



# **Brand resonance and customer loyalty in the banking sector**

*A study of the lower mass market*

**A research report submitted to the Faculty of Commerce, Law and  
Management, University of the Witwatersrand, in partial fulfilment  
of the requirements for the degree of Master's in Business  
Administration**

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## ABSTRACT

This research had its focus on investigating the influential elements of brand resonance and the customer value proposition in driving customer brand loyalty. The qualitative study set out to uncover a broad array of sub-topics that are associated with qualities of the customer value proposition that drive brand resonance that leads to brand loyalty in the Living Standard Measure (LSM) 2-5 market segment of the banking market.

To get to the essence of the study, key management constructs were explored, namely the Theory of Reciprocity and Keller's Brand Equity Model to explore characteristics that drive brand love. Being exploratory in form, the analysis was steered by a qualitative design. Interrogative interviews were carried out with an appropriate sample to gain well-informed and representative insight on this topic. In a Volatile, Uncertain, Complex, Ambiguous (VUCA) world where household income is burdened, customers place more importance on value, quality, and emotional brand connections, and how these correlate with each other to realise brand loyalty.

Findings of the study revealed that the lower mass market's comprehension of brand resonance and value proposition is limited to colour and the cost of banking. It was, however, evident there is broader subconscious understanding but how it translates in the physical is circumstantial.

**Key words:** Brand resonance, brand loyalty, brand identity, brand meaning, brand responses, branding, brand equity, theory of reciprocity, relationship marketing, sensory marketing, customer value proposition.

## DECLARATION

I, Zinhle Zulu, with Identity Number 8210250284087, declare that the work submitted in the form of a research report is my own work except for the references and acknowledgements made in some sections of the report. It is submitted in partial fulfilment of the requirements for the Master's in Business Administration degree offered by Wits Business School, Johannesburg. Sections of the report were submitted for a previous assignment, Applied Research Proposal in July 2021.

**Ms. Zinhle Zulu**



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**Signed at: Sandton**

**Date: 02 December 2022**

## DEDICATIONS

This entire project is dedicated to my Lord and Saviour, Jesus Christ, for seeing me through difficult challenges I faced whilst pursuing this degree. The experience has strengthened by faith in the realisation that through Christ, I can do all things.

To my mother, Zenzile Zulu, sister, Zanele Zulu, grandmother, Alvina Zulu, and my precious nephew, Basanda Zulu, and niece, Mikayla Russon, to whom this paper and all my success is dedicated, I love you and thank you for embracing this journey with me and for loving me throughout it.

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The perceptive executives, senior managers and focus group participants whom I interviewed made this submission richer, I am thankful that they generously dedicating their time, I am truly indebted to all of them for their invaluable contributions.

A special shout out to my friends and loved ones who supported me and ensured that I was unswerving to my career goals. To my pillar of strength, Tracey Dube, you showed up mightily for me throughout this journey, God Bless You.

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## CHAPTER 1: INTRODUCTION

Brand resonance and loyalty have been acknowledged as key factors to achieve sustainable brand performance and success. For a while, customer retention has been recognised as a turn-key solution to achieving business success, disregarding the main influence of brand resonance that is made up of several constructs and drivers (e.g. customer engagement strategies that drive customers' emotional attachment conducive to establishing a sense of belonging) that result in consumers potentially establishing long-term loyalty to a brand. Brand resonance is defined as the extent to which a consumer develops a strong behavioural, psychological and social bond with the brand they consume (Shrum, Burroughs, & Rindfleisch, 2005). Furthermore, customer heterogeneity means that customer needs and desires and resultant purchasing behaviours are ever changing; as the world evolves, marketers need to constantly scan the environment for new developments to ensure that the changing needs are catered for through compelling customer value propositions (CVPs) to achieve sustained competitive advantage and customer loyalty.

A CVP is a marketing term for an account of total value that an organisation provides to a customer in exchange for payment. It is the perceived value that will cause customers to choose a particular brand over another (Indeed, 2021). It can be argued that compelling CVPs play a role in driving emotional attachment to a particular brand. Consumers have become discerning when choosing brands with which to be associated, and perceived value in the brand could also drive resonance in addition to sales.

Many studies point to the conclusion that brands which can appropriately establish and maintain resonance with their customers by communicating compelling and relevant CVPs to the heads and hearts, are highly likely to enjoy sustained competitive advantage and greater market share in the industry in which they operate. This study sought to uncover the degree of the role of brand resonance and CVP in explaining brand loyalty in the banking industry, with the target focus being the lower retail mass market.

## 1.1 Context of study

When South Africa entered hard lockdown in March 2020 because of the COVID-19 pandemic, South African banks immediately empathetically responded to the needs of their customers by offering payment holiday relief and thus earned great goodwill for this response, despite not having made budget allocations for such unprecedented events. According to the Banking Association of South Africa (BASA), as at 24 October 2020, banks had provided over R50 billion in financial relief; R33,61 billion in payment breaks on credit agreements and R16,71 billion under the loan guarantee scheme to South African businesses and individuals (Consulta, 2021). The hard work for banks to leverage that position is an ongoing mission as consumers' resilience and loyalty are tested due to South Africa's economic outlook that continues to be volatile, particularly in the lower mass market segment.

It has been argued that brand resonance only takes place when potential consumers feel seen, heard and understood by brands, and that this is highly achievable through how brands engage, communicate and market products and services to appeal and capture consumers' heads and hearts. The saying "people buy with emotion and rationalize with logic" was proven to be true by neuroscientists (May 2018) and thus emotive marketing strategies that fulfil both the head and the heart of a consumer's internal decision-making process must be at the core of advertising plans. In a publication on Medium.com, Insight Demand CEO Michael Harris (2015) states: "People do not decide emotionally. The decision to buy is made subconsciously, and these subconscious decisions are based on a deeply empirical mental processing system that follows a logic of its own. Our subconscious decision to buy is then communicated to the conscious mind via an emotion". Moreover, from a style of communication perspective, simple and easy to understand communication that aims to educate and create awareness, as well as a desire to purchase through compelling CVP, has an influence on how consumers receive and perceive brands, as evidenced in the Kantar Top 10 most liked advertisements by South Africans for Quarters 1 and 2 in 2020 (Bizcommunity.com).

## 1.2 Problem Statement

Brand resonance can be achieved in various ways for different brands playing in different categories and in different industries. Keller's (2003) customer-centric model stipulates that customers are pivotal in building strong brands, as how they perceive brands through experiences, marketing communications, value propositions and brand identity becomes the building blocks of achieving brand resonance the sparks an emotional connection to a brand. As in the literature review, the theory of reciprocity further proposes that, where balance reciprocity (a concept that entails a considered calculation of value and an expectation that the return will be realised within a specific period) exists between customer and brand, brand resonance is achievable. In the banking sector however, achieving long-term customer brand resonance has been a challenge for marketers due to banking being perceived as a grudge purchase that only entails a clinical transaction and thus the argument is that banks hold the power and there is no need to establish a relationship where the outcome cannot be influenced by both parties (Moloi M., personal communication, 2021). Over 40% of South African households prefer trust-based methods that fulfil banking needs, such as stokvels, according to the National Stokvel Association of South Africa. A stokvel is a savings or investment society-based club in which members regularly contribute an agreed amount which is then divided amongst them, according to the method agreed by the members. For many South Africans, stokvels are more than a platform to save money; they are safety nets for emergencies as well as a social engagement and entertainment platforms, especially for the lower-income population. Community-based clubs such as these provide the flexibility and support structure that is perceived as lacking in the banking industry (Lourie, 2017). Further to the prevailing negative perception of banking, the lower Retail Banking segment does not perceive banking to be exciting, with research pointing to the fact that the majority in this segment find banking intimidating and view it as a tedious administrative exercise and thus it lacks the "sexy" appeal, no matter the piece of marketing communications banks put out to spark interest and desire for banking products through compelling CVPs (Kantar, 2019). This has been evidenced by the rise in the use of substitute services like Retail Money Market

solutions used to send money across the country by way of a simplified over-the-counter process.

Moreover, the style of communication to this segment is too sophisticated and thus may not be easy to grasp from a language perspective. Banking by nature is an involved process, and if a relationship is established with customers by way of communicating compelling value propositions, the process of entrenching long-term customer loyalty is a long intentional one achieved through impactful customer retention strategies. By servicing current customers and consistently keeping them happy, it ensures emotional attachment, repeat business and positive word of mouth marketing. According to Motista (2021), a consumer who gets emotionally attached to a brand has a 306% higher lifetime value and will recommend that brand 26% more than the average customer (Davis, 2021). Some studies have revealed that resonance and brand loyalty can be achieved through how well brands communicate and educate consumers about the offering to gain competitive advantage, particularly in the banking sector where a typical banking offering lacks differentiation.

There have been debates in the generic approach brands adopt to market to the lower mass market. Some brands take a blanket approach strategy that assumes that the needs of the market segments are homogenous in nature and thus execute ill-informed approaches and hope to gain appeal, traction, and sustained usage. In this approach, brands are missing the potential aggregate value presented by this market segment. While this approach may still be relevant for some brands, especially those aiming to retain customers with a track record of product purchase history, banking products differ by the nature of them being specialised and involved and thus require comprehensive customer engagement strategies.

The subsistence market places, a paper that offers a comprehensive breakdown of the connection of scarcity and markets for the bottom of the pyramid segment, states that this segment should be analysed through its own perspective and not by way of predetermined concepts, to design appropriate solutions (Viswanathan, Sridharan, & Ritchie, 2008). Where blanket strategies communicate value

propositions that are not relevant to a particular customer, marketers risk customers perceiving brand strategies as lazy and not well thought through and thus patronising. This is evidenced in how Capitec entered the banking category with a simplistic strategy that quickly gained traction, stealing market share from the traditional big four banks, namely First National Bank (FNB), Absa Bank, Standard Bank of South Africa (SBSA) and Nedbank. In 2013, Capitec was the only bank that grew retail customers, overtaking Nedbank as the 4th biggest bank in South Africa by market share (Jacks, 2013). When Capitec's Head of Corporate Affairs and Marketing was interviewed about the business success, he attributed the win to the relatable positioning of simplicity that is demonstrated through every customer touchpoint, and believes that it led the team to deduce that the growth is a sign of appropriately delivering on the brand promise, and thus customers trust the bank enough to switch from other banks to Capitec (Fischer, 2013).

Recently, Tyme Bank entered the market with a simple strategy underpinned by digital convenience and affordability, which promises to be a pioneering disruptive move. Both these entrants, Capitec and Tyme Bank, have been successful in capturing the lower mass market while the big four banks are still finding it a challenge, albeit possessing many years of experience in the industry. Many scholars have questioned the philosophical approach to banking employed by the big four banks which is perceived to be tone deaf to the functional and practical approach this type of customer is looking for.

In attempts to be a truly African bank, Absa Bank undertook a rebranding exercise underpinned by Africanacity positioning (Alvarez-Milan, Felix, Rauschnabel, & Hinsch, 2018), a reference to Absa Bank's distinct African way of delivery implying that through tenacious efforts, they always get things done (Chartered Institute of Government Finance Audit and Risk Officers [CIGFARO], 2018). Proof points of this bold rebranding statement rested in product innovation that was increasingly digitised, as well as other bespoke offerings such as Samsung Pay and WhatsApp Messenger banking. Furthermore, the bold red was accentuated with other bold colours (burnt orange) that represent the African sun (Majapelo, 2019). "Although the full impact of the rebranding is still being explored, the intent

to rebrand was to reposition the brand to strengthen Absa brand equity, improve shareholder value and demonstrate Return on Investment (ROI),” said Arrie Rautenbach, Chief Executive of Retail Banking, in one of this re-launch statements (Rautenbach, 2019). As such, when marketers effectively develop brand resonance strategies, a key brand equity construct, customers are inclined to be more loyal to the brand, would be more willing to interact with it and express their favourable experiences with others (Gul, Sun, & Gilal, 2015; Keller, 2009).

Hudadoff (2009) defines CVP as a brand’s product or service description of the experiences a target user will realise upon purchase and use of a product. The definition assumes that brand performance and related experiences are at the core of brand equity and therefore are an integral part that influence brand loyalty formulation, as studies have indicated that brand performance is instrumental in attempting to meet customers’ more functional needs.

