The Influence of Mobile Applications on Loyalty Programme Engagement Among Low-Income Consumers in South Africa

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Declaration

I, Boipelo Mabe, declare that this research report is my work except as indicated in the references and acknowledgments. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

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Abstract

With mobile apps becoming central to brand-consumer interactions, understanding their role in driving loyalty among economically disadvantaged users is crucial. This study explores how mobile applications influence loyalty programme (LP) engagement among low-income consumers in South Africa.

Using a qualitative approach, the research examined user experiences, challenges, and motivations through semi-structured interviews with eight participants residing in and around Johannesburg townships. Findings revealed that perceived ease of use, usefulness, affordability, and data accessibility significantly impact engagement. Participants valued simple app interfaces, clear reward structures, and real-time tracking but faced challenges like high data costs, complex point systems, and limited educational resources.

To address these challenges, the study proposes a model for improving mobile app LP engagement among low-income consumers, offering a practical framework for businesses to enhance engagement through user-focused solutions. This model emphasises zero-rated apps, simplified onboarding, affordable access, and personalised rewards, alongside continuous evaluation and refinement. The findings contribute to inclusive marketing strategies and support economic capacitation for low-income consumers by promoting more accessible and impactful mobile-based LPs.

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1. CHAPTER 1: INTRODUCTION

1.1. Statement of purpose

This research investigates the impact of mobile applications on consumer engagement in loyalty programmes (LPs) among low-income consumers in South Africa. It identifies key factors influencing engagement and provides actionable insights for businesses to improve mobile app adoption in this segment. A qualitative approach was used to explore the behaviours, motivations, and preferences of low-income consumers regarding mobile app-based LPs. Based on the findings, the study proposes a recommended model to enhance LP engagement, addressing barriers such as high data costs, complex interfaces, and unclear rewards. The study aims to contribute to the economic capacitation of low-income earners in South Africa, enabling their meaningful participation in LPs via mobile apps.

1.2. Background of the study

The rapid increase in smartphone usage and the subsequent creation of mobile applications, or "apps", have changed how customers connect with brands (Kim et al., 2015). Consumers use a wide range of apps and features to conduct various ‘life’ tasks such as internet surfing, paying bills, work and school tasks, information sharing, and entertainment (Kim et al., 2015). Acknowledging this trend, companies use mobile apps as an additional communication tool to acquire new customers and to retain existing ones (McLean, 2018). A study conducted by Kim et al., (2015) confirms that consumers who download a branded app and continuously engage with it, will deepen their connection with the brand. This increase in digitalisation has seen more companies revolutionise their LPs to maximise on consumer engagement via mobile apps (Chen et al., 2021).

Dating as far back as the 1800s, LPs have long been an integral part of marketing functions and consumer engagement strategies for businesses (Wang et al., 2018). The global market for LPs was estimated to be worth USD 201 billion by 2022 (Belli et al., 2022) and is projected to grow at a rate of 11.1% per year to reach USD 217,371.1 billion by 2028 (Globe News Wire, 2024). For South Africa, a similar growth trend is predicted

where the loyalty market is expected to grow at 11.2% annually, increasing from USD 384.3 million in 2024 to reach USD 556.7 million by 2028 (South Africa Loyalty Programmes Market Report, 2024).

Recent developments in technology have opened new possibilities for LP management (Chen et al., 2021). Digitalisation makes it possible to engage with consumers in new ways and get valuable customer data, enabling hyper-personalisation (Chen et al., 2021). New technologies such as Artificial intelligence (AI), mobile devices and applications are argued to enhance the effectiveness of LPs, presenting business with opportunity to tap into new markets (Chen et al., 2021).

Emerging markets (EM) have increasingly become an area of interest in the global economic arena for several key reasons considered in this study. EMs represent a large percentage of the world's population and are showing consistent gross domestic product (GDP) growth that could outpace that of developed nations (Dakduk et al., 2020). Due to their growth potential, predominance, and the purchasing power they hold, EMs are desirable investment destinations (Dakduk et al., 2020). Previous studies (Etim, 2012; Hyde-Clarke, 2016; Granguillhome et al., 2022) have also cited other factors of interest in EMs such as growth of Information Communication Technology (ICT), particularly mobile telephony, that has become a critical tool for the economic empowerment of people and poverty reduction through increased access in these markets (Etim, 2012).

