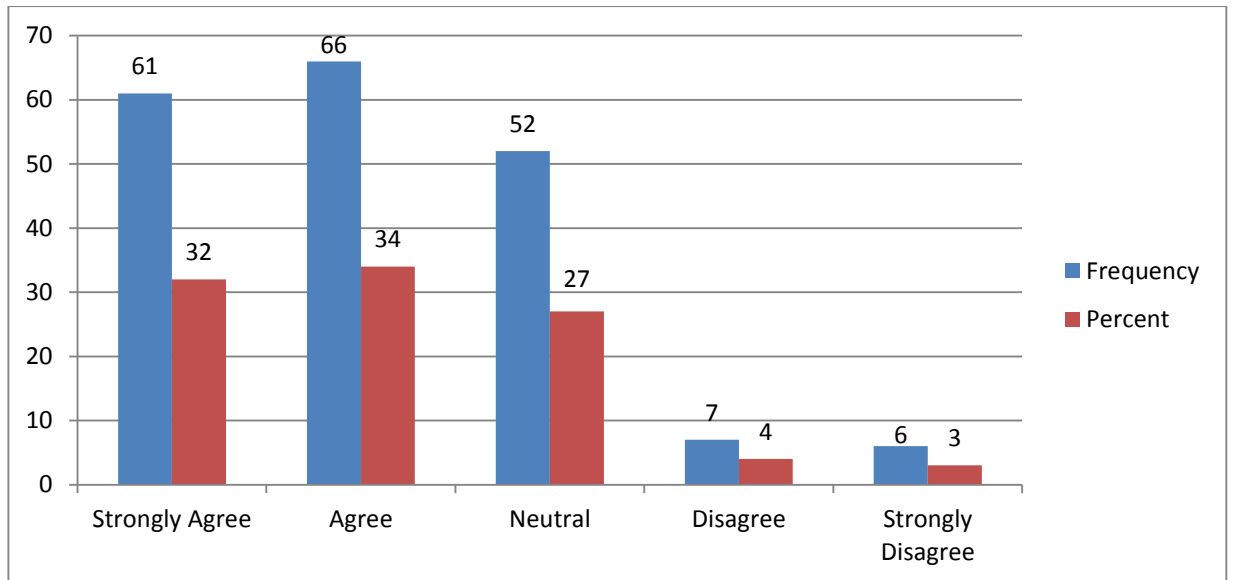


Figure 4.15: Satisfaction with the overall service of the EKZNW loyalty programme

Table 4.16 and Figure 4.15 show that 34 percent of the respondents agreed and 32 percent strongly agreed that they are fully satisfied with the overall service aligned to the EKZNW loyalty programme, Rhino Card. Whereas, 27 percent of respondents remained neutral on this question, four percent disagreed and three percent indicated strong disagreement that they were satisfied with the Rhino card services. This proves that the EKZNW loyalty programme, designed to retain tourists and develop attachment with them, really perform its duties. The significant level for satisfaction variable was measured and found to be ($\chi^2=.136$, $df=1.00325$, $P=.108$) which means results were significant (see Appendix 7 and 8).

4.2.11 Challenges of customer loyalty programmes

This section of the data presentation is set out to illustrate challenges facing the EKZNW loyalty programme, Rhino Card holders and the organisation itself. The

participants of this study were given options to choose from in their response, which included strongly agree, agree, neutral, disagree, and strongly disagree.

4.2.11.1 Unfair to non-holders of loyalty programme

Table 4.17 and Figure 4.16 seek to illustrate how loyalty programme members of EKZNW view their benefits, relative to non-member of this programme. Jens and Lal (2014: 5) point out those tourists who spend less, such as lower-income tourists, may feel less important in a company that highly recognises loyalty programme members.

Table 4.17: Unfair to non-loyalty programme members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	9.3	9.4	9.4
	Agree	18	9.3	9.4	18.8
	Neutral	81	42.0	42.2	60.9
	Disagree	52	26.9	27.1	88.0
	Strongly Disagree	23	11.9	12.0	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

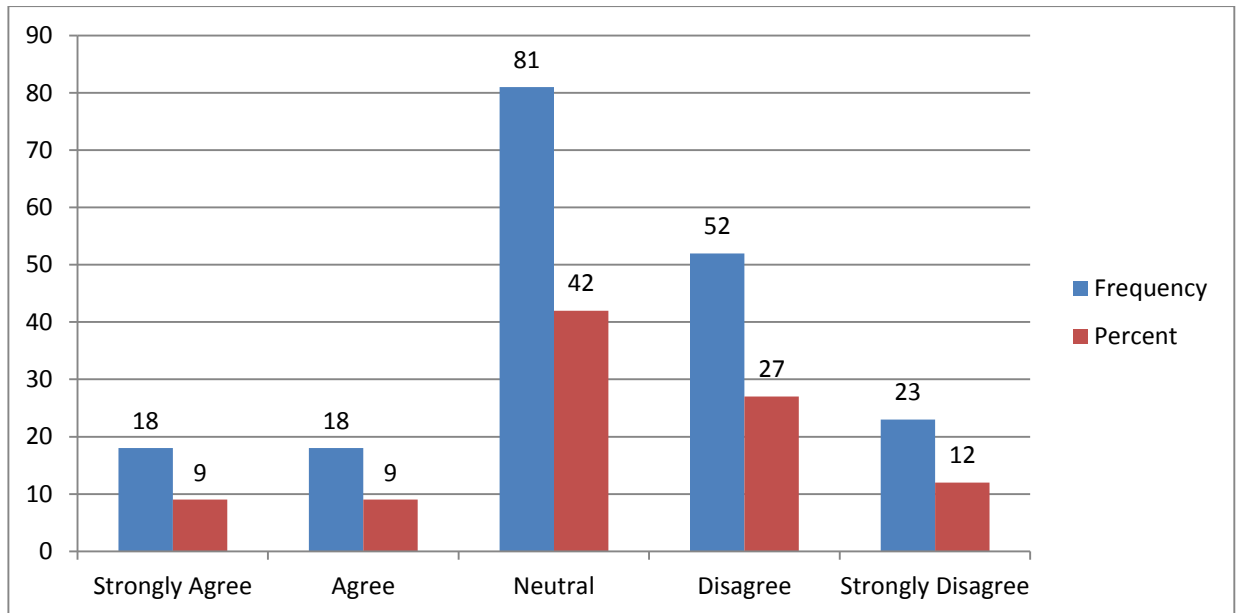


Figure 4.16: Unfair to non-loyalty programme holders

The majority of respondents opted to go with neutral when asked to state how they feel when they receive priority service at the help desks of EKZNW (Table 4.17 and Figure 4.16). This is reflected by 42 percent of respondents choosing neutral, 27 percent disagreed that they feel it unfair to others, meaning they are happy with superior services, followed by strongly disagreed at 12 percent of the respondents, while both strongly agreed and agreed indicated by nine percent. This clearly attests that loyalty programme members of EKZNW do not see it as unfair, when they are being given priority service, above non-loyalty programme members. The significant level for unfair variable was measured and found to be ($X^2=.394$, $df=1.08275$, $P=-.062$) which means results were significant (see Appendix 7 and 8).

4.2.11. 2 Loyalty programme being expensive

According to Meyer-Waarden (2002, cited in Hikkerova 2014: 2), a number of authors have to question the real effectiveness of customer loyalty programmes

based on their costs, compared to the benefits the programmes offer to the firms. Moreover, most of the firms have launched extremely expensive customer loyalty programmes whose effectiveness may not be guaranteed. Table 4.18 and Figure 4.17 illustrate the results obtained from EKZNW loyalty programme members, based on the aforementioned challenge facing companies and loyalty programme members.

Table 4.18: The expensiveness of a loyalty programme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	25	13.0	13.0	13.0
	Agree	34	17.6	17.7	30.7
	Neutral	59	30.6	30.7	61.5
	Disagree	60	31.1	31.3	92.7
	Strongly Disagree	14	7.3	7.3	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

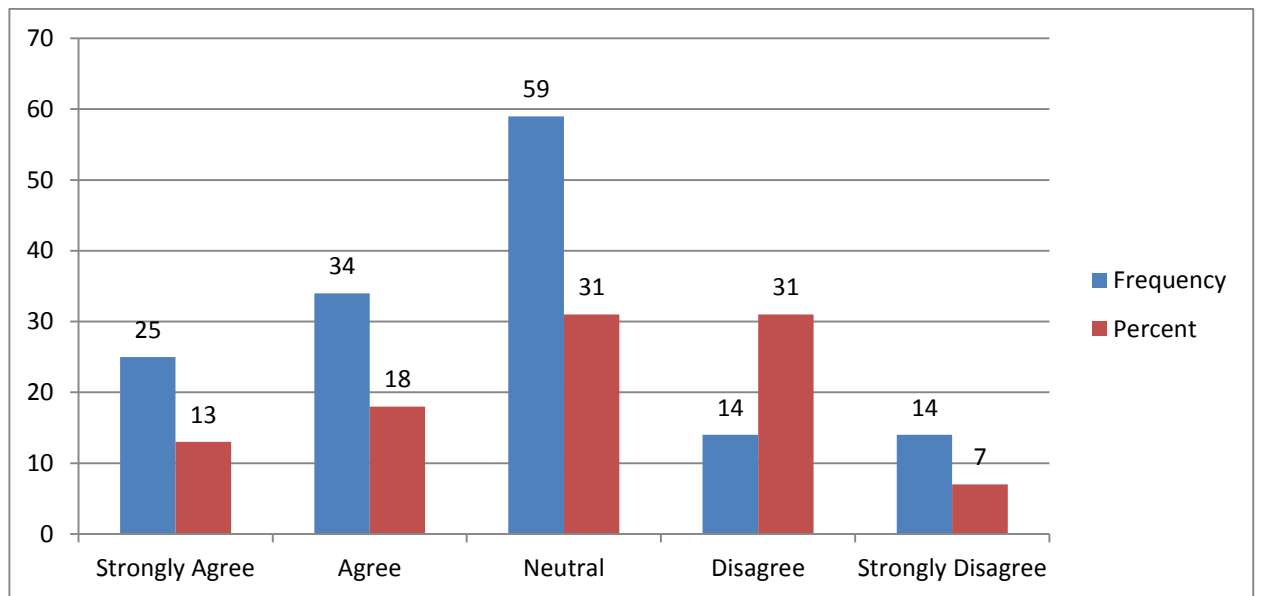


Figure 4.17: The expensiveness of a loyalty programme

This question was included with the aim of investigating whether loyalty programme members of EKZNW are happy or not, with the prices of the Rhino Card. Loyalty programme members were given five categories on a Likert scale to choose from, in expression of their opinions. Table 4.18 and Figure 4.18 reveal that 31 percent of respondents chose to remain neutral to this question, with 31 percent of respondents that disagreed the EKZNW loyalty programme is expensive, followed by 18 percent that agreed, 13 percent that strongly agreed and only seven percent strongly disagreed. During the process of data collection, the researcher was told by quite a number of tourists that came with SANPARKS loyalty programme cards, that EKZNW programmes are too expensive, whereas it only covers KZN and not other provinces. In addition, some mentioned that the old price range was reasonable because it used to cover members per car. The significant level for expensiveness of Rhino Card variable was measured and found to be ($X^2=.125$, $df=1.14388$, $P=.111$) which means results were significant (see Appendix 7 and 8).