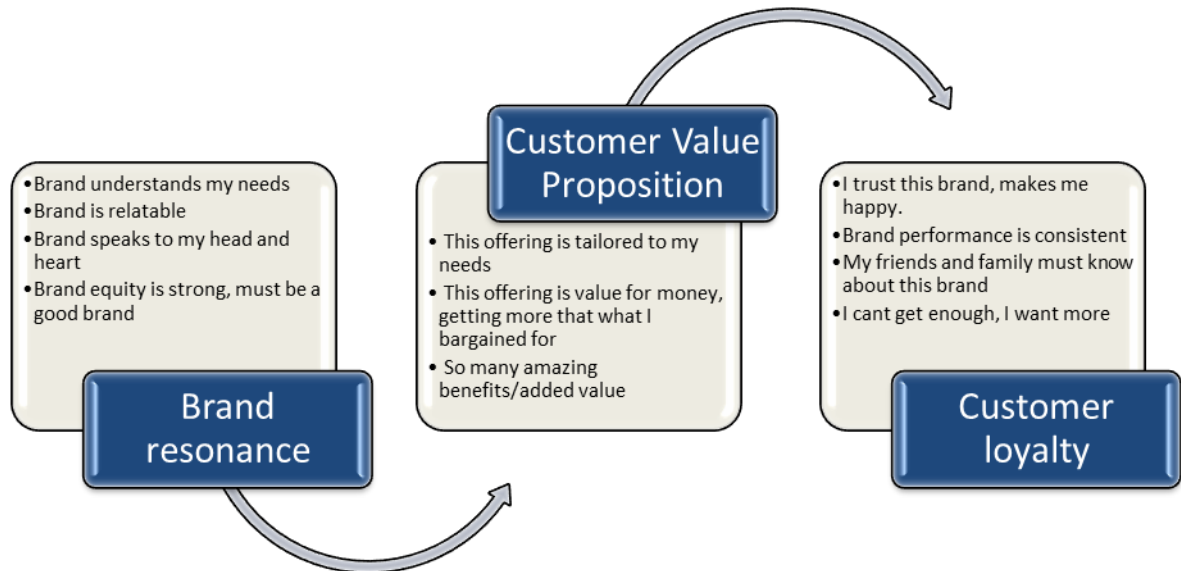
### **1.3 The Purpose of the Study**

Considering the problem statement and the core aspects of the Subsistence Market Places Paper (Sridharan et al, 2008) that break down the connection of scarcity and markets, the purpose of the study was to determine nuances critical for driving customer loyalty using brand resonance and CVPs variables in the lower retail banking market segment, a 19 million target market size made up of LSM 1-5, income R1 179 to R6 659 per month with limited mobility seeking elastic banking hours, cash, low service fees, convenient bank locations, easy access to their money and a simple seamless process for accessing micro loans (Nedbank, 2011). It is to further establish if the two elements exclusively drive loyalty for the lower mass market segment in the banking sector or if there are other variables at play (i.e. culture, passion points etc.).

### **1.4 Research Questions**

Previous theories have found that brand equity, the consumer’s familiarity and confidence of a brand’s performance that sets it apart from competitor brands,

predict customer loyalty if solutions are designed in a simple, seamless way for all contexts.



**Figure 1: Brand resonance + Customer Value Proposition = Customer Loyalty proposed customer journey**

The customer journey demonstrates the feelings, judgements, performance and identity stages of the Customer-Based Brand Equity Model stages that delight and lead to customer loyalty, to substantiate the postulation of the role brand resonance and CVP play in explaining customer loyalty.

(i) **Question 1:** Does the lower mass market individual follow the above customer journey when considering an unsought banking product or service?

The stronger the brand equity, it is postulated, the greater the propensity to attract and keep loyal customers through continuous improvements on propositions, clear and identifiable brand image, as well as relevant propositions that widely resonate with customers (Ideas for Leaders, 2018).

(ii) **Question 2:** Is strong brand equity, clear propositions and identifiable brand image sufficient to attract and keep the lower mass market individual or are there other elements at play?

## **1.5 Possible Limitations and Delimitations of the Study**

The bleak South African economic outlook brought on by high unemployment rates and currently exacerbated by the COVID-19 pandemic, and the recent #freezuma protests underpinned by senseless looting, may influence the feedback from respondents negatively as this segment is the hardest hit by these unprecedented events. Furthermore, financial institutions are perceived to be a grudge purchase, and this may cloud the respondent's judgement and feedback.

Group think in the lower mass market may impact the outcomes of the focus group discussion; however, should this pattern of behaviour be identified; it would be rectified accordingly.

Respondents were educated about the newly effected POPIA ACT guardrails that were taken into consideration to ensure that respondents' data and information were protected. The impacts of the COVID-19 pandemic and the resultant lockdown restrictions reduced the interviews to be online only, depending on how comfortable the respondents were and if they had been vaccinated by the time.

## **1.6. Bias**

Bias is defined as any tendency which prevents unprejudiced consideration of a question. It occurs when "systematic error is introduced into sampling or testing by selecting or encouraging one outcome or answer over others". Bias can occur at any phase of research, including study design or data collection, as well as in the process of data analysis and publication ([www.bing.com](http://www.bing.com)). Understanding research bias allows readers to critically and independently review the scientific literature and avoid treatments which are suboptimal or potentially harmful. A thorough understanding of bias and how it affects study results is essential for the practice of evidence-based medicine.

To avoid bias towards feedback, data were captured objectively and analysed immediately after the interviews in its most verbatim form. Since the topic is based on marketing concepts in my area of expertise, to avoid bias, I avoided pre-

empting the participants or interjecting with precursors to their answers by designing open-ended questions.

## **1.7 Assumptions**

The following research assumptions were made:

- I. The participants reflected their normal perspectives and experiences.
- II. The number of participants is sufficient to gain acceptable data.
- III. Participants had a fair understanding of the key themes of the research study.
- IV. The participants provided truthful and accurate and honest feedback based on their reality.

## **1.8 Organisation of Chapters**

The structure of this research report is divided into six chapters. The first three chapters introduce the research topic and further give an overview of key themes of the study under each section (i.e. purpose of the study, key management theories explored, as well as the methodology). To get to the essence of the study, key management constructs were explored, the Theory of Reciprocity, a process of exchanging things with other people to gain mutual benefit (Cherry, 2020) and Keller's Brand Equity Model premised on the idea that consumer attitudes about positive brand attributes and favourable consequences lead to repeat brand usage. Chapters 4 to 6 provide results outcomes and themes that emerged from the data collection exercise. These are explained and discussed in Chapter 5, referencing the management theories from previous sections as well as supporting literature. Chapter 6 concludes the research report and gives practical recommendations to brand marketing managers in the banking sector and provides suggestions for further research.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

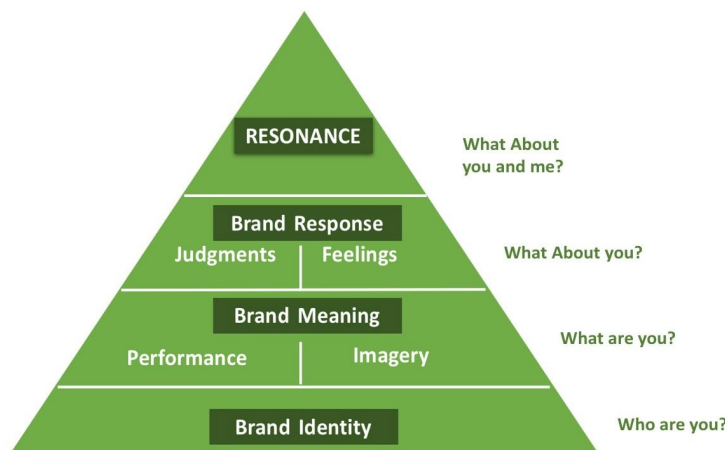
This section analysed the research constructs that were explored through the interrogation of topic-associated management theories using the influence of relevant models and marketing themes. The exploration of the fundamental theoretic intricacy was extended to the same constructs using the influence of various sentiments of varied authors. The literature review section considered the relevant theories in the form of journal articles, textbooks, websites and various other materials that substantiate the existing theory applied in the study. The management theories to be critically interrogated, analysed and evaluated were The Reciprocity Theory, to gain an in-depth psychological understanding of customer behaviour pertaining to the development of emotional attachments and meaningful relationships with brands, as well as to link the theory's outcome with Keller's Brand Equity Model that provides a guide to building strong brands.

### **2.2 Keller's Brand Equity Model**

According to the American Marketing Association 1960, brand equity, a concept that emerged in the 1980s, is defined as "the value of a brand" (. From a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favourable consequences of brand use. Before Aaker (1995), Leuthesser (1988) made a broader definition regarding brand equity, when he suggested the definition of brand equity as "the set of associations and behaviour on the part of a brand's customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name" (Tavsan, 2016). Other definitions explore the basket of assets and liabilities associated with a brand to measure brand equity, which demonstrates the importance of continually monitoring, managing and measuring brand performance. Considering the above-mentioned definitions of brand equity, Keller's Brand Equity Model, also known as the Customer-Based Brand Equity (CBBE) model, is thus premised on the insight

that the power of the brand largely depends on what the customer hears, sees, learns and feels about the brand. The model is pillared by four core constructs that customers typically want to know about a brand, that ladder up to drive brand equity (i.e. brand identity, brand meaning, brand responses and brand relationships and resonance (Keller, 2003).

**Figure 2: Keller's Brand Equity Model (CBBE Model)**



**Keller's Brand Equity Model – CBBE Model**

Image source: Marketing91.com

The model is centred in Keller's belief (2003) that building strong brands is crucial for an organisation's financial performance, and thus each step of the process must be properly managed to achieve organisational results. Keller's (2003) customer-centric model also clearly demonstrates that customers are pivotal in building strong brands, as how they perceive brands through experiences, marketing communications, value propositions and brand identity becomes attached to the equity (or lack of) the brand tries to build in the market.

**2.3.1. Proposition 1: Brand identity has influence in driving brand resonance that sparks loyalty**

Based on Keller's (2003) brand equity model and outcomes of numerous studies reveal that brand identity is critical, not only to distinguish brands from competitor products, but also to form positive images crucial for top of mind recall in the

consumer purchasing decision phase. This recall creates good feelings and judgements of the brand that lead to repeat purchases that ultimately establish loyalty.

### **2.3.1.1. Brand Identity**

Marketers constantly obsess about delivering better results by increasing product or service usage and often omit the process of developing a strong brand that would help to make selling products efficient. Marketers apply conversion funnels in their marketing strategies, a process used to try and drive potential customers down a stream that could lead to purchase. At the top of the funnel is the process of creating market awareness. This is done through developing a visibly distinct brand identity, incorporating brand identity elements that are easy to recall, enabling customers to distinguish from other competitor brands, i.e. naming conventions, logo designs, colour palette, typography iconography and illustrations to shape a visual image in the customer's mind (Tarver, 2020).

Apple remains the most valued brand in the world. According to Interbrand, which has been grading commercial giants by evaluating the values of their brands for 18 years, the Apple name is valued at \$184.1 billion, 3% higher than last year (2017), and \$42.5 billion more than second-place finisher, Google (Duprey, 2017). Apart from the Apple brands' association to its founder Steve Jobs, the name is catchy as a fruit would not ordinarily be linked to a company producing high-tech products and services. Furthermore, the Apple logo symbol is simple and self-explanatory, and the sleek design look and feel mixed with the light grey and white colour palette is consistent in every brand touch point.

A brand is a company's most valuable asset and thus building a strong and consistent brand identity must be rooted in the overall company purpose, strategy and be relatable to the company's market segments. Achieving target market specific brand identity is linked to establishing brand salience, which pertains to characteristics of customers' awareness of the brand.