South Africa represents a particularly unique and prominent emerging market case. The South African Census 2022 revealed an upward trend in the ownership of smartphones (South African Government News Agency, 2023). An overwhelming 92.1% of households own a mobile phone in working condition, and of those, 60.5% use their mobile phones to access the internet (South African Government News Agency, 2023). It was predicted that between 2024 and 2029, there will be a steady increase in the number of smartphone users in South Africa (Cowling, 2024). A study conducted by Hyde-Clarke (2016) focusing on survivalists operating small businesses in the Johannesburg Central Business District (CBD) showed that while access to mobile phones is on the rise, the cost of access remains a barrier that has seen more emphasis on the use of mobile applications and social media networks (Hyde-Clarke, 2016). For this market, mobile

apps, even though not always free, are considered cheaper than SMS or phone calls and therefore the preferred mode of communication and digital exchange (Hyde-Clarke, 2016). The high acceptance of mobile phones in emerging markets has led organisations to further focus their efforts on developing mobile-enabled services for their customers (Rootman & Krüger, 2020). This is a key development in the evolution of LPs.

1.3. Research problem

Despite extensive research on how mobile apps enhance brand-consumer interactions through personalisation and convenience (Kim et al., 2015; McLean, 2018; Son & Oh, 2023), and how digitalisation has advanced LPs (Chen et al., 2021), the intersection of these dynamics remains underexplored, particularly among low-income consumer segments. In addition, studies have examined factors driving mobile app engagement (Kim et al., 2015; McLean, 2018; Son & Oh, 2023) and the design, and effectiveness of LPs (Belli et al., 2022), there is, however, limited research on how mobile apps influence LP participation among low-income consumers, especially in emerging markets like South Africa.

Focusing on South Africa's low-income market provides a unique opportunity to advance knowledge in understanding consumer behaviours and preferences in emerging economies. This market may encounter barriers such as limited access to smartphones, lower levels of digital literacy, and financial constraints that hinder their participation in LPs through mobile apps (South Africa Loyalty Programmes Market Report, 2024). These challenges can impact their ability to engage effectively with LPs and fully benefit from the rewards and incentives offered by brands (Cromhout, 2022). Literacy levels also play a role in shaping low-income consumers' engagement with LPs on mobile apps, as it influences their understanding of app features and rewards (Correa et al., 2022).

Therefore, the research explores the factors influencing the adoption of mobile applications for engagement in LPs among low-income consumers in South Africa. By investigating the key challenges faced by this segment, the study focuses on understanding how perceptions of the ease of use and usefulness of mobile applications, impact the decision to adopt them for participation in LPs. By studying the challenges

and motivations behind mobile app LP engagement, marketers can develop strategies tailored to this underserved segment (Roy et al., 2021). Furthermore, the research contributes to inclusive marketing and economic capacitation efforts in the region.

1.4. Research questions

i. What are the factors that influence the adoption of mobile applications for engagement in loyalty programmes among low-income consumers in South Africa?

Sub-questions:

a. What are the key challenges faced by low-income consumers in South Africa regarding the adoption of mobile applications for LP engagement?
b. How do perceptions of the ease of use of mobile applications impact low-income consumers' decisions to adopt them for participation in LPs?
c. How does perceived usefulness of mobile applications impact low-income consumers' decisions to adopt them for participation in LPs?

1.5. Rationale

There is a need for further exploration to understand the factors that either facilitate or hinder the adoption and utilisation of mobile apps for LP engagement among low-income consumers. By addressing this, businesses and managers can develop strategies to enhance the accessibility and effectiveness of mobile apps for this segment, ultimately contributing to their economic capacitation and facilitating their engagement in LPs. The findings of this study can have significant practical implications for businesses operating in South Africa and similar emerging markets.

1.6. Delimitations of the study

The research included and excluded the following:

i. It primarily examined the influence of mobile apps on engagement in LPs. It did not consider other forms of technology or communication channels, such as websites or traditional loyalty cards.
ii. It mainly considered the retail and banking sector.
iii. The study considered the socio-economic context of South Africa, including factors such as affordability, accessibility to technology, and cultural influences on consumer behaviour among low-income earners.

1.7. Assumptions

The following assumptions were made in this study:

i. Low-income earners have sufficient access to smartphones and internet connectivity to participate in mobile app-based LPs.
ii. Cultural norms and values in South Africa do not significantly hinder low-income earners' engagement with mobile app-based LPs.
iii. Businesses offering mobile app-based LPs implement effective strategies to promote and incentivise participation among low-income consumers.

2. CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

The emergence of mobile apps has reshaped consumer engagement, particularly in LPs, creating new opportunities for socioeconomic empowerment. While existing research highlights factors like usefulness, cost, and security in app adoption, studies also emphasise the unique behaviours and challenges faced by low-income consumers. In South Africa, where digitalisation is expanding and many low-income consumers live in townships, understanding their engagement with LPs through mobile apps is crucial. This literature review explored the intersection of tech-adoption, consumer behaviour, and LP engagement, aiming to uncover the key factors driving mobile app use among low-income consumers predominantly in South African townships.