4.2.11.3 False information

Some firms that employ customer loyalty programmes, as part of their marketing strategy to increase the retention rate of customers, publish false information in an attempt to attract people to join their programmes. On the other hand, respondents perceive irrelevant information as false information. Irrelevant marketing communications or blasting loyalty members with irrelevant messaging remains common, and this a top factor in reducing programme effectiveness (top customer challenges and risks, 2015). Table 4.19 and Figure 4.18 illustrate the opinions of respondents.

Table 4.19: False information about loyalty programmes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	4.1	4.2	4.2
	Agree	13	6.7	6.8	10.9
	Neutral	86	44.6	44.8	55.7
	Disagree	63	32.6	32.8	88.5
	Strongly Disagree	22	11.4	11.5	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

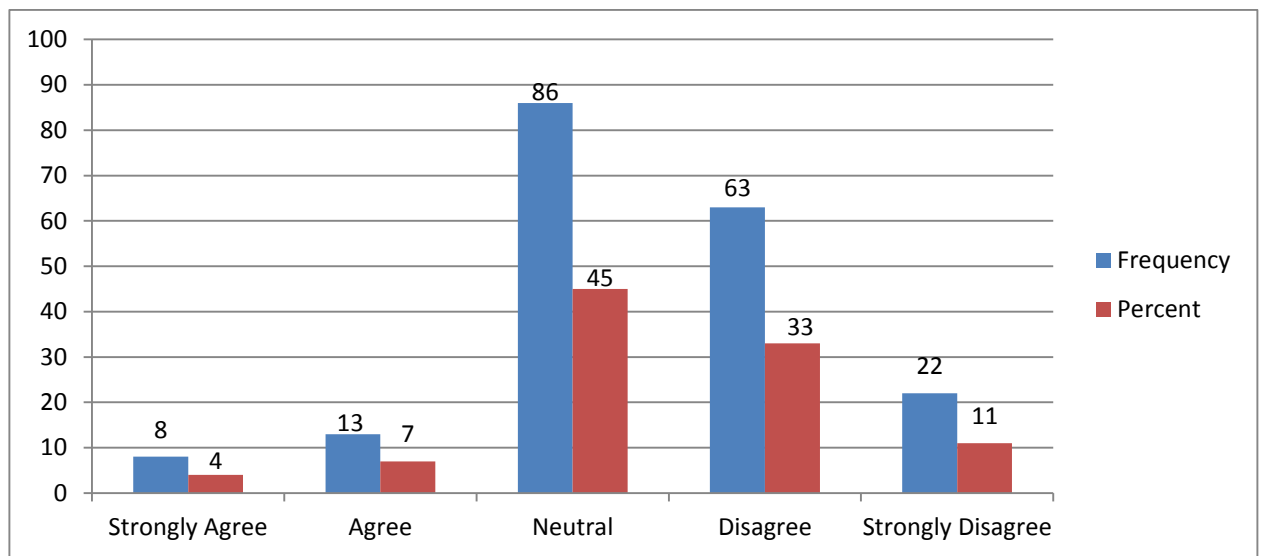


Figure 4.18: False information about loyalty programmes

Table 4.19 and Figure 4.18 show respondents answer to the question, which sought to assess their perceptions of the information being portrayed by EKZNW as benefits, associated with its customer loyalty programme. The findings indicate that 45 percent of respondents chose neutral, followed by 33 percent that disagreed, while 11 percent strongly disagreed, seven percent agreed and

lastly, four percent strongly agreed that the EKZNW loyalty programme is false. The results conclude that loyalty programme members of EKZNW disagreed that this organisation provides false information regarding its incentives. The significant level for false information variable was measured and found to be ($X^2=.451$, $df=.92751$, $P=.055$) which means results were significant (see Appendix 7 and 8).

4.2.11.4 Rhino killing/poaching

EKZNW has been facing a daunting situation, whereby its Rhinos are killed by local people and others from overseas because of certain beliefs that Rhino horn helps in a form of medical substance or cure. Table 4.20 and figure 4.19 illustrate the perceptions of respondents regarding the negative impact Rhino poaching has on the Rhino Card loyalty programme of EKZNW.

Table 4.20: The negative impact of Rhino killings/poaching on the EKZNW loyalty programme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	43	22.3	22.4	22.4
	Agree	28	14.5	14.6	37.0
	Neutral	52	26.9	27.1	64.1
	Disagree	50	25.9	26.0	90.1
	Strongly Disagree	19	9.8	9.9	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

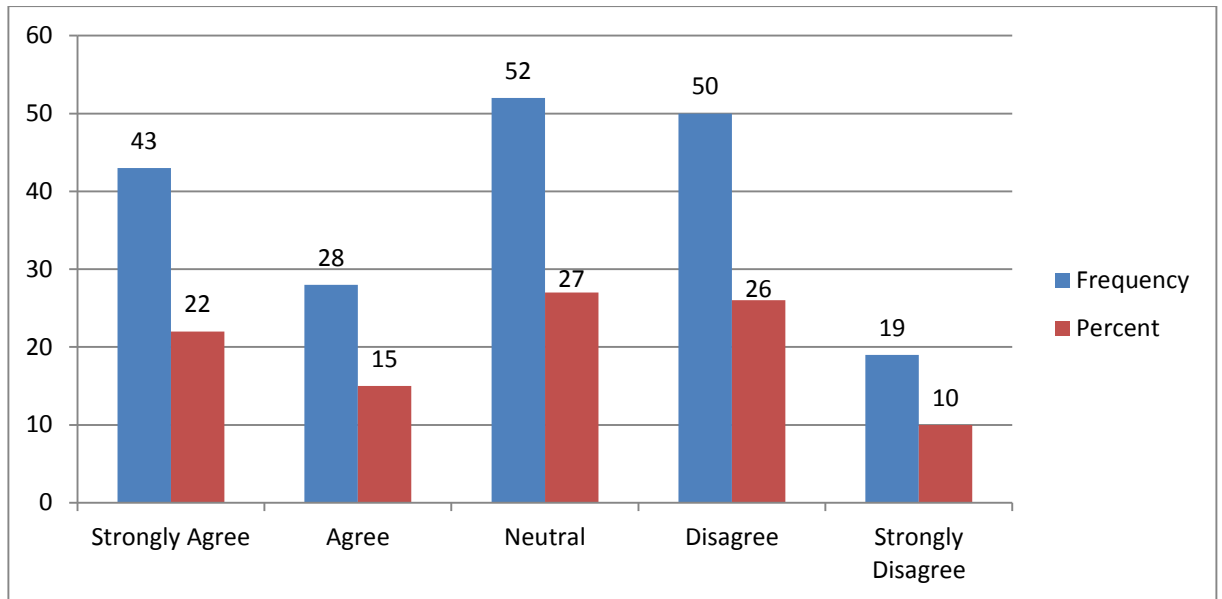


Figure 4.19: The negative impact of Rhino killings/poaching on the EKZNW loyalty programme

The findings show that 27 percent of respondents indicated they were neutral, 26 percent disagreed, 22 percent strongly agreed, 15 percent agreed and only 10 percent indicated that they strongly disagreed that Rhino poaching has a negative impact on the loyalty programme of EKZNW (Table 4.20 and Figure 4.19). The significant level for Rhino poaching variable was measured and found to be ($\chi^2=.916$, $df=1.29937$, $P=-.008$) which means results were significant (see Appendix 7 and 8).

4.2.11.5 Dissatisfying service

Roberts-Lombard (2009: 73) states that customer satisfaction is the point where a company's product or service performance matches up to customer satisfaction. Furthermore, when the service performance matches or exceeds

expectations, it is a given that the customer is pretty much satisfied. Whereas, if the performance is far below the expectations, then the customer is dissatisfied.