### ***2.3.2 Proposition 2: Brand meaning is crucial for instigating brand resonance and brand loyalty***

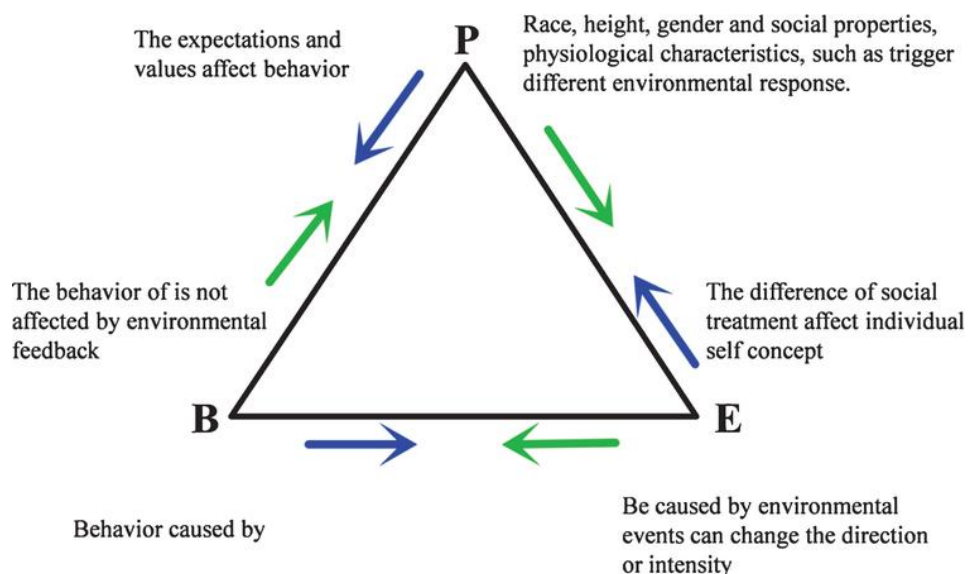
Brand meaning is achieved through differentiation in how well a brand performs in fulfilling customer needs from the core elements of efficiency, effectiveness, price, reliability, and design. Other intangible aspects of a brand (i.e. purpose, emotional connection, and values) work together to give meaning to a brand that gives it a distinct personality that occupies a customer's mind in the purchase decision phase of the journey.

#### ***2.3.2.1 Brand meaning***

Consumers have become discerning in choosing brands to associate with. They want to know what a brand stands for and believes in, what are the abstract considerations outside of functional, performance-related attributes. Thus, brands with clear purpose, positioning platforms that give a tangible expression of the purpose, as well as a distinct brand identity to amplify the brand, have a better chance of achieving customer brand meaning. The 2018 Economist Purpose Study uncovered that 79% of consumers opt to consume brands from an organisation that is founded on a social purpose (The Economist, 2018). Nike's recent campaigns have been a clear demonstration of how a brand can derive value by staying true to its purpose against all odds (Just Do It Colin Kaepernick campaign, 2018). This type of demonstrations from brands assists customers with deriving meaning of the brand that ultimately drives emotional attachment. A clear, compelling CVP is also central to driving brand meaning and growing market share. The fastest growing banks in South Africa, namely Capitec and FNB, offer compelling and clear customer value propositions, with Tyme Bank threatening to grow faster than the market. Capitec's CVP is based on a simple no-frills, just banking made easier approach, whereas Tyme Bank's approach is based on the principles of convenience and affordability for price and convenience seekers.

## 2.3 The Reciprocity Theory

The reciprocity theory has been recognised as a powerful tool to drive brand resonance and customer satisfaction with the potential to influence brand loyalty in marketing. Reciprocity is defined as a process of exchanging things with other people to gain a mutual benefit (Cherry, 2020). Cherry (2020) further states the three main types of reciprocity, i.e. **general reciprocity** based on altruism that supposes one gives from the goodness of the heart without any expectation and typically happens among loved ones, **balanced reciprocity** entails a considered calculation of value and an expectation that the return will be realised within a specific time period and usually happens with acquaintances and in business relationships, as well as **negative reciprocity** centred on gluttony to get more than what was given, such as over-priced goods and services and commonly happens when there is no relationship. Considering the definition, this theory of expectations supposes that if something of value is received, something of even greater value will be returned, highlighting the need for brands to consistently offer compelling value propositions. Reciprocity is a rudimentary law of social psychology. Social psychology deals with social interaction, self-concept, social cognition, social influence, attitudes, and stereotypes (Mustapha & Shamsudin, 2020). It can then be inferred that reciprocity theory is a social wiring that what is received will be paid back if the intention is from a positive source.



### **Figure 3: *Factors influencing reciprocity***

Image source: [content.iospress.com](http://content.iospress.com)

Furthermore, within the psychology of relationship, reciprocity plays a pivotal role. In his book, *The Psychology of persuasion*, Dr Robert Cialdini uncovers six principles of gentle persuasion that can be applied to persuade customer purchasing behaviour; reciprocity theory is the first principle that he lists. In the field of personality and social psychology, the reciprocity principle dates back to the 1960s when Alvin Gouldner first explored the benefits of cooperative interaction between two people, in his quest to tap into deep-seated social norms, moral codes, or maybe even different survival mechanisms that are brought on by millions of years of evolution (Hum, 2021).

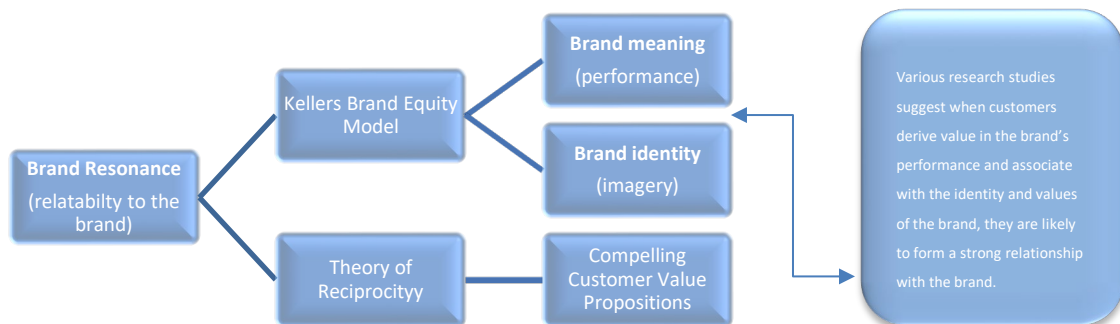
In marketing, balance reciprocity persuasion tactics have been applied to entrench customer trust and resonance by way of offering added value services, as well as loyalty and rewards programmes that ensure repeat business. One of the potential pitfalls of this theory in the South African context is that most South Africans have been financially excluded from participating in economic activities as a result mainly of past apartheid laws. Financial management and the resultant behaviours amongst this segment falls outside of the norm due to a lack of financial participation, exposure and experience. It can be argued that the financial behaviour in this segment is circumstantial-based rather than reciprocity-based. Although the 2012 report by finance researcher FinScope shows that an astonishing 73% of adults in South Africa are “financially included despite the negative perception of banking and the perceived high banking charges”, i.e. using some form of financial service or other (Nevin, 2012), the report does however not stipulate the psychology, behaviour and patterns that the reported financial inclusion entails, as well as the degree and type of usage of financial services amongst these segments. There is no sufficient awareness of the theory necessary to provide value in return to the person giving when approaching life from a point of lack. Financial institutions are not fully aware of the depth of the pressures faced by the lower mass market in line with the theory of reciprocity. Despite being the largest economy on the African continent, the

nation is plagued by high levels of unemployment, a poor education system resulting not only in high levels of illiteracy in general, but financial illiteracy as well, and staggering income inequality (Lourie, 2017). Yet most South African banks still use complex terminology and English as a language of communication and hope to derive brand love and resonance.

## 2.4 Conclusion of Literature Review

There are numerous studies that provide evidence that both the Theory of Reciprocity, even as a basic human law, as well as Keller’s Brand Equity model are suitable to further explore the role of brand resonance and CVPs in influencing customer loyalty. The true test of the impact of theory, however, is heavily dependent on the nuances of each segment as it is applied and tested.

The conceptual framework below demonstrates the complementary elements of the two management theories and the key role they play in driving brand resonance to be explored further in the upcoming sections.



**Figure 4: Kellers Brand Equity Model + Theory of reciprocity = Brand Resonance proposed conceptual framework**

Keller’s Brand Equity Model is premised on creating brand experiences that shape how customer think and feel about a product, while the Theory of reciprocity states that if the brand and product experiences are perceived to be of value, repeat purchase that leads to loyalty is probable. These complementary concepts create an affinity to a brand in the customers mind that resonate and meets the customer’s needs and wants through brand performance, imagery.

## **CHAPTER 3: METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the methodology approach that was applied to carry out the research, giving a detailed review of the research design and research instrument, as well as the population and sample decisions and rationale. Being an exploratory investigation, a qualitative design was employed. Issues related to data collection and the analysis thereof are also addressed. Furthermore, a discussion regarding the limitations as well as the validity and reliability of the research are included in this section.

### **3.2 Research Approach**

Flick (2014) states that qualitative research examines precise, complex, real-world circumstances using visual, aural and oral techniques rather than statistical data. Therefore, a detailed and in-depth qualitative approach was used for the exploratory study, as it allowed for attainment of a first-hand description of a specified field of experience. Furthermore, a qualitative research approach was most appropriate as it assisted in effectively capturing and analysing descriptive information that lead to clarifying the relationship between occurrences, in this instance, taking a deep dive into the factors of marketing and communication that lead the lower mass market to find resonance with financial products that would lead to long-term loyalty. In addition, Sofaer (2002) states that the use of rigorous qualitative research methods can improve the development of quality measures and the development and dissemination of comparative quality reports, therefore, the study undertook a qualitative methodology to conduct the research efficaciously. Ultimately, the intent of the qualitative research is to find explanations to multifaceted encounters (i.e. customer purchase behaviour, that do not obligate a definitive response - drivers of brand loyalty).

### **3.3 Research Design and Methodology**

Given the exploratory nature of the research objectives, a qualitative methodology was ideal to gain the level of depth and understanding required for this study. There is a perception that qualitative data are too subjective and susceptible to human error and bias in data collection and in interpretation and therefore provide an unstable foundation for expensive and critical business decisions. The qualitative methodology was selected as a suitable approach for the unique characteristics of the banking lower mass market respondents from a demographic segmentation perspective. This segment is made up of LSM 2-5, males and females living in urban or semi-rural areas across the country. Of this population, 82% has cell phones and use them for social media only, mainly WhatsApp and Facebook, when they can afford to buy data. The other consideration for this approach was in the key insight that this market wants to know that banks recognise and understands their needs (The Future of Banking: A South African Perspective, 2018). The qualitative methodology further allows for probing to ensure the appropriate response is mined to get to the right outcomes, a task that is generally challenging with this population if approached from a quantitative perspective. The delimitations analysis was undertaken to guide the research design to ensure that it delivered the desired outcome.

As a primary data collection technique, two (2) online focus groups, one consisting of main banked and one of unbanked respondents, were conducted with a variety of respondents, covering demographics that adequately represent the LSM 2-5 sample. The focus groups were causal in nature and aimed to interrogate the respondents to get the “why” of the research topic, as well as touch on the constructs of consumer purchase behaviour, particularly in the area of brand recall and recognition. Additionally, two (2) online interviews were conducted with marketing executives in the banking sector to get marketing-based perspectives on the topic of drivers of customer loyalty. A further two (2) interviews were conducted with a language expert and a communications expert to explore if there is a role marketing communications style, tone and language plays in driving brand resonance. The research questions were ideated with the

participants' comprehension ability in mind to ensure that they could be dealt with in an appropriate manner. Cooper and Schindler (2014) state that for best effect, qualitative research takes creative, articulate, expressive individuals. To ensure reliability and validity, geography of where respondents are based was spread between Durban and Johannesburg. The individual interviews were to explore in depth, create case histories through repeated interviews over time and to test a concept, whereas the group interviews were to explore a range of attitudes, opinions and behaviours and observe a process of consensus/ disagreement.

A discussion document was designed from the literature review. Open-ended questions were used to obtain data. The appropriateness of the research design on the target group was considered carefully.

### **3.4 Population and Sampling Methods**

Purposeful sampling was employed for the recruitment of participants for this study as this method involves selecting research participants according to the needs of the study (Glaser & Strauss, 1967; Morse, 1991), selecting participants who give a richness of information that is suitable for detailed research (Patton, 1980). According to Cooper and Schindler (2014), the basic idea of sampling is that by selecting some of the elements in a population, we may draw conclusions about the entire population. They further state that there are several compelling reasons for sampling, including:

- Lower costs
- Greater accuracy of results
- Greater speed of data collection
- Availability of population elements.

The ultimate test of a sample design is how well it represents those characteristics of the population it purports to represent.