2.2. Empirical literature review

2.2.1. Technology adoption

Previous studies (Harris et al., 2016; Hyde-Clarke, 2016; Malik et al., 2017; McLean, 2018) investigating the factors influencing mobile app adoption agree that the mobile app industry is critical for the socioeconomic empowerment of communities due to increased accessibility and the instant nature of apps. Furthermore, there is general alignment on the themes around usefulness, benefits, costs and security that become influencing factors for consumers to use an app (Kim et al., 2015; Harris et al., 2016; Hyde-Clarke, 2016; Malik et al., 2017).

The research conducted by Harris et al., (2016) identifies four key factors influencing consumers' decisions before installing a mobile app. These are perceived risk (privacy and security concerns), trust in the brand, perceived benefit (productivity or entertainment), and familiarity with the brand's apps (Harris et al., 2016). While the study provides insights into understanding the factors potentially influencing subsequent app usage patterns that can be influenced by the four factors, it does not delve into the usage behaviours after installation (Harris et al., 2016).

Malik et al., (2017) build on the previous study by classifying mobile apps into two categories, utilitarian and hedonic. Utilitarian apps are those used for information-seeking and usually task-oriented (Malik et al., 2017). Hedonic apps, on the other hand, are used for more fun and indulgent activities such as shopping and entertainment (Malik et al., 2017). For continuous use to take place post-adoption, customer satisfaction, habitual use of technology, and positive perception around the app need to be present or sustained (Malik et al., 2017). Similarly, McLean (2018) emphasises customer engagement as a driving factor supported by perceived ease of use, perceived usefulness, convenience, and enjoyment. While the various authors differ in their focus areas, for example (Malik et al., 2017) concentrates on factors influencing app adoption in the Indian market, and (Kim et al., 2015) emphasises adoption behaviours around a particular brand's mobile app in a generalised geographical context, there are key nuances in mobile app adoption that need to be considered.

2.2.2. Low-income consumers

The definition of low-income consumers is broad and varies globally, with marketers also viewing this category as expansive (Correa et al., 2022). It is shaped by a country's political criteria and official poverty definitions, meaning the concept of low-income consumers differs across contexts (Correa et al., 2022). However, literature generally describes low-income consumers as those lacking sufficient monetary resources to maintain a "socially acceptable" standard of living, which typically involves limited income to meet basic needs (Roy et al., 2020; Correa et al., 2022). Importantly, this group is not homogenous, and segmentation beyond unmet needs is crucial for understanding the market (Roy et al., 2020). Roy et al. (2020) suggested segmenting low-income consumers based on purchase behaviours and media preferences, rather than just basic needs, after studying 102 low-income individuals across three regions in East India. The differences across nations suggest further exploration is needed. The misconception that low-income groups are homogenous has led to this market being largely underserved (Zhu et al., 2019), despite the fact that most populations in emerging markets fall within the low-income category.

2.2.3. Low-income consumers in South Africa

South Africa is an emerging market with most of its consumers living on or below the poverty line (Pillay & Struweg, 2023). While 24.35% of the population of South Africa live in townships, according to the 2023 Township Customer Experience Report, most South African low-income consumers live in these areas (Stiehler-Mulder & Cunningham, 2022). South African townships are characterised by low household income, high unemployment, and poor service delivery (Township Customer Experience Report, 2023).

These communities are, however, becoming increasingly digitalised which is synonymous with the country's growing internet user penetration which is expected to grow to over 90% in 2027 (Pillay & Struweg, 2023). Thus, this research paper focuses on low-income consumers predominantly based in and around South African townships.

2.2.4. Loyalty programme engagement

According to the 2022 Truth and BrandMapp Loyalty Report, 73% of economically active South African consumers use LPs, with an average of 9.2 LPs per person, a number that is increasing annually (Cromhout, 2022). The report also shows that LPs influence consumer behaviour, aligning with global research (Dorotic et al., 2011; Breugelmans et al., 2015). Motivations for engaging in LPs include accumulating points for larger rewards or instant rewards, or both (Cromhout, 2022).

In partnership with MoyaApp, BrandMapp's report for the first time examined low-income consumers with monthly household incomes under R10,000. The findings revealed key differences in the behaviours and preferences of this group, including a higher LP usage rate of 82% compared to 73% overall (Cromhout, 2022). No significant differences were found across age, gender, or sub-income groups (Cromhout, 2022). Cash, data, and airtime were the top three preferred rewards, with Shoprite Xtra Savings, Pick n' Pay Smart Shopper, and Capitec Live Better identified as the most popular programmes for this income group (Cromhout, 2022).