Table 4.21: Loyalty programme members' dissatisfaction with the service of EKZNW

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	8.3	8.3	8.3
	Agree	18	9.3	9.4	17.7
	Neutral	54	28.0	28.1	45.8
	Disagree	76	39.4	39.6	85.4
	Strongly Disagree	28	14.5	14.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

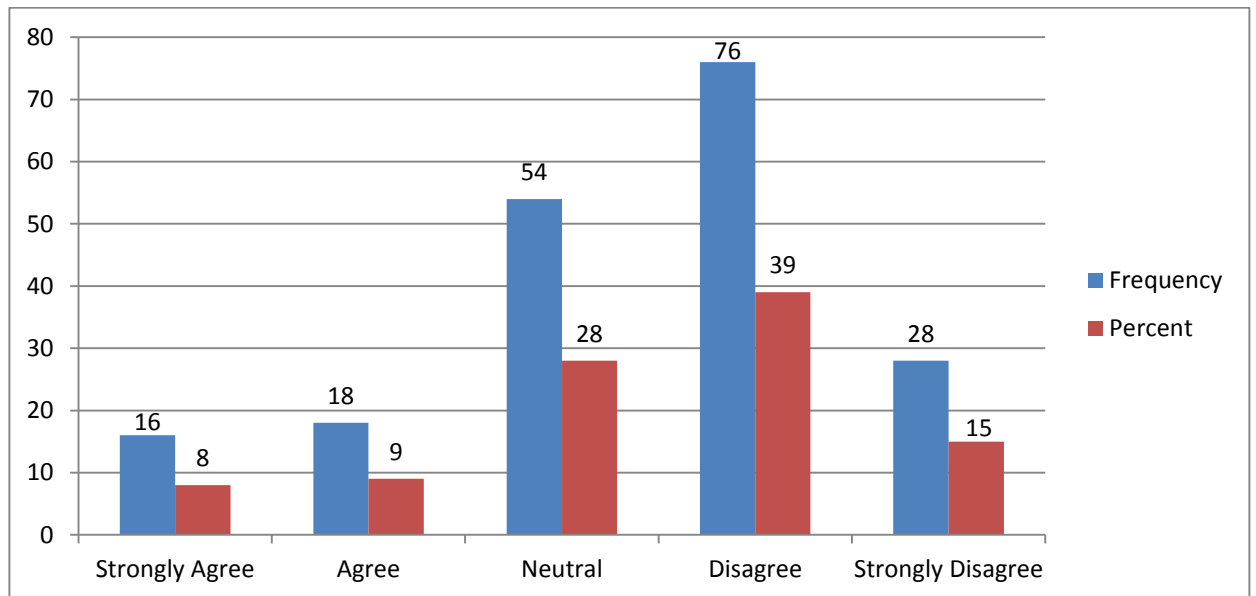


Figure 4.20: Loyalty programme members' dissatisfaction with the service of EKZNW

Table 4.21 and Figure 4.20 illustrate the feelings of EKZNW loyalty programme members' level of dissatisfaction with Rhino club services. It shows that 39 percent disagreed, 28 percent indicated neutral, 15 percent strongly disagreed, nine percent agreed and eight percent strongly agreed that they are dissatisfied with the services associated with the loyalty programme of EKZNW. This proves that the majority of tourists holding loyalty programme membership are satisfied with the services of EKZNW. The significant level for dissatisfaction variable was measured and found to be ($\chi^2=.602$, $df=1.10917$, $P=.038$) which means results were significant (see Appendix 7 and 8).

4.2.11.6 Availability of information

The organisation's social network pages need to have updated information all the time, to maintain a healthy relationship with its customers. Loyalty programme members need to see special offers and other news about the organisation's operations.

Table 4.22: Availability of updated loyalty programme information on Facebook page

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	21	10.9	10.9	10.9
	Agree	29	15.0	15.1	26.0
	Neutral	98	50.8	51.0	77.1
	Disagree	30	15.5	15.6	92.7
	Strongly Disagree	14	7.3	7.3	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

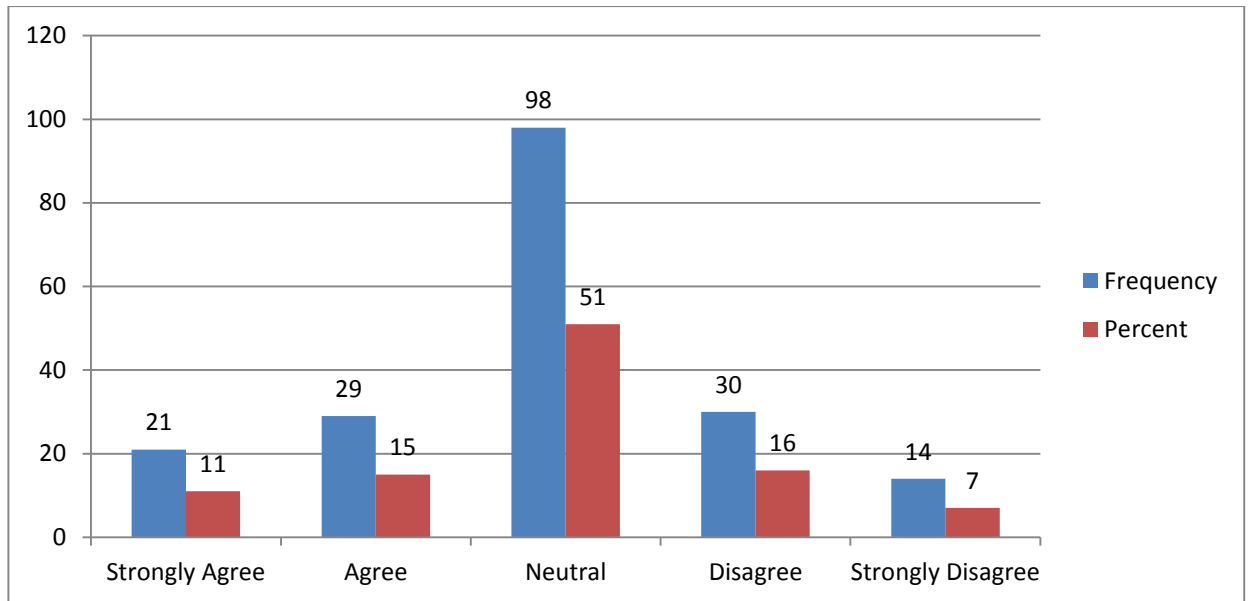


Figure 4.21: Availability of updated loyalty programme information on Facebook page

This question was asked to establish whether EKZNW marketing managers update their social network pages, such as Facebook, to maintain a healthy relationship with target markets, more particularly, the Rhino Club members. Table 4.22 and Figure 4.21 reveal that 51 percent of participants chose neutral, and explained to the researcher that they do not own Facebook pages. Some stated that they hardly see information written about the loyalty programme services or EKZNW services in general, other than biodiversity or conservation updates. About 16 percent of the respondents disagreed, followed by 15 percent that agreed, 11 percent strongly agreed and seven percent strongly disagreed. The majority of respondents chose to remain neutral, which may be caused by the fact that most loyalty programme members of this organisation are old-aged people; they do not see the need to be on social networks. The significant level for Facebook page variable was measured and found to be ($X^2=.088$,

df=1.018471, P=.124) which means results were significant (see Appendix 7 and 8).

4.2.12 Measuring the effectiveness of the customer loyalty programme

This section of the chapter seeks to present the loyalty programme members' opinion, regarding measurement of the EKZNW customer loyalty programme, Rhino Card. The same method of analysis employed by the above graphs and tables, with a 5-point Likert scale, ranging from strongly agree, agree, and neutral, to disagree and strongly disagree is utilised. Palmer (2011: 205) stresses that, unfortunately, it is very problematic and stressful to assess the effectiveness of the loyalty scheme in a company.

4.2.12.1 Publications written about EKZNW loyalty programme

The publications of any company are well-known for updating loyalty programme members, and other customers in general, with relevant and new information regarding the organisation.

Table 4.23: Publications on the loyalty programme of EKZNW

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	38	19.7	19.8	19.8
	Agree	53	27.5	27.6	47.4
	Neutral	59	30.6	30.7	78.1
	Disagree	35	18.1	18.2	96.4
	Strongly Disagree	7	3.6	3.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

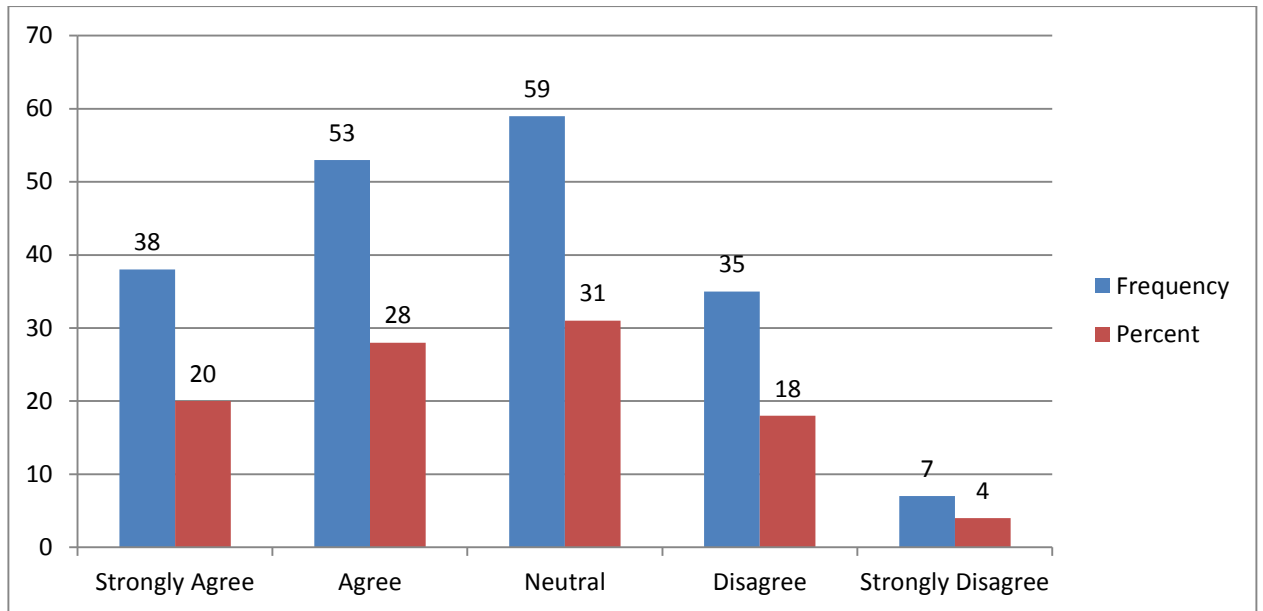


Figure 4.22: Publications on the loyalty programme of EKZNW

Table 4.23 and Figure 4.22, illustrate that 31 percent of the respondents indicated neutral, followed by 28 percent that agreed, 20 percent strongly agreed, while 18 percent disagreed and four percent strongly disagreed that they have seen any publications of the EKZNW loyalty programme, Rhino Card. The significant level for publications variable was measured and found to be ($\chi^2=.786$, $df=1.10843$, $P=.020$) which means results were significant (see Appendix 7 and 8).