**Table 1: Breakdown of participants' statistics**

<b>Interview format</b>	<b>Participant's description (LSM 1-5)</b>	<b>Age</b>
<b>2x Focus Groups</b>	Unbanked: 4x participants. Casual informal employment	18-38
	Main banked: 6x participants. Full time general administrative employment	18-52
<b>2x Marketing experts</b>	1x Chief Marketing Officer of top 4 bank in South Africa	47
	1X Exec Head: Retail Business Banking of top 4 bank in South Africa	38
<b>2x Language and communications experts</b>	1x Head of Language Editorial Services	53
	1x Communications manager and coach	34

The population for this study comprises consumers who ultimately make the decision to consider, use and stay loyal to a product or brand in the LSM 2-5 range. The industry expert respondents were identified by their seniority and role directly linked to the banking sector and number of years in the role within the respective organisations. The industry and subject matter experts' insights were overlaid with the feedback from respondents to draw informed and credible conclusions. In terms of the focus group, respondents comprised those who have a banking services relationship (i.e. bank account, insurance cover, home loan, etc.) and those who are yet to establish one for in-depth on the ground insight, notwithstanding the challenges of financial inclusion and security faced by many South Africans. The sample was selected to study and understand to what extent brand resonance and value proposition influence the lower mass market target audience's loyalty and repeat purchase in the banking industry.

## 1.5 Research instruments

The discussions with all participants were causal to explore if there is a role brand resonance and customer value propositions as well as marketing communications style, tone and language plays is driving brand loyalty.

### 3.5.1 Focus Group Questions (main banked)

**Table 2: Main banked questionnaire**

Question (with probing where required)	Theme
1. What are your perceptions of banking in general?	Generic
2. Which South African bank do you bank with and what informed the decision to choose this bank?	Brand Resonance
3. How did you hear about this bank/what attracted you to this bank?	Brand Identity
4. What are the top three things you like about your bank? - What makes the <b>preferred bank different from others?</b>	CVP
5. If you were to switch banks, why would you? Which bank would you switch to and why that bank?	Brand resonance and CVP test
6. Would you recommend this bank to your family and friends? If yes, why? If no, why?	Customer loyalty
7. What advice would you give your bank in the following areas: - <b>Brand identity (look and feel)</b> - <b>Marketing and Advertising</b> - <b>The product offering</b> - <b>Customer expectations</b>	Brand Equity

<b>Any other aspects that are not covered?</b>	Generic
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### 3.5.2 Focus Group Questions (Unbanked)

**Table 3: Unbanked questionnaire**

<b>Question (with probing where required)</b>	<b>Theme</b>
<b>1. What are your perceptions of banking in general?</b>	Generic
<b>2. Which South African bank would you bank with and what would inform the decision to choose this bank?</b>	Brand Resonance
<b>3. How did you hear about this bank/what attracted you to this bank?</b>	Brand Identity
4. What top three things do you expect from a bank?  - What features set this bank apart from other?	CVP
<b>5. Why are you currently not banked?</b>	Generic
<b>6. What would a bank need to do to capture your interest and keep you interested in one bank?</b>	Customer loyalty
<b>7. What advice would you give any bank in the following areas:</b>  - <b>Brand identity (look and feel)</b> - <b>Marketing and Advertising</b> - <b>The product offering</b> - <b>Customer expectations</b>	Brand Equity
<b>Any other aspects that are not covered?</b>	Generic

### 3.5.3 Marketing Executives interview questions

Table 4: Marketing experts' questionnaire

Question (with probing where required)	Theme
1. What are the top three trends currently in banking?	Generic
2. What are context-relevant tactics/strategies for sustaining brand resonance in the uncertain future?	Brand Resonance
3. The role of rebranding and repositioning in strengthening brand equity	Brand Identity
4. What are the top three things you like about the bank you work for or any other bank of choice?	CVP
5. If you were to switch banks, why would you? Which bank would you switch to and why that bank?	Brand resonance and CVP test
6. Would you recommend this bank to your family and friends? If yes, why? If no, why?	Customer loyalty
7. What advice would you give your bank in the following areas: <ul style="list-style-type: none"> <li>- Brand identity (look and feel)</li> <li>- Marketing and Advertising</li> <li>- Customer expectations</li> <li>- The product offering</li> </ul>	Brand Equity
Any other aspects that are not covered?	Generic

### 3.5.4 Language Experts interview questions

**Table 5: Language and communication experts' questionnaire**

<b>Question (with probing where required)</b>	<b>Theme</b>
<b>1. What are context-relevant tactics for sustaining brand resonance in the uncertain future when communicating to the lower income market from a language and tone perspective?</b>	Brand Resonance
<b>2. The role of rebranding and repositioning in strengthening brand equity, does it matter regardless of the communication tactics applied?</b>	Brand Identity
<b>3. How important is language in driving brand resonance and long-term loyalty in general?</b>	CVP
<b>4. What are your perceived future communication trends for this market considering what the nation has been through as a result of the COVID-19 pandemic?</b>	Brand resonance and CVP test
<b>5. How would you advise brands to communicate with impact?</b>	Customer loyalty
<b>Any other aspects that are not covered?</b>	Generic

### 3.6 Ethical Considerations

In line with the Wits Business School Ethics Committee guidelines on data collection for research projects, no data collection process commenced before obtaining clearance to proceed to ensure that the proposed method does not infringe on any protocols or participants' rights. The terms of engagements below were communicated and made clear to the respondents to ensure that they were comfortable and free throughout the interview process.

- (i) Participants were advised in writing of the voluntary nature of their participation and that they could withdraw from the study at any time without penalty. They were further advised that at any time during the process they could decline to answer any question. Moreover, they did not receive any financial incentives for their participation.
- (ii) The research objectives were explained clearly in writing and articulated to the participants.
- (iii) A written consent form was obtained from each participant, where they were required to confirm their agreement to participate.
- (iv) The participants were informed about the purpose for which the data were collected. In this regard, they were advised that the data were collected for research purposes only.
- (v) The interviewees were assured of their anonymity, and I further confirmed that the information collected would be held in strict confidentiality.
- (vi) The data were captured and analysed with unique codes that would not be traceable to any participant.
- (vii) Provisions were in place for monitoring the data collected to ensure the safety of the participants where an in-person method was adopted and accepted by all.
- (viii) Before and after each focus group discussion and interviews, participants were debriefed about the objectives of the research, and they were thanked for their participation.

Due to the online nature of how the one-on-one interviews were conducted, the interviews were recorded, in which case participants were made aware of this element and informed that strict confidentiality and anonymity would be observed. Furthermore, participants were informed that their feedback would be stored in a password-locked cloud-based storage solution (still to be sourced).

Those who willingly consented to be part of the study were informed that pseudonyms would be used to reference their feedback in the final report, should there be a need to do this, in an effort of keeping in line with the anonymity factor of their participation. Had participants, after the recorded data

collection interview, felt the need to withdraw from the project, they would have been allowed to do so with no questions asked.

### **3.7 Conclusion of the Methodology**

Flick (2014) states that qualitative research examines precise, complex, real-world circumstances using visual, aural, and oral techniques rather than statistical data. Therefore, a qualitative approach was used for the study, as it allowed for attainment of first-hand descriptions of a specified field of experience. Being exploratory in nature, the study was guided by a qualitative design. In-depth interviews were conducted with a sample of retail banking executives, language and communications experts, as well as the main banked and unbanked segment relevant participants for their experience-based opinions and feedback in a manner that did not infringe on participants' rights, safety and comfort.

## **CHAPTER 4: PRESENTATION OF RESULTS**

### **4.1 Introduction of Findings**

This section of the report explains and present the results of the key research question on the role brand resonance and CVPs in driving loyalty in the lower mass market segment. The structure of the presentation follows the research questions and objectives that were set out in the study, which informed the flow of the research instruments amongst all three participating groups (i.e. lower mass market individuals, marketing experts, and language and communications experts). Key themes were also developed to guide the analysis and presentation of the results.

### **4.2 Main Banked Focus Group Feedback Overview**

This target market recognises the role of banks although, for the most part, very little effort is made in investing time to do a thorough value comparison before choosing a bank of choice. Bank choices were through word-of-mouth referrals from trusted sources and others were simply by chance. Banking to this market is a means of getting a salary from employers and sending money to family and friends, although this need is increasingly being fulfilled by simpler alternatives such as Retail Money Markets. Digitisation of banking systems and convenience featured as key drivers when choosing a bank, with most participants highlighting the convenience of banking on the App. Other participants pointed out the safety element, knowing that money is kept safely and securely at the bank without the threat of criminals wrestling one for their hard-earned cash, albeit differing views regarding the cost associated with banking in general. There was no strong emphasis on key drivers of loyalty and the decision was solely based on the added benefits one derives from a particular bank at that time. Most participants said they would not change their banks because of the administrative effort involved in changing banks.

#### **4.2.1 The Relevance of Brand Identity**

There is a level of awareness and recognition that the Big Four banks have distinct colours to set them apart from competitors (i.e. Nedbank is known as the Green bank and Standard bank as the blue bank etc.); however, there is little appreciation of what the colours stand for and what psychological emotion they evoke. Therefore, brand identity tested poorly as an element with potential to drive banking product uptake or making a choice to bank with a bank solely because of any of its branding elements.

*We notice colour, but it means nothing. I bank with Capitec, I don't think they have a recognisable colour like the other banks, but I still chose to bank with Capitec. Maybe a more vibrant colour might help give the brand life because the white is boring but doubt people will switch for the colour or logo. NZ: Student (18)*

The logo identities are also easily recognisable from a distance, but more for cues; if they see the N symbol of the Nedbank logo, chances are all the other banks/ Automatic Teller Machine (ATMs) are in the same vicinity (i.e. directional signage). Neither participant expressed affinity towards any banks' branding elements from any of the South African banks. One participant did however offer a unique branding view, he stated that his impulse decision to sign-up for a Tyme Bank account was to test if the "5 mins to open an account" promised was true, that resulted in a recollection that evoked emotion towards the Tyme Bank corporate identity.

*The yellow/orange colour in Tyme Bank's corporate identity remind me of NBS, my late father's bank. SN: Admin Clerk (46)*

This participant further stated that they are, however, not loyal to any one brand, especially not because of branding, and is open-minded to trying new products as this widens their perspective in general, hence taking up a Tyme Bank account on an impulse. They further stated that they value convenience and good quality service over branding, hence putting the Tyme Bank service consultants to the service promise test.

*The person who I came across while doing shopping played a major contribution in me ending up choosing Tyme Bank. I didn't even have to have a conversation with a Tyme Bank consultant as there were self-service machines within the shop and in minutes I received my Tyme Bank card. SN: Admin Clerk (46)*

#### **4.2.2. The Meaning of Brand Resonance**

The overall sense regarding key drivers of brand resonance for most participants was attributed to the value-added benefits offered by banks when taking up a product. The reference to “we have a tough choice to make between buying bread and paying high banking costs” was highlighted to emphasise this point. References of discounts on funeral plans where you could add ten extended family members to the policy, loyalty programmes where you earn points to fill up at petrol stations, as well as discount on data from network providers affiliated with banks to enable zero-rated App usage, were made. The majority of participants bank with Capitec and they resonate with Capitec due to the brand promise of simplicity felt by customers through every touchpoint, except for the long lines at ATMs, one participant added.

*For me, I would say I resonate with Capitec because the App is convenient. Data is cheaper. I can request statement and get it on email. The App is just easier to use and gives me convenience but it's nothing deeper than that. NZ: student (18)*

Consensus was that there is no deep resonance with any bank linked to advertising campaigns, marketing communication or language use, but rather short-term resonance is driven by give-and-take relationship (i.e. no loyalty to any particular bank, just staying with that bank that has more to offer for the lifecycle stage a customer is in).

*The many adverts I've seen from my bank (ABSA), I have already forgotten because I never understand what they mean (i.e. what is Africanacity, how does it help me directly). I really can't relate to them; they*

*are too higher grade for me. They really need to use simple language that resonates with me as their customer.* JN: Service Consultant (51)

Marketing communication language and tone of voice were initially not highlighted as important in driving resonance. When probed further, it became apparent that the way brands communicate with customers is crucial. The KZN IsiZulu speaking participants went further to state they find the translation of advertisements more confusing as it does not take into consideration the regional nuances of the spoken language, and as a result, they revert to the English marketing communication for meaning and comprehension. Some participants expressed that this oversight is very negligent and offensive.

*Using correct language matters. Especially in regions, there is a lot that can be done to prioritise communicating in relevant languages, especially for the older illiterate population. Understanding of communication drives better resonance as it leaves me empowered to take suitable action.* MN: Entrepreneur in the built [construction-associated] environment (42)

#### **4.2.3. Customer Value Proposition**

The COVID-19 pandemic has created shifts that forced consumers to associate with banks that go beyond banking. This target market appreciates brands that provide compelling offerings they perceive to be of value for money; however, there is little understanding of the full meaning of CVP. The general key value factor that kept coming up in banking offerings is the cost of banking; they pay attention to charges associated with every transaction. With limited liquidity, this ensures that they can stretch their rand to be able to fulfil life's other financial pressures, and thus value for them equates to how much they can save in bank charges and not necessarily the entire brand experience they can realise upon product or service usage.

*I bank with Capitec and it helps me a lot because it's cheap compared to Nedbank, my previous bank. What I like more is when you withdraw money it's cheap and you can also do transactions at retail shops.* MM: Entrepreneur in the built environment (42)

*I don't know what the customer value proposition experience is, but I just want my bank to recognise me. I hate it when they send me offers to take up a loan and get to the branch to be told I don't qualify. These are some of the little annoyances that my bank can improve to add value to my banking experience. JN: Service Consultant (51)*

Service standards also surfaced with most participants highlighting their dissatisfaction at the disparities in the level of service provided by major banks in suburban areas compared to townships and rural areas. They noted that the brand promise manifests differently depending on where you are, and as a result, since they are based mostly in townships and rural areas, they place little to no value on service, a key CVP element.

*Representation for me is important. I don't want to find a certain race only at a particular branch. Also, keep service standard the same in urban and rural areas. Standardise customer service. JN: Service Consultant (51)*

*Banks have a tendency of lacking in service standards in areas populated by the bottom of the pyramid customer, I find this offensive, it speaks volumes about how our patronage is undervalued hence I have no loyalty to any bank. PC: Counsellor at Government Hospital (42)*

#### **4.2.4. Drivers of Brand Loyalty**

When asked if they would recommend their current banks to family and friends, the answers were yes; however, no compelling reasons were provided. Participants who banked with Capitec stated they are loyal to the bank because everyone says it is cost-effective however, none of the participants confirmed to have done a cost or value comparison study to validate this low-cost perception. This is a demonstration of the power of word-of-mouth advertising that could be attributed to the misplaced loyalty to Capitec by many South Africans. For some participants, there was not a strong sense of loyalty to their current banks; it was all driven by the perceived value they are currently enjoying, with one participant stating they would like to switch banks to try a new one but are “lazy” to do the administrative paperwork that comes with switching banks. This was evidenced

when asked if they would change banks and why, most said yes, they would, further entrenching the theory of reciprocity that states that if something of value is provided, there is most likely to be a compulsion to reciprocate.

*I started with a savings account but changed it to cheque account because it was too expensive ... honestly I don't like Standard Bank and I'm not happy, but I am still with them because I am lazy to switch banks due to admin of switching (i.e. now I have to go to HR for my salary bank switch).*

PC: Counsellor at Government Hospital (42)

Furthermore, loyalty was only spoken about in the context of where real value is perceived to be, with no invested emotion and not from a resonance or affinity perspective. This demonstrates the fickle nature of the market segment when it comes to long-term sustainable loyalty towards banks.

*I bank with Standard Bank, and I can't really say there is anything that attracted me to the bank as I only joined them because everyone in my family banks with Standard bank. They just said I must bank with Standard bank when I started working and I did. Also, most banks are the same.*

PC: Counsellor at Government Hospital (42)

### **4.3 Unbanked Focus Group Feedback Overview**

The overarching theme that came out in the unbanked focus group was that banking is for those who have the money, and thus very little attention is afforded to banking-related information in general. In instances where they come across advertisements from banks, there was no recollection of what the message and the call to action of the adverts were. Furthermore, there is no interest in investigating about banks as the attitude is that, with very little employment prospects, they will never need a banking service, a hopeless outlook of the uncertain future adopted by many South Africans. Retail supermarket services, such as Checkers Money Markets and Spar, were highlighted as a safer and convenient vehicle to send money to family members across the country as and when the need arises.

There is, however, a great sense of awareness of the different banks that operate in South Africa, with Capitec being highlighted as a favourable aspirational option. The only awareness of a near banking experience across all participants is circumstantial on an ad hoc basis, when they manage to temporarily secure what they refer to as “piece jobs” (as term loosely used to describe informal short-term employment in South Africa). In this instance, employers offer to pay for the employees’ services via a cash send facility offered by most South African banks, a transactional process of making a payment from the “money sender’s” bank account using the recipient’s cell phone number to withdraw cash via the bank’s ATM.

#### **4.3.1. The relevance of Branding**

The power of visual language was demonstrated, with all participants, notwithstanding their perceptions about banking, being aware of the different branding identities of all the South African banks. Colour stood out as the most recognisable branding feature over other branding elements.

*Yes, I know that FNB is green, and that ABSA is red but that’s all, it honestly means nothing for me. I wasn’t even thinking about it until you asked me.* XS: unemployed (18)

The awareness, however, does not inspire any aspirational desires to one day bank with a particular bank solely on brand colour or logo. When asked if they understand why banks use colour in their visual language strategy, the feedback was that “because they want to and they can” (XS: 18). They further stated that, even if their circumstances changed and required a banking service, colour or any other branding element would not influence their choice of bank.

*I really don’t care about the colour or logo of the bank, that will not influence the choice of bank even if I ever plan on opening an account with one of the banks.* XS: unemployed (18)

#### **4.3.2. The meaning of Brand resonance**

Although this audience is unbanked and has no aspirations to open a banking account, aspects such as service standards, low bank fees and empathy were highlighted as key factors that could potentially capture their attention towards a bank. The service point was raised based on past experiences where participants have witnessed poor service rendered based on financial standing on several occasions. The sentiment was that the lower LSM segment gets dismissed by service consultants based on their “look” before they even state the reason for going into a branch. The low bank fees point was informed by the thought that there are no financial reserves making the rounds in the family and thus every cent is carefully considered.

*The little money I may have must go a long way because these days you just never know when and where your next break may come from. KB: Casual domestic worker (35)*

#### **4.3.4. Customer Value Proposition**

The segment’s limited comprehension of a CVP is from a financial and somewhat service perspective only and not grounded on the full CVP experience and design. Emphasis was placed on the lack of transparency around bank charges and how banks, even those with lower banking fees, need to do more to build customer trust by ensuring transparency in this regard to be perceived as value-adding, trustworthy banks.

*I don’t know much about that thing (in reference to CVP), all I would want is my bank to promise that I will at least get the same amount of money I deposit when I need it. Can banks be more transparent so that we can consider and trust in them. KB: Casual domestic worker (35)*

The point was further stressed by a participant who is not of South African origins, however holds a valid South African work permit and passport, who stated that there is better value in investing in stokvels as they are not administratively intensive or intimidating. She added that stokvels are accessible as they are

within the communities and they offer a sense of belonging, all crucial factors that banks do not offer.

*There is no point in going to a bank, they expect me to trust them with their money, but they don't even trust that I am in South Africa legally and need a bank account for my employers to pay me when I do have piece jobs. Stokvels don't care about all of this, they welcome as, as long as I have money to participate. NN: currently unemployed (38)*

#### **4.3.4. Drivers of brand Loyalty**

Loyalty as a concept was well understood by all participants; however, when referred to from a banking point of view, all participants agreed that there is no point for any emotional attachment to a bank as the perception towards banking is of a transactional one between a customer and the bank of choice, and thus requires no long-term commitment. The point about lack of trust in the banking systems in general surfaced, and references were of retail supermarkets' methods of sending money being prioritised more to using a banks' method for the same purpose.

*All I hear it that all the banks are the same, they all kill us with bank charges. So I don't trust banks in general. Maybe my perspective will change when I have money. NN: currently unemployed (38)*

When probed further about whether the loyalty programmes offered by banks, as well as the type of marketing used to drive resonance as a method of enticing long-term loyalty would change the pre-conceived notions about banking. The general response was "not likely" and that it would perhaps depend on whether the added benefits from the rewards programmes a direct and immediate value to their lives have, which substantiates the principles of the reciprocity theory. Trust is a significant factor in driving sustainable loyalty, something that banks clearly need to do more work on to achieve success in capturing this market, as pointed out in the following statement:

*Why don't banks come to us in the community to speak to us like you are doing to get an informed understanding of our needs instead of assuming we all want the same things. Banks have so much to learn from us, as much as we have a lot to learn from them, but we never see them in our communities. We don't have money to go to where they are, why don't they form partnerships with Spaza shops in the community for accessibility:* NN: Currently unemployed (38)

#### **4.4. Marketing Experts' Interviews Feedback Overview**

There was consensus from the two market experts interviewed that, with the shifts that have happened in the macro environment, marketers need to pivot strategies to capture the hearts of the lower mass market, as they navigating the uncertain future brought on by the COVID-19 pandemic and its associated negative impacts. They further stated that one of the key trends in marketing currently is around digital transformation, and whilst it is crucial to adopt this trend for business growth and relevance, the experts questioned if marketers in general are doing enough to take this market segment along the digital transformation journey, particularly in the banking environment, an environment that has been perceived to already be sophisticated and intimidating for this segment. They questioned whether there is enough clarity and educational drives to highlight that the move to digital is to simplify and make banking a convenient process for them, and that with the high data costs in South Africa, the systems being developed will accommodate this crucial aspect to lessen the burden on the customer.

Marketing experts further emphasised that, with the advent of new banks and other substitute competitors outside the banking category (i.e. fintechs, telecommunications companies, retail, etc.), the aggregate value of this market is no longer a "nice to have" but a critical growth prospect for all the traditional top four banks as the market share pie keeps shrinking.

Both participants acknowledged that marketers are faced with a task of ensuring that CVPs are compelling enough and go beyond just a banking offering to

achieve resonance with this audience. This pivot requires customer-centric strategies informed by a true understanding of the priority needs of this segment. This can only be achieved through authentic immersion exercises to inform impactful strategies that achieve long-term loyalty, starting with servicing the basics needs before proceeding to the higher order needs of this segment as their shift from wants to needs has a new meaning (ref: Maslow Hierarchy of Needs framework).

*Time for marketing gimmicks is over, it's time for marketers to get their hands dirty and do the hard work while remaining sincere and empathetic in approach.* MM: Head of Brand in the banking sector

#### **4.4.1 The relevance of Branding**

Experts expressed that branding is critical for this segment, but its success depends on how the brand is positioned within the community. For this target market, how a brand is elevated should be from an aspirational perspective, a view informed by the belief that it is human nature to aspire for greatness, no matter the current circumstances, and brands should aim to enable the reach of this greatness in a meaningful, accessible way that tugs at the heart strings about what matters when making a purchase decision.

*I think brands and branding is extremely important regardless of the segment and audience sets that you're in, because depending on how that brand has been positioned, depending on how that brand is spoken about, depending on who is seen with that brand, you could then borrow equity from that positioning to build brand equity.* TS: Chief Marketing Officer at a top 4 bank.

Boxer cash-and-carry was used as an example of a brand that is getting this balance right within communities. They have done a great job of exposing their branding elements, from the name Boxer to the use of red in their branding identities (i.e. name rationale, in life you will have many challenges like a boxer but with a partner like boxer cash and carry in your corner, victory is guaranteed),

an explanation that is consistently felt and seen by the communities through the on-the-ground Corporate Social Investment activities that support this rationale. This branding strategy has been fruitful for Boxer and has assisted the organisation to achieve business objectives over the years. Participant BN further states that branding thus goes beyond brand logo or colour, but that brand purpose plays a key role in unearthing effective brand positioning in the community, which in turn makes it easier to create awareness and consideration through branding identities like the logo, visual language, and tone of voice. Once relevance is achieved, it then fast-tracks the rate of creating a strong connection with a brand if it is based on informed human truths.

*The brand is the business, and the business is the brand.* BN: Executive - Retail Business Banking at a top 4 bank in South Africa

#### **4.4.2. The meaning of Brand resonance**

Consumer behaviour is constantly evolving; a deep understanding of current realities is critical to drive meaningful resonance. The strategies need to be relevant and align to the current customer needs. Considerations and deep understanding of the market needs to inform marketing and communications tactics. Participant TS stressed the importance and the power of word-of-mouth marketing in this segment as a missed opportunity that has not been adequately leveraged by any of the traditional banks, which is brand suicide in times where a brand is no longer what marketers tell the consumer it is, it is now what consumers tell each other it is.

*A number of research studies reveal that a majority of mass market individuals bank with Capitec Bank because they heard it's the most cost-effective bank in South Africa. While this might or might not be true, this perception has driven the growth of Capitec numbers significantly and thus WOM advertising needs to be in the marketing mix.* TS: Chief Marketing Officer at a top 4 banks in South Africa

Financial education with a focus on financial inclusion is a powerful tool to spark resonance in a meaningful way. This not only offers an opportunity to sell products, but the approach leaves customers empowered with important information to make informed and better money decisions based on their money archetypes. Banking brands are under pressure to communicate clearly what brands stand for and ensure that they deliver on that at every customer touchpoint because resonance can only be achieved in doing so consistently, in a simple to understand manner using market-relevant strategies.