4.2.12.2 Different approaches to be adopted

Peiguss (2012) states that marketing managers of firms should ensure that the customer loyalty programme escalates customer satisfaction and leads to their retention to the organisation's service. The author suggests measuring methods to gauge the effectiveness of loyalty programme initiatives, which include Customer Retention Rate, Negative Churn, Net Promoter Score and lastly, Customer Effort Score. The respondents' perspectives towards new and

different approaches to make loyalty programmes more effective are illustrated below (Table 4.24 and Figure 4.23).

Table 4.24: Different approaches to be employed in making a loyalty programme effective

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	35	18.1	18.2	18.2
	Agree	77	39.9	40.1	58.3
	Neutral	65	33.7	33.9	92.2
	Disagree	11	5.7	5.7	97.9
	Strongly Disagree	4	2.1	2.1	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

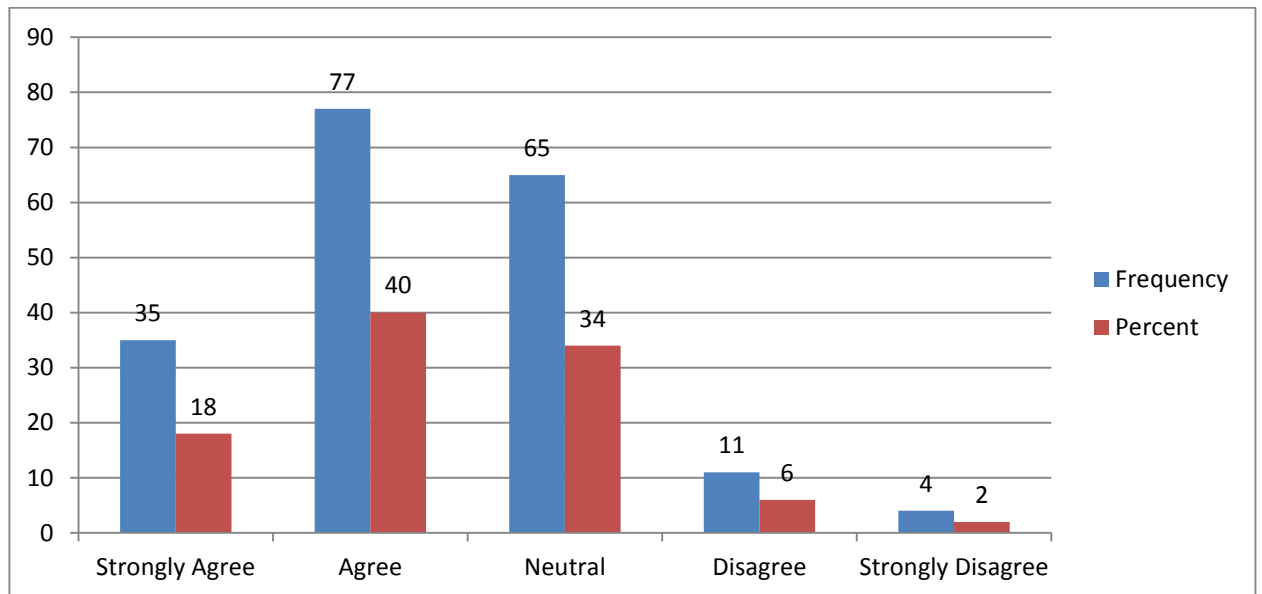


Figure 4.23: Different approaches to be employed in making a loyalty programme effective

This question was included with the aim of obtaining information from loyalty programme members of EKZNW regarding whether new and different approaches and strategies should be employed in making sure that the Rhino Card loyalty programme is effective. Although there were some respondents that disagreed and strongly disagreed (six and two percent, respectively), the majority of the respondents agreed and strongly agreed (40 and 18 percent, respectively), while 34 percent remained neutral. The significant level for different approaches variable was measured and found to be ($X^2=.090$, $df=.91144$, $P=.123$) which means results were significant (see Appendix 7 and 8).

4.2.12.3 More journal articles

The publications of new journal articles and reports are more informative with relevant data to the organisation's target market. The perceptions of respondents towards publications are tabled and illustrated below (Table 4.25 and Figure 4.24).

Table 4.25: More publications of journal articles and reports on the loyalty programme and other significant services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	43	22.3	22.4	22.4
	Agree	67	34.7	34.9	57.3
	Neutral	59	30.6	30.7	88.0
	Disagree	18	9.3	9.4	97.4
	Strongly Disagree	5	2.6	2.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

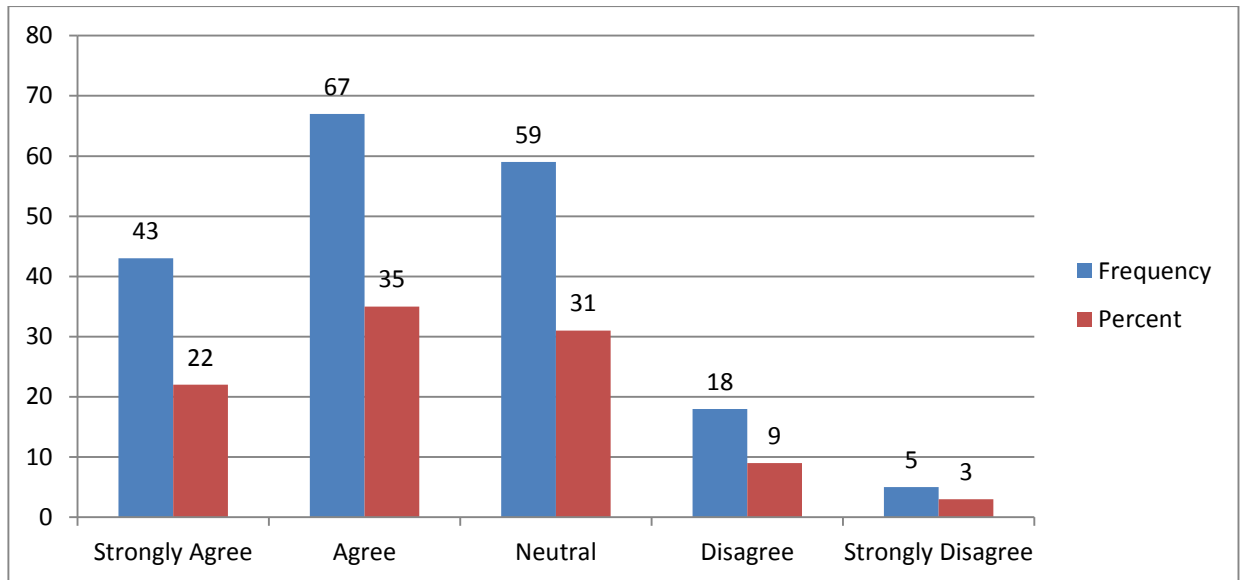


Figure 4. 24: More publications of journal articles and reports on the loyalty programme and other significant services

Table 4.25 and Figure 4.24 illustrate that 35 percent of the respondents agreed with employing the strategy of publishing more journal articles and reports, in keeping loyalty programme members informed and updated of anything at EKZNW, more particularly, with its services. Almost a third (31 percent) of the respondents indicated neutral, followed by 22 percent that strongly agreed, with disagreement indicated by nine percent, and three percent of the respondents strongly disagreed. This reveals that tourists of EKZNW would appreciate receiving more information about the organisation`s services in any sort of publications. The significant level for more journal publications variable was measured and found to be ($X^2=.471$, $df=1.01202$, $P=-.052$) which means results were significant (see Appendix 7 and 8).

4.2.12.4 Promotion of EKZNW loyalty programme

According to McEachern (2014), the loyalty programme is effective only when your target market and potential target market are aware of it. The company's marketing officers need to promote their loyalty programme across their location to increase brand awareness, visibility and enrolment. Table 4.26 and Figure 4.27 illustrate the respondents' perceptions of the promotions.

Table 4.26: Extensive promotions of EKZNW loyalty programme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	47	24.4	24.5	24.5
	Agree	65	33.7	33.9	58.3
	Neutral	54	28.0	28.1	86.5
	Disagree	21	10.9	10.9	97.4
	Strongly Disagree	5	2.6	2.6	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

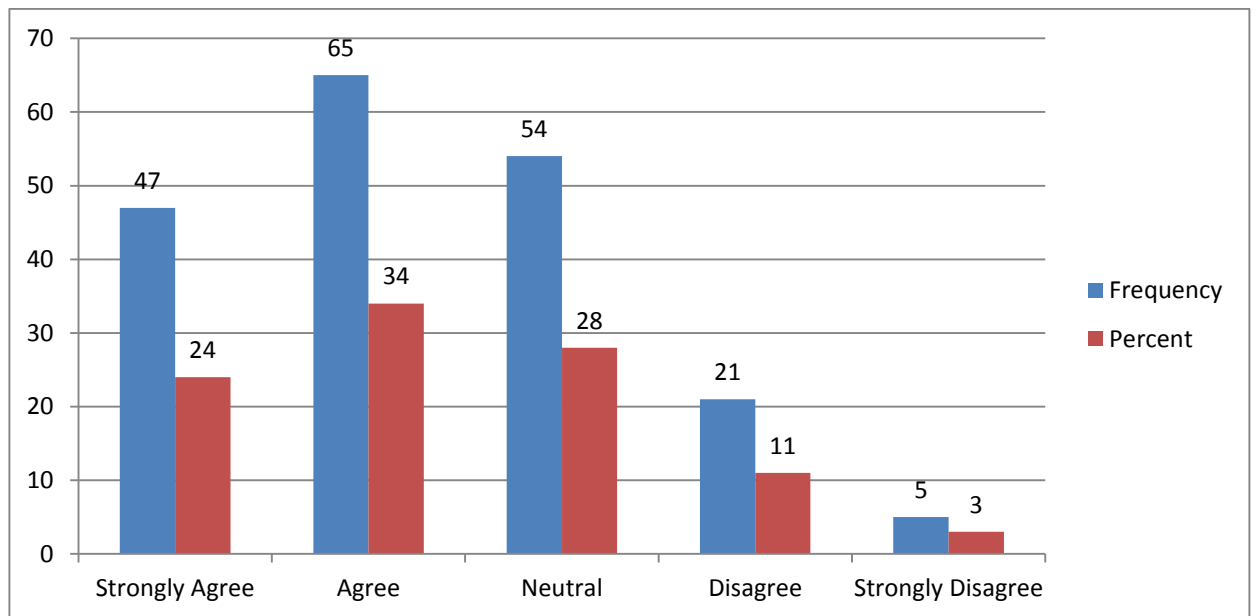


Figure 4.25: Extensive promotions of EKZNW loyalty programme

This question was mainly asked of respondents, to afford them the opportunity to explain their perspective of extensive promotions of the EKZNW loyalty programme. The frequency depicts that the majority of respondents agreed with extensive promotions of EZKNW being conducted during tourism peak seasons (Table 4.26 and Figure 4.25). This is shown through 34 percent that agreed, while 28 percent remained neutral, 24 percent strongly agreed, 11 percent disagreed and three percent of the respondents strongly disagreed that it is of paramount importance to conduct as many promotions of the loyalty programme as possible. This includes employing temporary staff to deal specifically with these promotions at all levels. The significant level for extensive promotions variable was measured and found to be ($X^2=.382$, $df=1.04523$, $P=.063$) which means results were significant (see Appendix 7 and 8).