*Depending on how that brand is elevated within that community will certainly translate into whether potential customers relate or resonate with that brand or not. For example, if I look at the Investec brand, it has always been positioned as this exclusive inaccessible brand that the mass market doesn't even consider and thus it doesn't mean anything to that segment because they can't identify with it. It's all in how and where a brand is pitched to achieve resonance that's crucial. BN: Executive - Retail Business Banking at a top 4 bank in South Africa*

#### **4.4.3 Customer value proposition**

The experts further expressed that trust goes a long way in choosing a bank and thus marketers have a mammoth task to change the prevailing notion that banks cannot be trusted. The trust element should be weaved into the CVP experience in a manner that is consistently felt and experienced by customers. This means that complicated marketing jargon must be simplified, the tone of voice must be warm and friendly, the offering and the associated terms and conditions must be communicated in simplistic terms, focusing on crafting, and selling products and services that address customer needs and not based on limited insights. The brand promise must match the brand experience. Added benefits and loyalty and rewards must be a bonus once all the above attributes have been executed and achieved, in putting forward compelling CVPs.

*Most banks already offer market-related products with added benefits for the lower mass market (i.e. R5 accounts, zero-rated accounts and Pay-*

*as-you-use accounts). Maybe the challenge to marketers is to package the products as a bundled package/offering to emphasise the overall value instead of calling out the price point only.* TS: Chief Marketing Officer at a top 4 banks in South Africa

Furthermore, service, responsiveness, expertise, and flexibility are key components of a compelling CVP that most big brands miss to prioritise when targeting the lower mass market based on limited insights (i.e. just because a mass market individual earns less than R7 000 does not mean that they do not prioritise saving a percentage of their salary for rainy days every month, the reason why stokvels are successful in this market segment).

*Positioning compelling CVPs that meet customers at their need definitely has the ability to strengthen brand resonance and equity, but it also can't be for the sake of merely positioning. It must be informed by what matters for the customer. What are the associations you are trying to create in addition to price, service quality etc. It's about the holistic proposition.* BN: Executive - Retail Business Banking at a top 4 bank in South Africa

#### **4.4.4. Drivers of brand Loyalty**

Participant TS emphasised that long-term sustainable loyalty is achieved as a culmination of excellent branding strategies, relevant marketing strategies that drive resonance, as well as compelling CVP offerings that transform the lives of customers directly and immediately and not through once-off marketing gimmicks (i.e. a once-off music concert draped in branded material and freebies will not have a lasting impact as environmental shifts have made customers more discerning about what true value is). Participant TS further stated that the marketing community needs to stop focusing on crafting strategies that attract customers into the franchise but does poorly in keeping customers satisfied through improving on aspects that matter to clients and not business objectives. Customers see through these poorly thought-through strategies and take offense, and thus the objective should be to create a seamless customer experiences that

ensure a good balance between digital when customers want it and human touch when customers need it.

*Getting somebody to trust and consider you for any partnership is a slow process that requires time and patience in life generally. The same principles apply in marketing when “courting” a customer. Focus on staying true to the brand essence consistently and the right customers will buy into your brand when the time is right.* BN: Executive - Retail Business Banking at a top 4 bank in South Africa

Personalisation is underrated when it comes to this segment. There is a creative way marketing specialists need to communicate to audiences to achieve affinity. This needs to be done in a contextually relevant manner, because the flip side of not getting this balance right could repel customers from considering your brand. Consistency in how a brand shows up must be maintained to build a solid memory structure throughout the evolution of the brand and associated strategies. Consistency in messaging and meaning linking back the brand essence is another way to achieve loyalty.

*Being transparent in the most simplistic and consistent manner definitely helps to build trust. I think we overcomplicate things because we try to be everything to everyone; an impossible task.* BN: Executive - Retail Business Banking at a top 4 bank in South Africa

#### **4.5. Language Experts Interview Feedback**

The discussions with the language and communications experts were open-ended to explore if there are any language and communication trends that brands are not exploiting to drive resonance that translates to long-term loyalty within the lower mass market segment.

#### **4.5.1 Language policy and eminent legislation**

Participant WC started off by stating that there is new language legislation to come into effect towards mid-year 2022 that will enforce brands to use simple and inclusive language when communicating with consumers (i.e. is it right to call somebody disabled or should they be referred to as persons with no standards ability, normal ability, physical ability. etc.?). Participant WC further stated that exclusion does not only happen in the lower mass market and thus marketers should not assume that wealth equates to (financial) literacy, as a significant number of high-net-worth individuals are not necessarily educated and thus resonance and affinity cannot be achieved if these customers are serviced based on narrow assumptions.

*With high net-worth clients we are always inclined to up the communication register, but the fact that customers have money does not necessarily translate to English language fluency. The mistake markets do is to up the register based on this limited assumption meanwhile the client doesn't understand even though they might be awfully rich* WC: Head of Language and Editorial Services at a top 4 bank in South Africa

The legislation will also apply for the legal jargon contained in the terms and conditions fine print, as part of the Consumer Right Protection Act. Participant WC further stated that the assumptions in branch customer service that consultants make offend the lower mass market individuals based on the assumption that because they earn less, their comprehension of language is less sophisticated, a rather narrowed view for this area in general. This approach is detrimental to building brands, as some customers have even complained and perceive this pre-judgement as offensive; it is these little behaviours that go a long way in damaging a brand.

#### **4.5.2 Simple and plain language marketing communications**

From a marketing communications perspective, Participant TD, a Communications Manager and certified communication coach, states the

importance of not losing sight of the fact that, with the move to digital, the end user is still a human being who might find digital overwhelming initially and thus striking a fine balance between traditional media channels and digital is critical when trying to gain resonance with this segment. The tone of voice should always be empathetic, friendly, and relatable, even through digital channels. Participant TD further emphasised the importance of simple language that is succinct and to the point to capture the audience in the first three seconds of any marketing communication.

*The fancy words are great, but those fancy words may not land as intended in the lower mass market, so fancy words like investing don't get so much interest. Investing in this and that or being rewarded with filling stations rewards and getaways or airplane tickets or whatever the case may be. I think right now the focus is more on simple, transparent, and affordable.* TD: Communications Manager and Certified Communications coach

Participant TD further states the importance of getting the language nuances correct across all South African languages because if done incorrectly, this oversight has the power to kill a brand, because many South Africans take language as a key element of their identity. Participant TD feels that banks could explore creative ways to get the language approach right as a low hanging fruit and further acknowledges the strides that have been achieved by most South African banks where customers are given an option to choose a preferred language at ATMs, Call Centres and in certain branches.

*What people want to see now putting COVID-19 into context, they want to see more in marketing we all know that you must be simple and transparent. Moreover, the trend now is customers want to see a tone and language that resonate to how they are impacted in their circumstances, so empathy in the tone of brand voice is key in driving resonance.* TD: Communications Manager and Certified Communications coach

#### **4.6. Conclusion of presentation of results**

The results presented reveal differing perspectives from consumers as well as from marketing experts. Although there are a few outliers, the results clearly highlight the mammoth task marketing experts are faced with to deeply understand the mindset of the lower mass market segment in order to craft strategies that achieve sustainable resonance, brand equity and customer loyalty. Ultimately, business can no longer overlook the aggregate value presented by this market segment to drive business growth and tailored brand and product strategies need to be based on insights and not company-based.

## CHAPTER 5: DISCUSSION OF RESULTS

### 5.1 Introduction

This chapter details, interprets, and analyses the research findings, with the aim to explore the role of brand resonance and CVPs in driving sustainable customer loyalty in the banking sector, highlighting key emerging themes and then advancing into what developed from the data collected in relation to the literature review, in line with the research objectives.

### 5.2 Research outcomes emerging themes

Table 6 highlights key commonalities in themes that emerged in the focus group discussions with both the banked and the unbanked participants, as well as the language marketing expert’s one-on-one interviews.

**Table 6: Emerging themes from data collection**

THEMES	CONSUMER PERSPECTIVE	MARKETING PERSPECTIVE
<b>Branding and brand resonance</b>	<ul style="list-style-type: none"> <li>• Recognition of branding and branding very high; however, with no meaning.</li> <li>• Branding is a form of directional signage.</li> <li>• Evokes no emotional connection to any brand.</li> <li>• Will not influence choice of bank.</li> <li>• Word-of-mouth has better impact than marketing and advertising to drive appeal.</li> </ul>	<ul style="list-style-type: none"> <li>• Brand awareness is critical and goes beyond branding.</li> <li>• Positioning of the brand should inform branding strategy.</li> <li>• Resonance can only be achieved through a deep understanding of customer needs and thus required consistency.</li> <li>• Branding is more than colour and logo.</li> </ul>
<b>Value propositions</b>	<ul style="list-style-type: none"> <li>• Limited understanding of the full CVP experience.</li> <li>• Cost main driver of choice.</li> </ul>	<ul style="list-style-type: none"> <li>• Most SA banks offer compelling CVPs for the segment.</li> </ul>

<p><b>and customer loyalty</b></p>	<ul style="list-style-type: none"> <li>• Propensity to change current banks is medium to high.</li> <li>• No emotional connection to current banks.</li> <li>• Transactional relationship with current banks based on “give-and-take” principle.</li> <li>• Good customer service matters.</li> </ul>	<ul style="list-style-type: none"> <li>• A lack of trust in the banking system amongst this segment is a barrier to growth for SA banks.</li> <li>• Building trust and loyalty is a journey of continuous scanning of the environment and applying improvements.</li> </ul>
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### ***5.2.1 Explaining the relevance of branding***

The research revealed that the lower mass market segment’s awareness of branding and associated branding elements has no bearing on the bank of choice as this does not evoke emotional connection with a brand and serves only to distinguish between competitor brands. Furthermore, the understanding of branding is reduced to colour and in some instances logo symbols, a very limited perspective on the role and purpose of branding. Keller’s Model (2001) states that the relevance of branding is crucial; however, it is the first awareness phase of building a long-term relationship with potential customers. The follow-up stage to support brand awareness lies in how well a brand meets and satisfy customer’s social and psychological needs through brand performance. The goal is to ensure customers are satisfied with brand performance because that is when they form a positive brand image in the mind, and it helps drive brand preference at the decision-making stage (al, 2019). There are verifying reasons that could be explored as the cause of this mindset; however, what was clear from the results presentation is that the understanding of branding is limited to colour and logo identity. Marketing experts’ development of corporate identity and visual language is informed by psychological theory which postulates that when a consumer engages with a certain colour or symbol that represents a brand, it should stimulate certain action towards behavioural economics (Moloi, personal interview, 2022). What was insightful about the focus group discussion is that although participants spoke of the limited understanding of branding, subconsciously they fully understand the role of branding (e.g. there is an

understanding that vegetables sold by an informal trader on the side of the road are not produce sold at Fruit & Veg, although they sell the same type of produce). The visual identity psychology subject and the branding or science behind it is an extensive topic with a depth which spreads well beyond the aesthetics of just “good design” and subjective preferences (Carter, 2014).

### ***5.2.2 Exploring the meaning of Brand Resonance for the lower mass market***

There are several features that set the right tone for establishing a valuable relationship between a brand and a consumer, such as the ability for a customer to recognise a brand, and their inclination to trust and stay loyal to it. When a brand has built up trust in a consumer’s mind, a relationship ensues, and brand loyalty begins. (Thompson, 2021). The research outcomes revealed that this segment does not fully trust banks due to the perceived lack of transparency of banking charges and the higher-grade financial jargon in the terms and conditions’ legal fine print. It further emerged that participants do not resonate with the banking system as it is perceived to be complicated and intimidating. Considering that banking is an unsought and high involvement product/service, brand resonance cannot be established if trust is eroded or does not exist, which is why investment vehicles such as stokvels, as well as Mashonisas (community-based loan sharks), are multi-billion rand industries in South Africa (there are currently 421 000 stokvels in South Africa with an estimated value of R25 billion (Money Web, 2018)).

According to Keller (2002), the strongest indicator of brand loyalty is when consumers are willing to give up their time, effort, and money in pursuit of the consumption of the brand, and the element referred to as brand engagement. Such strong brand loyalty also affects the overall brand awareness (Singh & Pattanayak, 2016), brand evaluation and brand experience (Bapat & Thanigan, 2016).

Trust is a crucial factor to drive resonance that leads to long-term loyalty and there are brands that have been able to achieve this in the lower mass market.