4.2.12.5 Positive impact of a loyalty programme

Mukerjee (2012: 113) stresses that customer loyalty is a crucial factor that could decide the future of a company. The author further states that loyalty programmes have consequently become a critical part of the leisure industry, due to increasing competition in the field and recognition of the importance of loyal visitors. Opinions of loyalty customers of EKZNW towards measuring the positive effect of customer loyalty programme are illustrated below (Table 4.27 and Figure 4.26).

Table 4.27: Positive impact of loyalty programme in creating loyal tourists

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	69	35.8	35.9	35.9
	Agree	86	44.6	44.8	80.7
	Neutral	27	14.0	14.1	94.8
	Disagree	9	4.7	4.7	99.5
	Strongly Disagree	1	.5	.5	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

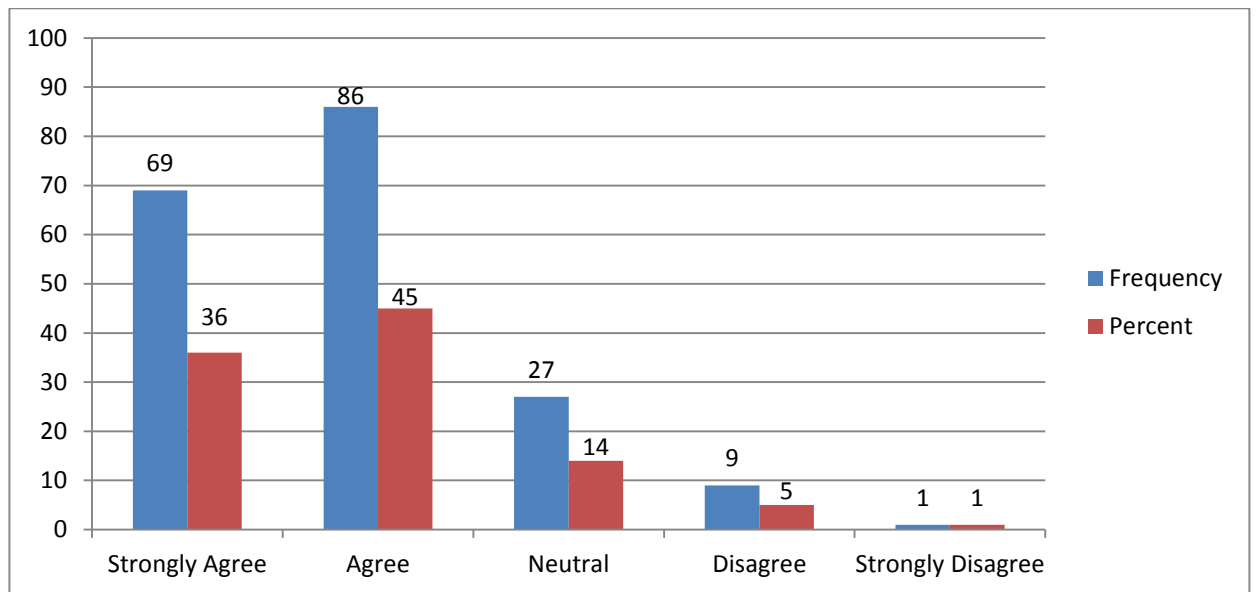


Figure 4.26: Positive impact of loyalty programme in creating loyal tourists

This question was included in the study, to ascertain the customer loyalty programme members' perspectives of the positive impact of the EKZMW Rhino Card loyalty programme, in creating loyal tourists. Table 4.27 and Figure 4.26 show that 45 percent of respondents agreed, 36 percent strongly agreed, 14 percent indicated neutral, while five percent disagreed and only one percent strongly agreed that membership of the Rhino Card loyalty programme

influences them to be loyal tourists. In conclusion, the Rhino Card loyalty programme of EKZNW was found to have a positive impact in attracting tourists to become loyal to the organisation, since the majority agreed. The significant level for positive impact variable was measured and found to be ($\chi^2=.423$, $df=.85217$, $P=.058$) which means results were significant (see Appendix 7 and 8).

4.2.12.6 More new strategies

It is imperative for the organisation's marketers to always seek new strategies to maintain a high standard of quality and a competitive edge in the marketplace.

Table 4.28: EKZNW to seek more strategies of operating its loyalty programme

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	54	28.0	28.1	28.1
	Agree	81	42.0	42.2	70.3
	Neutral	48	24.9	25.0	95.3
	Disagree	7	3.6	3.6	99.0
	Strongly Disagree	2	1.0	1.0	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

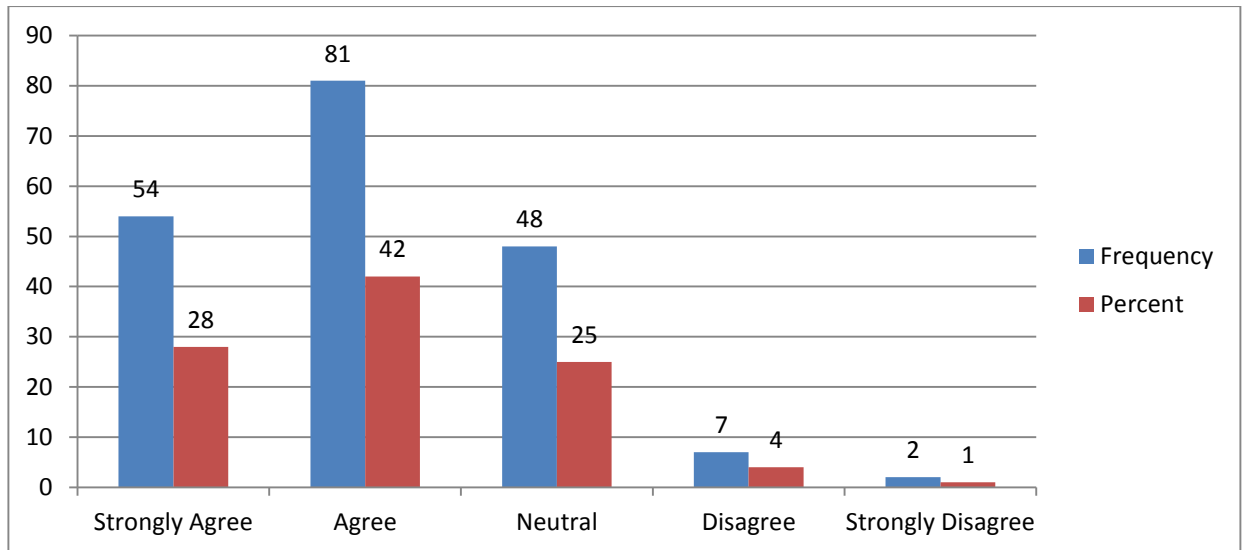


Figure 4.27: EKZNW to seek more strategies of operating its loyalty programme

The majority of participants (42 percent) agreed that Ezemvelo should always seek new strategies of operating their loyalty programme. The significant level for more new strategies variable was measured and found to be ($\chi^2=.365$, $df=.87723$, $P=066$) which means results were significant (see Appendix 7 and 8).

4.2.12.7 Recommending the loyalty programme

It is common that tourists that are satisfied with the service and past experiences recommend the organisation's services and activities to their friends. Petrick and Sirakaya (2004: 472) state that it is common for loyal tourists, because of their satisfaction, to share their past experiences with their families, friends, colleagues, business partners, and so on, and by so doing, they create free Word-of-Mouth (WOM) marketing for that specific tourist destination.

Table 4.29: Recommending the EKZNW loyalty programme to others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	89	46.1	46.4	46.4
	Agree	68	35.2	35.4	81.8
	Neutral	29	15.0	15.1	96.9
	Disagree	5	2.6	2.6	99.5
	Strongly Disagree	1	.5	.5	100.0
	Total	192	99.5	100.0	
Missing	System	1	.5		
Total		193	100.0		

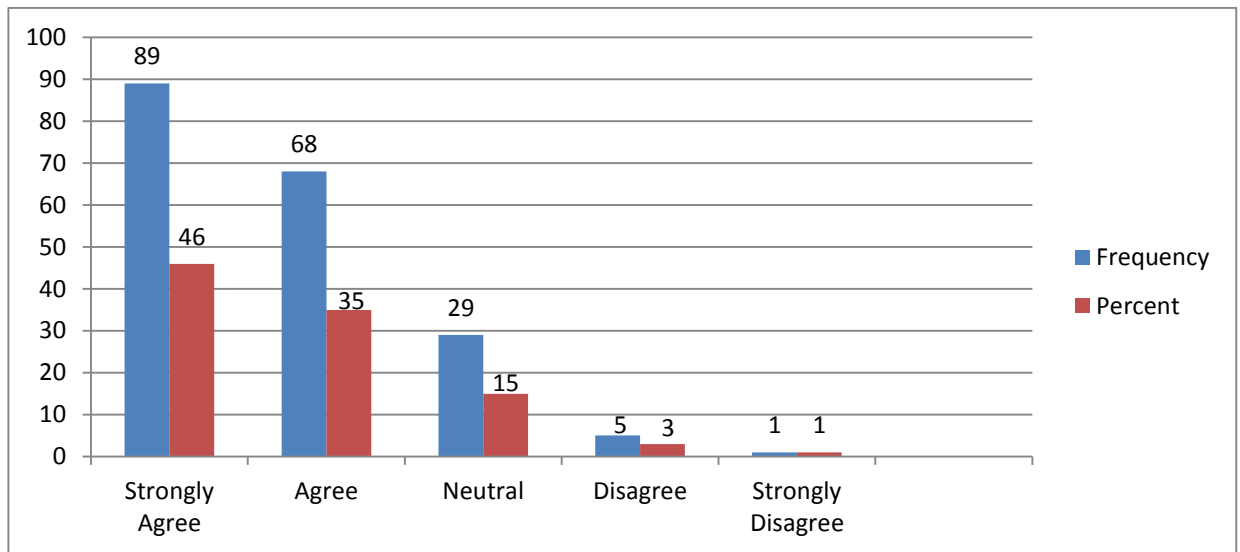


Figure 4.28: Recommending the EKZNW loyalty programme to others

In this question, the effectiveness of the EKZNW loyalty programme to its members was measured, to establish whether they would recommend the resorts to their peers, colleagues, and business partners, as asserted above by the author. Table 4.29 and Figure 4.28 seek to present the respondents' views regarding the aforementioned question. The table and graph show that 46

percent strongly agreed, followed by 35 percent of respondents that agreed, 15 percent remained neutral, while three percent disagreed and only one percent strongly disagreed. The significant level for recommending variable was measured and found to be ($X^2=.893$, $df=.84226$, $P=.010$) which means results were significant (see Appendix 7 and 8).

4.3 CONCLUSION

In conclusion, this chapter gave an insightful presentation of the data analysis, in two sections. Empirical data, consisting of demographic information, analysed questions such as age group, gender, race, home continent, etc. Following this the perspectives of respondents were illustrated using frequency tables and bar graphs, per question included in the study. Briefly, respondents of this particular research study were shown to be happy with EKZNW, but not satisfied with some of the Rhino Card loyalty programme activities and expressed their views in face-to-face communication with the researcher, while some wrote comments on the questionnaires expressing their recommendations regarding improvement of the Rhino Card loyalty programme services.

The following chapter will focus on the conclusion and recommendations of the EKZNW loyalty programme.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The previous chapter presented the data analysis of findings of the EKZNW loyalty programme members' perceptions, through frequency tables and bar graphs. The empirical data analysis was set out in two sections. Firstly, an analysis of the demographic information gathered from the study participants was presented, after which in-depth knowledge and perspectives of respondents, towards the loyalty programme of EKZNW services, were illustrated.

This chapter focuses on the discussion of the findings related to chapter two's literature review and the data presented in chapter four of the study. It also seeks to discuss the study recommendations, recommendations for further studies and conclusion of this particular study, drawn from the previous chapter's empirical findings.

5.2 SUMMARY OF THE STUDY

This study literature revealed that, due to growing competition in the tourism industry, the practice of investing in customer loyalty programme marketing has, as of late, gained attention. Customer Loyalty Programmes are not a well-researched topic by tourism researchers. Instead, much of the research published on travel and tourism tends to be at destination level, rather than specific tourism businesses, where CRM is widely applied and researched. The main purpose for conducting this research study, was to critically assess the effectiveness of the EKZNW loyalty programme, through obtaining Rhino Card holders' perceptions, levels of satisfaction and perspectives towards the benefits and incentives included in the package by EKZNW. This research project is

significant, because it will contribute towards notifying the impediments that are hindering progress and improvement of the EKZNW loyalty programme for future purposes.

Some of the main findings are:

- The majority of the EKZNW loyalty programme members were found to be White, when compared to the other ethnic groups found in South Africa.
- The majority of frequent visitors to EKZNW resorts are loyalty programme members who visit four times a year, in different parks.
- The majority of the loyalty programme members are 51 years and older.
- EKZNW tourists that earn a monthly salary from R30 000 and above, are the ones that own loyalty programme cards and visit the resorts more regularly, compared to low-income earners.
- The majority of the loyalty programme holders do not see the Rhino Card as expensive to buy, however, the minority of the respondents perceived it as an expensive loyalty programme to join.
- Most tourists that are members of the EKZNW loyalty programme are satisfied with the benefits offered to them for being Rhino Card holders. Nonetheless, a number indicated that they were not satisfied when comparing Rhino Card benefits with the South African National Parks' Wild Card.
- EKZNW loyalty programme members agreed they would recommend the Rhino Card programme to their peers, friends, colleagues, neighbours, and so on. Nevertheless, they reiterated that it would be better if it could allow them to use the Rhino Card outside KZN, as with the Wild Card.

This study employed a quantitative type of research because of its capability to attain a large number of respondents in a short space of time. The research

target population was 30 395. Descriptive research was found to be relevant and appropriate for this study. The non-probability sampling, consisting of a convenience sampling technique, was adopted for this research study to recruit EKZNW loyalty programme membership holders as participants. It was adopted as it allows for quick gathering of data and is also representative of the population. The sample size for this research was 376, drawn from the target population of 30 395. Questions in the questionnaire were designed to be closed-ended, with questionnaires personally distributed to the respondents in all the selected resorts of EKZNW. The data was analysed using a statistical programme (SPSS) and presented by means of frequency tables and bar graphs.

5.3 FINDINGS RELATED TO THE LITERATURE REVIEW

According to Sirakaya (2004: 472), it is less expensive when a tourism entity retains their current tourists, as compared to seeking new tourists. Customer loyalty programmes have recently become a significant driver of a company's success, with the purpose of building and cultivating long-term, positive attitudes and behaviours among valuable customers (Lacey *et al.*, 2007: 84). Hanover Research (2011: 6) states that customer loyalty programmes seek three outcomes, which are set out as follow:

- To enhance and revitalise the overall value-proposition of the product or service;
- To encourage retention of consumers to the business product or service;
- And lastly, to support other aspects of the firm's offensive and defensive marketing strategies (Hanover Research 2011: 6).

Mukerjee (2012: 113) indicates that customer loyalty is a crucial factor that can decide the future of a company. Furthermore, loyalty programmes have become

a critical part of the leisure industry, due to increasing competition in the field and the recognition of the importance of loyal visitors. Gil *et al.* (2006: 47) assert that satisfaction is an important key factor in fostering tourist/visitor retention to a company's services, since it can greatly influence purchasing behaviour.

According to Jens and Lal (2014: 5), some customers who spend less, such as lower-income consumers, may feel less important in the type of loyalty programmes that reward customers based on purchasing power. Petrick and Sirakaya (2004: 472) mention that another key challenge, in the managing of loyalty programmes by marketing managers of various companies, is to understand and use the information they receive.

However, these statements regarding loyalty programmes, are likely to be the same as the findings of this particular study. It is reflected that, in this regard, 38 percent of respondents strongly agreed with 36 percent that agreed, whereas, 21 percent remained neutral, three percent disagreed and two percent strongly disagreed. This proves that the majority of respondents are loyalty tourists of EKZNW resorts because of the benefits and incentives associated with the organisation's loyalty programme. About 34 percent agreed and 32 percent strongly agreed that they are fully satisfied with the overall service aligned with the EKZNW Rhino Card loyalty programme. The above statement reflects the majority of the respondents' views on satisfaction.

5.4 UNANTICIPATED RESULTS

The majority of the members that are above the age of 51 years and older, visit EKZNW resorts more often with their loyalty programme card, when compared to younger members. Where origin is concerned, 9.3 percent of respondents stated that they are from Europe and 1.6 percent indicated that they originate from Asia, against 89 percent that indicate the African continent as origin. This

was unanticipated and it poses a question, as to how these loyalty programme members utilise their customer loyalty programme membership. The majority of respondents opted a neutral stance to most of the questions that questioned the challenges facing the EKZNW loyalty programme.

5.5 CONCLUSIONS

Singh *et al.* (2008: 527) stress that companies today are more interested in returning current customers as they generate higher added value by maximising market share, income, profit and by accelerating business development and improving the organisation image in the market. The tourists who participated in this current study were asked how often they visit EKZNW resorts per year. The findings of the previous chapter shows that most of the tourists that are in possession of EKZNW loyalty programmes, Rhino Card visits resorts more than four times yearly. This is reflected through the category of four times and above a year getting 49.2 percent, three times a year 20 percent, twice a year 19 percent and 12 percent are those that pay visit once a year.

The conclusion would be that tourists, who are customer loyalty programme members of EKZNW, prefer to visit different resorts of this organisation more than four times a year. Moreover, findings also indicate that the majority of members that are above the age of 51 and older, have more time to visit EKZNW resorts with their loyalty programme card, when compared to younger members. This may be due to the fact that people under the age of 51 are still working, whereas the age group above 51 to 60 years mostly own businesses, while some have retired. This is reflected by the percentage figures in the data presented by means of graphs; respondents from both the age groups of 51 to 60 and 61 and older, share 25.4 percent, followed by 41 to 50 year olds at 19 percent, with the 31 to 40 year age group at 17 percent and lastly, members aged from 20 to 30 years totalled 13.0 percent. This proves the positive impact

of the EKZNW loyalty programme in enticing tourists back for revisits. These findings address sub-objective three of the study.

The findings of the empirical data indicated that more than half (52 percent) of the respondents chose strongly agree, which indicates that they are satisfied with the benefits and incentives allocated by the EKZNW loyalty programme, followed by 32 percent that indicated their agreement, which also reveals that they are happy with incentives provided. This question was asked to establish whether the EKZNW loyalty programme incentives complement the expectations of loyalty card holders. These findings address both sub objective two and sub objective three. Dreze and Nunes (2008: 892) mention a few examples of tangible incentives: special discounts, upgrade after accumulated purchases, priority in sales, and/or priority in check-in for travel. The results of this current research project shows that the majority of respondents strongly agreed that, being in possession of a Rhino Card gives them the advantage of receiving quick service when they produce their card.