Capitec is one such bank, as well as out-of-category brands like Boxer, Shoprite, Johnny Walker and Spitz (Bogaards, 2016 ). These brands have been able to achieve resonance by way of pitching brands at a relatable customer's point of need or as an attainable aspiration product, which produces unsolicited word-of-mouth advertising (e.g. the long lines outside Capitec ATMs do not deter customers from engaging with the brand). The all-important ingredient is consistency in brand promise that stimulates the right customer sensory that motivates brand preference.

### ***5.2.3. Relevance of branding and brand resonance research outcomes in relation to the literature review***

Keller's Brand Equity model (Keller, 2003) states that, while branding is critical not only to differentiate against competing brands, branding experts must also give meaning to brands that create a powerful motivator in recognition and purchasing decision. A clear brand essence that enables consumers to associate and distinguish a brand in a manner that resonates and derives brand meaning in a consumer's heart and mind, is a crucial factor that goes beyond a brand's physical and tangible attributes and requires real-time insights to achieve the desired results.

Keller's model (2003), however, does not stipulate relevant approaches for the varying market segments that banks target and thus assumes that a blanket branding approach will resonate and land in the same manner across all segments.

According to the Edelman's Research Institute insights (Brands Lead: April 2014), brands face intense demands to do and say more, given the context of the current world. The Trust Barometer highlights that brand trust ranks as the second most important consideration when it comes to consumers making decisions on whether to purchase or forgo a new brand, after price. The Edelman Institute found that consumers need human connection and meaningful engagement, and they bring these expectations to brands. Furthermore, brand resonance is achieved when the brand strategy sparks responses that motivate

consumers to choose a brand; what the strategy entails should, however, be different across the different market segments. For the lower mass market, it needs to be simple, have immediate and direct outcomes and be based on the theory of reciprocity (i.e. if you want me to trust you with my money, you should be able to trust that I will re-pay your loan regardless of my current circumstantial financial standing. JN: Consultant (52).

Ultimately, consumer behaviour is the same journey for all customers and the point of distinction is understanding what motivates customers. In the lower mass market, deep insights rooted in human truths are required to fully understand cognitive motivation that drives brand uptake in the banking sector. Introducing the concept of moving from the Unique Selling Proposition to the Me Selling Proposition, Lindstrom states that advertising in the future will not be based on the conscious, but on the subconscious. In this line, according to Lindstrom (2015), “85% of the decisions we make daily depend on our subconscious”.

#### ***5.2.4. Explaining Customer Value Proposition***

CVP for this market segment has a different meaning informed by instant gratification. The respondents clearly stated that due to the uncertain economic outlook, the only form of value proposition that drives their brand consideration and preference is where there is a tangible return on their already stretched investment, especially with financial services sector offerings.

The challenge with banking products, outside of them being an unsought or a grudge purchase, they are not much differentiated from a value proposition perspective (e.g. a home loan from Absa Bank is the same as a home loan from Standard Bank). For this reason, banking brands need to emphasise the sum of brand experiences, and not just the brand benefit statement, as this equips consumers with a more accurate assessment of the brand against competitor brands. While the banking industry has, however, improved on value propositions to acquire and retain the lucrative market segment, the onus is also on the customers to empower themselves with the necessary knowledge to leverage on the value offerings.

With the shifts that have happened in the market, consumers have become discerning about choice of brands to associate with. Rewards programmes with value-added benefits, like points that can be immediately converted, to use were highlighted as more appealing than those offered by most banks (i.e. reward programmes where you accumulate points for filling up at petrol stations are perceived to be tone deaf, as the majority of the segment use public transport, etc.). Marketers have a critical task of developing a reliable marketing information system to closely monitor the lower mass marketing environment to continually assess market potential to craft informed marketing strategies that deliver real value. Customer needs vary and change over time; thus marketers must divide the market into market segments, evaluate each one, and target those it can best serve, understand the strengths and weaknesses of the brand to inspire favourable re-evaluation by non-brand users to choose their brand ahead of the competition, through optimised marketing partnerships (i.e. Spaza Shops, Stokvels and Burial Societies) to drive brand preference.

#### ***5.2.5. Explaining drivers of brand loyalty***

Customer loyalty emanates from perceived value that drives repeat purchase behaviour and increases customer lifetime value. Loyalty supersedes service and products, as it is more an emotive feeling of attachment towards a product that cannot be achieved through ill-informed strategies. The outcomes revealed that participants have no emotional attachments with their banks of choice and would switch if better value was perceived elsewhere. Shoprite, albeit a different category to banking, runs a market relevant loyalty reward programme where customers can use their small change to buy stamps. Each stamp has a value that, once accumulated, can be used to make purchases, a strategic retention strategy to keeps customers coming back to shop ([www.shoprite.co.za](http://www.shoprite.co.za)).

In a word, where product and service features are constantly being enhanced, prices changing, competitors reacting, substitute products being introduced, all these events impact on customer brand loyalty, thus embedding loyalty throughout the customer experience helps brands make each touchpoint

remarkable through high impact brand signature moments in the end-to-end customer journey.

This level of understanding of the market is a requisite to capture the hearts of the segment. Banks currently winning the loyalty game are those with strong foundational data that enable a unified customer view to embed loyalty throughout customer touchpoints (i.e. Capitec allows customers to withdraw money from any retail supermarkets without hassles or paperwork making the process less intimidating) (Salesforce, 2021). Furthermore, there is a positioning job that banks must execute to shape favourable perceptions of banking in general, pillared by financial education to empower the segment to make better money choices. Highlighting the relevance and ease-of-use of the banking system and business model for transparency will address the transparency and trust challenges across the consumer segments.

#### ***5.2.6. Relevance of Customer Value Proposition and brand loyalty research outcomes in relation to the literature review***

CVP is premised on the perceived value that will cause customers to choose a particular brand over competitor brands in the consideration set (Indeed, 2021). The theory of reciprocity thus states that when something of value is given, it is reciprocated (Cherry, 2020). Tangible and direct value and word-of-mouth marketing play a crucial role in driving the purchase behaviour and loyalty in this segment. There are a myriad of value-adding banking products in the market (R5 account, Pay-as-You-Use and zero-rated accounts, etc.); however, through focus group discussion outcomes, there is little awareness of them in this market segment. Marketing campaigns are not landing the intended message in a way that resonates with this market.

This presents an interesting challenge to marketers to explore different marketing strategies to capture this segment, whose aggregate value is attractive to drive meaningful business growth. Jiménez-Marín, Bellido-Pérez, and López-Cortés's (2019) research paper explores the concept of sensory marketing, which entails a set of strategic decisions focused on the sense's stimulation in the public. It

states that when these decisions are taken at the point of sale, customers accomplish a full experience that brings them close to the product that they are evaluating, motivating in this way the final purchase (Jiménez-Marín et al., 2019). The implication of this concept is that the correct use of sensation and perceptions to modify consumer behaviour unlocks value for brands. Sensory marketing tries to go further and break the barrier of audio-visual advertising; it is intended to reinforce the values and different characteristics of brands products and services or even events, as contributed by Guerra Serrano and Gomes-Franco e Silva (2017).

Table 7 reflects a look at how sensory marketing can influence customer behaviour at every stage of Keller’s Brand equity model.

**Table 7: Keller’s model and Sensory marketing synergies**

Keller’s Brand Equity Model	Sensory marketing typologies
<p><b>Brand identity</b></p> <p><b>Building a consistent brand with a distinctive visual and tonal presence in the market to promote good brand memory structures during buying decisions and other moments of choice.</b></p>	<p><b>Sense of sight</b></p> <p>This sense sells the most, presenting an opportunity to move the consumer to external context with which the brand relates to motivate good judgements of the brand.</p>
<p><b>Brand meaning</b></p> <p><b>Driving brand salience by capturing attention in our storytelling and building meaning for the brand by calling out the abstract considerations outside of functional, performance related attributes of a brand (i.e. purpose, CVP, organisational culture, etc.).</b></p>	<p><b>Sense of ear</b></p> <p>The in-market “noise” the brand can impact the mood of the customer, consciously or unconsciously, and potentially positively or negatively affect the buying decision of a customer. Unlock is for brands to shape favourable perceptions consistently.</p>

<p><b>Brand response</b></p> <p><b>Develop seamless, accessible, and convenient customer journeys and experiences that create brand signature moments that leave customers satisfied about the brand performance to motivate repeat purchase and word-of-mouth referrals.</b></p>	<p><b>Sense of taste</b></p> <p>This sense is limited as it mostly refers to products that can be consumed; however, figuratively speaking, customers are invited to “taste” a myriad of brands and the key is to ensure the flavour of your brand is unique and leaves a good lasting sweet taste.</p>
<p><b>Brand resonance</b></p> <p><b>Creating familiar features that set the right tone for establishing a valuable relationship between a brand and a consumer, such as the ability for a customer to recognise a brand, and their inclination to trust and stay loyal to it.</b></p>	<p><b>Sense of smell</b></p> <p>Good odour can spark positive attitudes and emotions. Two key qualities to evaluate their use: pleasure (gathers the intrinsic experience of the odour) and congruence (connects the odour with the context: store, product, or brand).</p>

Source: Author’s construct

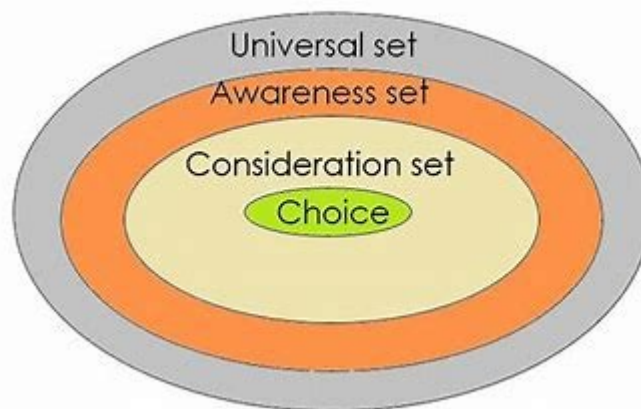
### **5.2.6 Conclusion of results discussion**

Sensory marketing is the best way to connect the brand or product with the lifestyle of our customers, adding value to their environment, appealing to their feelings, their senses and reason. Thus, in the words of Lindstrom (2012, p. 4), it is about “achieving an emotional commitment with the consumer so that he can remember the brand and, in order to remain in his memory, it must touch the fibre of his feelings; that is why you have to create a story with which he can identify and stay loyal to”.

### 5.3 An overview of the lower mass market consumer's consideration set

Consumers are flooded with marketing communication daily as a result of brands fighting for consumers' share of wallet, as market share pies keep shrinking, making the purchase journey a well-considered one. The consideration set model developed by Roberts and Lattin (1990), is an important tool that marketers utilise to understand a customer's decision-making process, that is premised on the subset or alternative of brands consumers evaluate when making a purchase decision (i.e. previous exposure, brand awareness and price) (Study.com, 2008).

*Consideration set model (Roberts & Lattin, 1990)*



**Figure 5: Consideration set model**

Image source: socialtalent.com (2008)

Keller's Brand Equity model (2001) states that the power of the brand is largely dependent on what the customer hears, sees, learns and feels about the brand, pillared by five core constructs that customers typically want to know about a brand, that ladder up to drive brand equity (i.e. brand identity, brand meaning, brand responses, and brand relationships and resonance) (Keller 2001). The stepwise approach to brand resonance is not experienced in a linear manner in the lower mass market segment. Of the top three personal criteria factors consumers go through in the evaluative process to make the final decision to purchase, brand awareness ranked low as a factor that influences a purchase

decision with most lower mass market participants, who stated that a bank's branding features in their awareness set; however, that association is not strong enough to feature in the consideration set that potentially drives uptake.

**Price** (cost of banking) was the highest-ranking factor to drive banking product consideration and choice. The best performing banking brand in the lower mass market individuals' consideration set is Capitec, for value-for-money propositions. This outcome validates the Balanced Reciprocity theory that states that if perceived value is received, something of even greater value will be returned, highlighting the need for banks to consistently offer compelling value propositions that address the needs of this market segment.

**Service** came up as an important factor to influence a decision to choose a bank's product or service offering after price. Language was raised as a crucial aspect of quality service standards due to it being closely associated with a person's identity and culture. It was also evident that this market segment, from a marketing communications perspective, do not mind English; however, for one-on-one product information and terms and conditions, the vernacular is the preferred language as this is where financial jargon tends to be intense to digest. According to the consideration set model, previous exposure also plays a crucial role in the consideration set and service standards for this segment dictate perception of the overall experience.