It is held by Gable, *et al.* (2006: 36) that loyalty programmes offer consumers broad and extensive benefits, both hard and soft, so that they end-up becoming customers and increase their purchasing power to the advantage of the company. The free gate entrance incentive of EKZNW resorts may be seen as an extreme benefit, which leads to tourists' retention, based on the face-to-face conversation between the researcher and numerous respondents. The findings of this particular study reveal that 66 percent of the respondents strongly agreed, 23 percent agreed, with eight percent that remained neutral, regarding the free gate entrance incentive, while two percent disagreed and one percent strongly disagreed. These results answer sub objective one, two and three of the current study.

According to Meyer-Waarden (2002, cited in Hikkerova, 2014: 2) most tourism and hospitality firms have launched extremely expensive customer loyalty programmes, whose effectiveness may not be guaranteed. The majority of the study respondents chose to remain neutral regarding the question regarding EKZNW's affordability. Whereas some of the respondents strongly agreed and agree that the EKZNW Rhino Card loyalty programme, is too expensive, when weighed against the associated benefits, there was displeasure that it is not usable in the other provinces' National Parks, in contrast to the SANPARKS loyalty programme, Wild Card. The benefits of the Rhino Card loyalty programme and current prices are set out in the appendices (Appendices 4, 5 and 6). Many of the respondents chose to remain neutral with regards to the question of false information about the customer loyalty programme of EKZNW.

A large number of the current research participants strongly agreed and agreed that EKZNW should consider the process of employing new approaches and strategies of operating its loyalty programme. The respondents, in a person-to-person conversation with the researcher, also stated that the EKZNW Rhino Club marketing managers should make their loyalty programme more flexible to allow members to use it in other National Parks nationwide, as opposed to only in EKZNW resorts and parks. Respondents also advised that the process of applying for a Rhino card on the website should be simplified, as they believe it to be too complicated, in addition to which the waiting period to receive the actual card, and not merely be in receipt of a temporary card, is too long, which exacerbates any complications.

This particular study concludes that the loyalty programme of EKZNW has a positive impact in the retention of tourists to the parks for holiday, based on the fact that the majority of the respondents fully agreed. More than a third (36 percent) of the respondents strongly agreed and 25 percent agreed that they

would recommend the EKZNW Rhino Card loyalty programme to their peers. In conclusion, this study research project has determined that loyalty programme members of EKZNW are attached to the organisation, hence they wish something could be done to enhance their satisfaction.

5.6 RECOMMENDATIONS

Based on the findings of the empirical study in the previous chapter, Figure 4.2 showed that the majority of the loyalty programme members are persons aged from 51-60 and 61 years and above. In response to this, it is recommended that EKZNW marketing managers and Rhino Club incumbents employ strategies that will also attract more visitors that are under the age of 51 to join the Rhino Card loyalty programme. Frequency table 4.3 and Figure 4.3 illustrate that, on the question of respondents' race, there were only 3.1 percent Coloured respondents, followed by Indian/Asian, with 8.3 percent and 15 percent of respondents indicating their race as Black African. Nonetheless, the majority of the loyalty programme members was found to be from the White ethnic group. This shows that there is much work to be done on the marketing side, in ensuring the services of EKZNW, and particularly the Rhino Card loyalty programme, are marketed to the extreme and promoted to the other ethnic groups in the South African market.

The majority of the respondents was revealed (Figure 4.12) to be unaware of last-minute leatherback discounts, as a benefit catered to for loyalty programme members. This poses a massive challenge to the marketing team of Ezemvelo, in that there is still much that needs to be done in marketing and promoting the services, incentives and benefits associated with the Rhino Card loyalty programme.

Last-minute leatherback discounts are better known in the parks and resorts located in the Northern part of KZN, based on the response of one-on-one communication between the researcher and tourists markets holding loyalty programme membership of EKZWN. Figure 4.13 and its frequency table show that 66 percent strongly agreed and 23 percent agreed that the free gate entry incentive is of paramount importance to them as Rhino Card holders. It is recommended that Ezemvelo make the access of these cards easier and ensure the improvement of quality service delivery in their activities to both tourists that are loyalty card members and non-loyalty members. Tourists also recommended the 'old system' of free gates entry incentive, where eight members in a car per Rhino Card were allowed entry. This old system needs to be revised and readopted with the new strategy of making profit, rather than the current fee charges.

Based on the fact that a large number of respondents (25 percent) chose to remain neutral (Table and Figure 4.14) and even indicated, in a face-to-face communication with the researcher during the data collection process, that they do not remember receiving newsletters from EKZWN Rhino Club, yet it is a service they would like to receive, as they have paid for it. The researcher recommends that the marketing team and public relations practitioners need to work together to avoid a bad image associated with empty promises to its market.

In response to the question of the affordability of the loyalty card, the majority remained neutral, while others disagreed. This shows that the Rhino Card is not considered too costly, however, quite a large number indicated strong agreement and agreement with the fact that these cards are overpriced for their main services. Thus, it is suggested that the EKZWN decrease its customer loyalty programme card costs, as their main purpose is to work on the retention

of tourists to the resort destinations, not to chase them away. The loyalty card should be sold at a low-cost or reasonable price and be easily accessible to the target market. Nevertheless, it is recommended that the EKZNW should rather work on revitalising tourists' activities, facilities and quality service and make more profits from these, not from the loyalty card. Additionally, it is recommended that the Rhino Club loyalty programme team should arrange for it to work as the one of SANPARKS (Wild Card), which allows them to use the card even outside the boundaries of KwaZulu-Natal.

Today, social networks such as Facebook, Twitter, Instagram, and so on, are seen as very useful marketing tools to advertise companies' products and services, yet the majority of this study's participants indicated that the EKZNW Facebook page is not active in marketing services and loyalty programme specials available at that point in time. A number of loyalty programme members of Ezemvelo remained neutral, which shows they are unaware of this social media page. Some revealed, in face-to-face talks that, because of their age, they do not subscribe to any social networks. It is recommended that EKZNW marketing officers ensure they keep the organisation's Facebook page active at all times. This should be done at least three times a week.

As mentioned, different approaches and strategies of operating loyalty programmes are recommended to be adopted, with the aim of ensuring the effectiveness of the programme. Some of the participants informed the researcher that the 'old system', of applying for Rhino Cards was perfect, compared to the new system. Nevertheless, they stressed that the online system of Rhino Card application is extremely complicated and it takes longer to receive your actual card. The Rhino Club team needs to take initiatives in addressing this issue properly. The majority of respondents (57 percent) of this particular research project, indicated that they would highly recommend more

research publications on the EKZNW services, and more particularly its Rhino Card loyalty programme, need to be conducted more often. The Ezemvelo internal marketing gurus and researchers need to pay extra attention to the matter of publications and also invite academic researchers to publish journal articles on the EKZNW organisation's products and services.

On the question of extensive promotions of the Rhino Card, more than half (58 percent) of the respondents agreed that it is much needed, at this point (Table 4.26 and Figure 4.26). The marketing management needs to employ temporary staff to spread the word of loyalty programmes of Ezemvelo during peak seasons in the parks and in prestigious Shopping Centres.

5.7 CONCLUSION

In conclusion, this chapter set out a summary of the study findings, findings related to the literature review, unanticipated results, conclusions and lastly, recommendations of the study. It is recommended that the Rhino Club loyalty programme team should arrange for it to work as the one of SANPARKS (Wild Card), which allows them to use the card even outside the boundaries of KwaZulu-Natal. The gate free entry benefits of EKZNW loyalty programme was found to be the key component that attract tourists to buy Rhino Cards and become loyal members.

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APPENDIX 1



OFFICE OF SENIOR MANAGER COMMERCIAL SERVICES
EZEMVELO KZN WILDLIFE
QUEEN ELIZABETH PARK
CASCADES

Email: Jeffrey.makwala@kznwildlife.com

Greetings Mr. S E Dube,
Department of Hospitality and Tourism
Durban University of Technology

Ref: permission to conduct a study concerning the customer loyalty programmes

It was great meeting you last week to discuss the opportunity to assist you in furthering your studies as stipulated above. After careful consideration of your request and our deliberation regarding this subject matter, I am glad to inform you that we are happy to assist with your request on condition that you will not share our guest's details with any other party. As I have explained you will be allowed free access to our park or parks of your choice which you will inform me in the format of a programme in advance to allow my office to communicate with relevant resort managers of those parks you will be visiting.

Furthermore, my office will assist you in drawing up the data for the guests who are in the loyalty programme for the resorts you will be visiting so you have an idea of potential guests you will be interviewing bearing in mind that you will be expected to respect their rights not partake in your research.

In addition, whilst in our properties, you will be required to be identifiable and also be expected to carry your student card.

Thank you for considering our organization to assist you with your studies and I hope that you find the process fulfilling.

Kind regards


Mr. Jeffrey N Makwala
For CEO: EZEMVELO KZN WILDLIFE
DATE: 08 May 2015

APPENDIX 2



Letter of Consent

Tourism and Hospitality Masters Research Project

Researcher: Mr Simphiwe Emmanuel Dube (0786704357)

Supervisor: Dr Lawrence M Lekhanya (031 3735835)

Research Office: Miss Zanele Shandu (031 3732577)

Dear Respondent,

I, Simphiwe Emmanuel Dube, am a Tourism and Hospitality Masters` student, at the Department of Hospitality and Tourism, of the Durban University of Technology. You are kindly invited to participate in a research project entitled **“Assessing the effectiveness of a Customer Loyalty Programme as a marketing tool of Ezemvelo KZN Wildlife Resorts”**. The main aim of this particular study is to critically assess the effectiveness of the Customer Loyalty Programme as a marketing tool, in the Ezemvelo KZN Wildlife Resorts.

Through the findings, which will be the results of your participation, I hope that Ezemvelo KZN Wildlife will obtain an in-depth understanding of the impact of the loyalty programme on tourists` retention rate. The results of the survey will be critically analysed from a marketing perspective to see how the organisation`s marketing team will improve their loyalty programme, satisfaction of loyalty members and attracting potential tourists.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time, with no negative consequences. There will be no monetary gain from participating in this survey. Please be informed

that your personal information, such as your name and telephone number, is not required in this questionnaire.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 15 minutes to complete. I hope you will take the time to complete this survey.

Sincerely,

Simphiwe Emmanuel Dube (Mr.)

APPENDIX 3



ASSESSING THE EFFECTIVENESS OF CUSTOMER LOYALTY PROGRAMME AS A MARKETING TOOL IN THE EZEMVELO KZN WILDLIFE RESORTS

**DURBAN UNIVERSITY OF TECHNOLOGY
DEPARTMENT OF HOSPITALITY AND TOURISM**

Researcher: Mr Simphiwe Emmanuel Dube (078 6704357)

Supervisor: Dr. Lawrence Amphela Lekhanya (031 3735835)

Research Office: Miss Zanele Shandu (031 3732577)

The purpose of this survey is to solicit information from the tourists that are holding loyalty programme membership of Ezemvelo KZN Wildlife resorts, as the study is assessing the effectiveness of Customer Loyalty Programmes as a marketing tool of this organisation. The information provided will be used for research purposes only. The completion of the survey is voluntary and does NOT require your name, address or telephone number. The questionnaire can be completed in less than 15 minutes.

SECTION A

(Please mark with (X) in the appropriate blocks)

RESPONDENT PERSONAL INFORMATION

BACKGROUND INFORMATION

1. Please indicate your gender:	
Male	1
Female	2

2. Please indicate your age group:	
20-30	1
31-40	2
41-50	3

51-60	4
60 and Above	5

3. Please indicate your race group:	
African	1
White/European	2
Coloured	3
Indian/Asian	4
Other (please specify)	5

4. Please indicate the continent of your home country:	
Africa	1
Europe	2
Asia	3
Other (Please specify)	4

5. Approximate monthly income (Rand):	
R1 000- R5000	1
R5 001- R10 000	2
R10 001- R20 000	3
R20 001- R30 000	4
R30 001 +	5

SECTION B:

Tourists` introduction questions to Customer Loyalty Programme

7. What is your understanding of the aim of a Customer Loyalty Programme?	
To provide discounts for regular visitors	1
To maintain and enhance the tourists` relationship with Ezemvelo resorts	2
To build customer loyalty	3
To provide quick service	4

To provide a competitive product	5
All of the above mentioned	6
Other (Please specify)	7

8. As a loyalty programme member, please indicate the primary reason which drove you to join the Ezemvelo Loyalty Programme	
To get discount prices	1
To get relevant and updated information	2
To have easy access to the resorts` information and facilities	3
To be informed of the special offers in the resorts	4
Just joined the Loyalty Programme which was offered by the Park	5
Other (please specify)	6

9. For how many years have you been a member of the Ezemvelo KZN Wildlife Rhino club?	
Less than a year	1
One year	2
Two years	3
Three and more	4

10. How often do you visit Ezemvelo KZN Wildlife resorts a year?	
Once a year	1
Twice a year	2
Three times a year	3
Four times and above a year	4

SECTION C:

11. Benefits of the Customer Loyalty Programme to Ezemvelo KZN Wildlife.

Statement	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
Since I joined the Ezemvelo KZN Wildlife loyalty programme, Rhino card have been very helpful to me.					
Ezemvelo KZN Wildlife Rhino card save my time when getting to the resorts` helpdesks.					
Ezemvelo Loyalty programme, Rhino Card gives me options of last-minute Leatherback discounts.					
I am very happy with the free gate entrance to all parks of Ezemvelo that my loyalty card gives to me.					
The monthly newsletter that I receive because of this loyalty card gives me relevant information about Ezemvelo KZN Wildlife.					
Due to the loyalty card` incentives, I can proudly say that I am loyal tourists of Ezemvelo.					
I am really satisfied with the services I get through this loyalty programme.					

SECTION D:**12. Challenges of Ezemvelo KZN Wildlife Customer Loyalty Programme**

Statement	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
I normally find it very unfair to the non-loyalty programme cardholders when I get quick service at the helpdesks.					
The Ezemvelo loyalty programme card are too expensive.					
Some of the information about the incentives of the loyalty programme of Ezemvelo KZN Wildlife is false.					
I find the Rhino killings/poaching having a negative impact on the service of Ezemvelo KZN Wildlife.					
I am dissatisfied with the services of Ezemvelo loyalty programme.					
I hardly see information regarding the Ezemvelo Loyalty Programme, Rhino Card on their Facebook page.					

SECTION E:**13. Measuring the effectiveness of Customer Loyalty Programme**

Statement	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
I have never seen any publications written so far about customer loyalty programme by the different authors on the books, journal articles etc.					

I believe more different steps need to be employed in the operation of Ezemvelo loyalty programme.					
I personally suggest that Ezemvelo should attract more academic consultant researchers to keep publishing journal articles about their customer loyalty programme.					
I would be very happy to see people hired, only to promote Ezemvelo loyalty programme, Rhino Card in all these resorts during the pick seasons.					
The loyalty programme of Ezemvelo has a positive impact in creating loyal tourists.					
Ezemvelo KZN Wildlife marketing managers need to seek more strategies of operating their loyal programme.					
I would recommend Ezemvelo KZN Wildlife loyalty programme to my friends and family.					

Thank you for your participation.

APPENDIX 4

NEW RHINO CLUB BENEFITS AND COSTS

The Rhino Gold Card may be purchased for the period of one year, ending 31 March 2015:-

i.e. **one year from 01 April 2015 ending 31 March 2016 OR**

Your basic Rhino Card costs you R250 **per person** (under 60 yrs of age) or R230 **per person** (over 60 yrs of age) for a year's membership. There is no juvenile rate. There is also only one loyalty card, the Rhino Card.

Eg. An individual membership will cost R 250 (one person).

Eg. In order to receive the benefits, two people will pay R 500 i.e. you will be buying two memberships @R250 each = R500 and ONLY THOSE 2 PEOPLE enter for free. **However**, as long as ONE of the cardholders is present, any second person can enter with you for free because you have paid for two memberships (eg. Your partner is staying at home and you want to take a friend with you instead.)

Secondly, if **the Rhino Club member** books accommodation, the Leatherbacks apply to their guests as well – but THE VALID Rhino Club MEMBER has to be present.

Your Rhino Card will have your ID and name on it, plus your partner's ID, plus the **number** of memberships you have paid for eg. No. 1 will be printed onto the card where there is only 1 membership purchased; eg. No. 2 will be printed on the Couple card; eg. No. 4 on a Family Card where 4 memberships have been purchased, etc

This membership gives the member

- The options of Last-Minute Leatherback discounts and other specials, when available (up to 40 percent) - The Leatherback discounts apply to all your guests in your chalet or ordinary campsite.
- Free gate entry to our Parks and into iSimangaliso Wetland Park
- Preferential Helpdesk service and
- The monthly newsletter (keeping you up to date with Conservation issues).

APPENDIX 5

Table of Rhino Card Fees

Card Type	Basic cost of R250 p/person for up to 4 people	Surcharge of R125 p/person applies thereafter (maximum of six extras allowed)	No of people	Total cost
Individual rate	R250	0	1	= R250
Couple rate (two people)	R500	0	2	= R500
Family rate (two plus one)	R750	0	3	= R750
Family rate (two plus two)	R1000	0	4	= R1000
Family rate (two plus three)	R1000 <u>plus</u> one @R125	R125	5	= R1125
Family rate (two plus four people) Surcharge applies	R1000 <u>plus</u> two @ R125	R250	6	= R1250
Family rate (two plus five people) Surcharge applies	R1000 <u>plus</u> three @ R125	R375	7	= R1375
Multi-Card (more than one individual sharing a card; maximum of ten people) Eg. A Multi-Card for 7 people (four <u>plus</u> three extras) Surcharge applies	R250 <u>per person for the first four people,</u> plus a	surcharge of R125 per extra person	Max 10 people	R1,000+R125+R125+R125 = R1,375

APPENDIX 6

Table of Rhino Card Fees for Pensioners

Membership fees for over 60 yrs of age (pensioners) - Discounted price	
Individual rate	= R 230
Couple rate (both pensioners)	= R 460
Couple rate (only one pensioner and one under 60 yrs of age R250+R230)	= R 480
Family rate (two pensioners + <u>one dependant</u> = three people (R 460+R 250))	= R 710
Family rate (two pensioners + <u>two dependants</u> @ R250 each)	= R 960
Add a surcharge of R 125 <u>for any extra dependant</u>	
Multi-Card (more than one pensioner sharing a card)	= R 230 <u>per person for the first four people</u> , plus a surcharge of R 115 per person for a maximum of six extra people. Eg. A card for 7 people (four plus three extras) would cost R 920+R 115+R 115+R115 = <u>R 1,265</u>

APPENDIX 7

Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	192	1.00	2.00	1.4635	.49997
Age	192	1.00	6.00	3.3542	1.37654
Race	192	1.00	5.00	2.0625	.74935
Continent	192	1.00	3.00	1.1250	.37598
Income	192	1.00	6.00	3.5156	1.26150
Understanding	192	1.00	7.00	3.9583	2.20384
Loyalty	192	1.00	6.00	2.2083	1.25674
Years	192	1.00	4.00	3.1250	1.07079
Often	192	1.00	4.00	3.0677	1.07839
Benefits	192	1.00	5.00	1.6927	.88285
B1	192	1.00	5.00	1.9531	.93388
B2	192	1.00	5.00	2.1250	.90664
B3	192	1.00	5.00	1.4792	.79236
B4	192	1.00	5.00	2.0365	.95650
B5	192	1.00	5.00	1.9427	.92767
B6	192	1.00	5.00	2.1198	1.00325
Challenges	192	1.00	5.00	3.2292	1.08275
C1	192	1.00	5.00	3.0208	1.14388
C2	192	1.00	5.00	3.4063	.92751
C3	192	1.00	5.00	2.8646	1.29937
C4	192	1.00	5.00	3.4271	1.10917
C5	192	1.00	5.00	2.9323	1.01847
Effectiveness	192	1.00	5.00	2.5833	1.10843
D1	192	1.00	5.00	2.3333	.91144
D2	192	1.00	5.00	2.3490	1.01202
D3	192	1.00	5.00	2.3333	1.04523
D4	192	1.00	5.00	1.8906	.85217
D5	192	1.00	5.00	2.0729	.87723
D6	192	1.00	5.00	1.7552	.84226
Valid N (listwise)	192				