This market segment is highly aspirational and thus easily influenced by consumer-based sources like family, friends, and influencers. The balance between mass media channels and these direct sources of advertising therefore needs to be prioritised in the marketing mix to effectively dispel the prevailing notion that banks cannot be trusted, and that banking products and services are a grudge purchase. This mindset is detrimental to personal financial empowerment as, in addition to banks existing as a business first, there has been a shift to be customer centric in efforts of bridging the inequality gap premised on the ideal that money well managed, no matter the amount, can make a real difference in people's lives.

According to the Edelman Institute's Trust Barometer, the COVID-19 pandemic has accelerated the erosion of trust around the world and is evidenced by the significant drop in trust in the two largest economies: the United States of America (USA) and China. In a time of heightened unrest and uncertainty, businesses and thus brands, have a key role to play in demonstrating trust with consumers across interactions because building trust is the only hope for brands to acquire and retain customer over a long period.

## **CHAPTER 6: RECOMMENDATIONS AND CONCLUSION**

### **6.1. Introduction**

This chapter gives a conclusion of the research and a summary of recommended action to address opportunities uncovered during the data collection phase in relation to the problem statement, which aimed to explore the role of brand resonance and CVPs in driving brand loyalty. Implications of this statement are also discussed, and recommendations are made in accordance with the objectives of the study. Overall, the research findings exposed gaps that can be explored further within the areas of positioning products in line with target markets. The study further indicated that managing internal branding in such a way that leads to brand citizenship behaviour is a complex task in the lower mass market. Further limitations of the study, as well as the suggested further research, are included in this chapter for the key stakeholder's consideration.

### **6.2 Limitations of the study**

The subject of limitations is often handled with uncertainty as some researchers wish to ignore these limitations in the belief that they weaken the impression of the research, a perspective considered to be unethical (Cooper & Schindler, 2014). The study, being focused on the lower LSM target market, meant that there were several characteristics of the research design and methodology that had a bearing on the interpretation of the research outcomes.

#### **6.2.1 Focus Groups interviews**

- I. Language was a barrier in communicating some of the essence of the research instrument questions. Although there was a fair level of understanding of English as a language, several terms (i.e. CVPs) were unfamiliar for this market segment and thus had to be explained further in the vernacular in a manner that they did not lose their essence and meaning.

- II. Translating the outcomes from the vernacular to English in the data cleaning phase was thus a taxing exercise albeit the recordings assisted in ensuring accuracy.
- III. Group think was a challenge in the unbanked focus group, although it could have been because of their similar lack of banking awareness and/or experiences.
- IV. It was a challenge engaging the unbanked group about banking when unemployment was constantly raised as a key barrier to banking and the resultant lack of interest in banking-related subjects.
- V. A few participants dropped out when they discovered they would not be compensated for their time, reducing the research sample size.

### **6.2.2 Marketing experts' interviews**

The perspectives from marketing experts on the key research themes were sophisticated and lacked crucial nuances that are the fabric of the lower mass market, even though there was acknowledgement that marketing experts need to put more effort into obtaining in-depth insights on the lower mass market segment.

Furthermore, although the research instrument was pitched at a generic level, there was one question (Q4 of the above research instrument on CVP) where both marketing executives were reluctant to answer because the interviewer works for a competitor banking brand.

The above-mentioned limitations were identified and mitigated timeously to ensure that the quality of the study was not compromised.

### **6.3. Proposal for future research**

The overarching proposal for the research study was to explore whether brand resonance and compelling CVPs have a bearing on influencing customer loyalty in the banking sector for the lower mass market. While the study uncovered commonalities in the brand resonance theme that emerged, further research still

needs to be conducted to get rich insight into the psychological aspect of the lower mass market customer journey and triggers that drive purchase behaviour for unsought goods, considering the many life pressures plaguing this market segment. This implies a study of sensation and perceptions as key elements that have the power to modify consumer behaviour as part of the definition of sensory marketing, offered by Krishna (2010).

While previous research outcomes have uncovered that attitude towards brand marketing communication and cognition (i.e. advertising) creates an impression towards a brand (Shah et al., 2021), further studies need to be conducted to establish whether this approach works across all market segments and in every circumstance. The further research proposal is informed by the subsistence market places, a paper that offers a comprehensive breakdown of the connection of scarcity and markets for the bottom of the pyramid segment, which states that this segment should be analysed through its own perspective and not by way of predetermined concepts, to design appropriate solutions (Viswanathan et al., 2017).

What emerged in the focus group engagement is that, although there is a conscious awareness of branding that drives brand resonance, little acknowledgement was placed in branding that creates a brand image awareness that touches the fibre of their feelings that ultimately drive usage (i.e. choice of bank). The ultimate choice was downplayed to a coincidence that did not involve any thought process. Exploration of this limiting behaviour to achieve an emotional connection with a brand that drives preference needs to be explored further.

Research outcomes argue that Keller's brand equity model elements are the appropriate steps that lead to brand resonance that drives brand usage; however, the reliability and validation of the brand resonance measures are still unclear, especially in the lower mass market segment.

Although the research outcomes are a contribution to the existing literature and academic insights, no research is ever conclusive and without limitations that call for further investigation.

## **6.4 Recommendations**

The proposed recommendations are informed by the outcomes of the study in line with the subject of exploring the influence of brand resonance and CVPs value propositions in driving brand loyalty.

### **Theoretical recommendations**

#### ***6.4.1. Ensure appropriate target market segmentation and profiling***

The value of a strong brand is well recognised in business and much has been written about the diversity of elements that accentuate the construct of a brand that drives preference and usage. A key for the banking sector marketing specialists is to gain an in-depth understanding of customer profiles in the bottom of the pyramid segment to ensure that marketing specialists conceptualise communication strategies that are relatable and resonate well with consumers. The STP (Segmentation, Targeting and Positioning) three step model which entails segmenting the market, targets select customer segments with marketing campaigns tailored to their preferences, and adjusting brand positioning according to their desires and expectations, as opposed to applying the “spray and pray” approach to marketing (Yieldify, 2020). This approach will further ensure that communication strategies are considered and focused and are in the relevant tone of voice and language that achieve brand resonance, driving cost efficiencies for organisations.

#### ***6.4.2. Apply appropriate brand positioning strategies for the bottom of the pyramid market segments***

Brand positioning, as a marketing strategy, is a worthwhile exercise banks need to master to ensure that the brand is top of mind to distinctively separate it from

competing brands. Positioning is one of the most powerful marketing concepts and the meaning of positioning was rather limited in the earlier years, when marketing was just getting started, and which focused on the concept of reputation. According to Goldman (2011), successfully positioning your offering presents several opportunities that ultimately protect revenues. Goldman (2011), however, further states that surviving the current economic downturn will require an approach that demonstrates that the brand value is perceived as more relevant, timely and important (Known Value Item).

#### ***6.4.3. Develop impactful Branding that drives brand resonance***

Take brands to the communities by establishing and create a good brand memory structure within the communities, through partnerships with well-established trusted community-based organisations or social movements (i.e. township economy leaders, spaza shop owners, stokvel and burial societies) to create a sustained visual presence with community members.

This approach should always include how banks position their branding strategies in communities for deeper awareness and understanding of branding beyond logo and colour. The tone of voice needs to be pitched at a contextually relevant level and visual language needs to be relatable and in line with the overall purpose of the brand.

Ensuring the marketing mix is market-relevant to reach the lower mass marketing through considered mediums such as wall murals within communities, community radio stations and using relatable brands ambassadors or influencers in marketing campaigns.

#### ***6.4.3 Give meaning to customer value proposition to drive brand loyalty***

Effective market profiling and segmentation to understand the immediate needs of the market segment to mine rich insights through extensive immersion exercises to ensure banking products and services offered are impactful and relevant to the need.

Craft clear, simple and transparent marketing communication, driving more pointed marketing choices in key segments using first-party data to attain mental leadership in the market. Customer experience should match this as any inconsistencies may be detrimental to brand integrity (i.e. brand promise must match brand customer experience).

More education needs to be conducted within the key partner organisations in the fields of internal brand management and brand citizenship, using new or existing models to test what the outcomes could be if there were no confines of following the specific model used in this study (i.e. sensory/cognitive marketing).

### **Practical recommendations**

#### ***6.4.4. Apply relevant influencer tactics***

Research revealed that there is awareness of brands in the lower mass market segment and that the challenge with banking brand is that they are not positioned as aspirational by the nature of the propositions. There is a growing trend of building brand communities (a homogenous group of people with similar beliefs, likes and passion points) to be used as opportune platforms to communicate brand messages. The iskhothane (a township sub-culture where member of ubukhothane flash branded items across every category to drive awareness in an extreme “in-your-face” bragging manner) era highlighted a pivot required in implementing influencer strategies, as it is already known that this market segment is very impressionable. Banking brands can adopt this type of influencing to drive brand narratives within the community using influential community members. For example, approach soccer legends who grew up in the township to share and empower potential customers about their “rise to fame” feel-good story. This approach is not only relatable and attainable but also believable, a key ingredient to drive brand trust.

#### **6.4.5 Craft a suitable marketing mix**

Although traditional media plays a key role as mass reach channels, region-specific tactics that demonstrate an understanding of community nuances land the message better than television and radio can. For instance, getting local artists to design wall mural advertising art and messaging in a lingo that is spoken in a township will derive better desired results, not only from a resonance perspective, but also from a local beneficiation perspective. TikTok advertising is also a growing trend within the population as it does not come across as hard, cold selling of a product, as most tik tokkers use humour to deliver brand messages.

#### **6.4.6. Conduct considered and effective brand emersion exercises**

Take the brand to the people to create an impression of brand visibility, using tactics that are not condescending. This can be achieved through hosting small and micro business indaba as a contribution to the Township Economy agenda. This should include key businesses that drive township economy (i.e. street vendors, Spaza shop owners, mechanics, welders, and plumbers, etc.).

This will not only give the brand visibility but also create a positive brand image in customers' minds that is essential for driving brand preference. Furthermore, the brand familiarity will enable quicker marketing and communication messaging traction and uptake from the in-community memory structure maintained.

### **6.5. Conclusion of the study**

There have been marketing efforts implemented by banking brands towards acquiring and retaining the lower retail mass markets due to the aggregate value it presents for business growth, however traditional banks haven't had much success. While the new neo banks are gaining traction in attracting this market segment, there are clear indicators that there is still an opportunity for the traditional banks to take back their piece of the market share through competitive offerings that drive repeat purchase. According to Keller (2002), the strongest

indication of brand loyalty is when consumers are willing to give up their time, effort, and money in pursuit of the consumption of the brand, a practice called brand engagement. Such strong brand loyalty also affects the overall brand awareness (Singh & Pattanayak, 2016), brand evaluation and brand experience (Bapat & Thanigan, 2016). The research revealed that Brand resonance as a concept is not fully understood within the lower mass market segment, largely due to ignorance and lack of proactive initiative to become empowered about financial-specific information that is freely and readily available. From the marketing perspective, banks have a responsibility to proactively drive financial education initiatives that promote financial literacy in a relatable and simplistic manner.

Ultimately, it is evident that there is a fair level of awareness of banking brands that marketing experts in the banking industry can leverage. The secret to unlocking the value is in offering a compelling CVP and communicating it in a simplistic manner. Simon Sinek in his Ted Talk introduces the concept of the golden circle, an idea that proposes that positioning statements need to start with the why (speaks to the heart that evokes trust and feelings and behaviour) brands exist, followed by the how and lastly the what (speaks to the features and benefits) of the brand – communicating from the inside out. This concept is premised on the notion that people do not buy what you do, but rather why you do it (Sinek, 2009). Sinek (2009) further states that the reason why starting with the “why” is important is once people believe in what you believe in (the purpose) of the brand, it is likely that they will become brand advocates that could assist with mass market penetration uplift (i.e. the law of diffusion). The “what” then becomes tangible evidence of the “why”.

Regarding marketing communications, language use is critical in driving resonance as it emerged in the research that, although banking consumers do not mind English in ATL (Above the Line) marketing communications, they prefer the vernacular in direct marketing communication, particularly where important product information is concerned.

While brand resonance may appear as a simple concept when pursuing customer loyalty, it is more involved and is a challenge to achieve in the lower mass market segment. Considered insights-based strategies complemented by appropriate actions are the only approaches available to penetrate and win market share in the retail mass market.

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Figure 2: Factors influencing reciprocity image source: IOS.press.com.

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Figure 3: Keller's Brand Equity Model (CBBE Model) image source: Marketing91.com

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