The impact of LPs on consumer behaviour, particularly among low-income consumers despite financial constraints, highlights the importance of exploring how mobile apps influence LP engagement in this demographic.

2.2.5. The Marketing Mix (4Ps) and Mobile Loyalty App Engagement

The 4Ps of marketing influence consumer behaviour. Commonly referred to as the 4Ps in marketing, the marketing mix is a concept first popularised by Borden (1964). During the 1940s Borden described the marketing mix as a combination of controllable factors that businesses can adjust to affect consumer behaviour (Borden, 1964). Building on this foundation, McCarthy et al. (1979) later introduced the 4Ps model; Product, Price, Place and Promotion, which has since become the cornerstone of modern marketing practice (McCarthy et al., 1979). The 4Ps in its traditional form became a toolkit for marketers to attract the target customers (John et al., 2023). Mass marketers adopt the 4P's marketing mix to translate their marketing plan into practice. The marketing mix determine the particularities of a product, the selling price for the product, persuade the customer to buy through promotion and get the products to consumers through paying attention to place (Wu & Li, 2018). The study adopts the 4Ps as a heuristic to make sense of the data. The first P (product) is used to unpack customer perceptions on value that the respective apps they use adds to their lives. The value is determined by functionality, relevance, accessibility and trust (Baker, 2016). Functionality speaks to the user-friendliness of the app for consumers with low digital literacy. Relevance is concerned with the meaningfulness of the loyalty programme for customers (Jackson & Ahuja, 2016). This is likely influenced by features such as discounts and rewards. Accessibility relates to the data efficiencies of the app. The apps need to have a low data requirement or at best, work offline (Pitri et al., 2025). Lastly, trust is about how secure the app is deemed to be by the customers. If the product does not offer this engagement will drop.

The second P (price) describes the perceived cost of participating in the LP through the app. Costs can be monetary, time and effort (Lahtinen et al., 2020). Monetary cost pertains to the amount of money required to use the app or redeem rewards (Pitri et al., 2025). Time cost is determined by the complexity of navigating the app. Ideally, complexity

should be low. Effort cost is related to time cost. It is about the amount of effort needed to perform any actions in the app (Pitri et al., 2025).

The third P (place) encapsulates how and where consumers engage with the loyalty app. It is influenced by mobile device access, geographic access and how far integrated the app is with local or informal retailers (Balter, 2016). Device access is about whether the app is compatible with all device software. Geographic access pertains to how well the rewards are targeted to relevant retailers where the target market frequently shops (Tavakoli & Karimi, 2024). Integration with local or informal retailers is important in contexts where most people are likely to purchase goods from spaza shops and vendors.

The fourth P (promotion) is shaped by how the app is marketed and how well the message gives the consumer a better sense of the benefits accrued through adopting the app or LP (Tavakoli & Karimi, 2024). The core tenets of promotion are language and messaging, trust building and education and support. With regards to language and messaging, promotions should be in a palatable language and culturally appropriate (Balter, 2016). Trust building is shaped by how well the marketing employs relatable storytelling to bridge the gap between them and users. Last, education and support is about teaching users on how to use the app and how best to reap of more rewards (Pitri et al., 2025). All these factors were considered throughout the research.

2.2.6. Consumer Behaviour and Decision-Making

Consumer behaviour and decision making is influenced by how marketers apply the marketing mix. Customer behaviour ties to customer loyalty. Customer loyalty is one of the elements that determines a company's competitive position in the market and shows its success in delivering goods and services (Chien, et al., 2024). Customers will return for a specific service if they are satisfied with the products and services and have a need for that service at that time (Chien, et al., 2024). These customers will in turn refer other potential customers. Therefore, customer agency interplays with the marketing mix, to determine the overall customer decision making process. These considerations are also acknowledged in the research as they shape how customers engage with customer loyalty programmes.

2.2.7. Direct and Mobile Marketing

Direct marketing was once known as customer relationship marketing, loyalty marketing or database marketing (Thomas & Housden, 2017). It involves identifying customer needs and tailoring deliverables to satisfy those needs. Direct marketing also involves selecting the individuals who will find a marketer's message relevant and eliminating those who may not find the message useful (Thomas and Housden, 2017). LPs and their supporting mobile applications can be positioned within a number of interconnected marketing strategies, all of which advance our knowledge of how these instruments affect consumer behaviour, especially among low-income consumers (Chun et al., 2020).

LPs have an element of relationship marketing where emphasis is placed on constant interaction rather than one-time deals (Madhavaram et al., 2014). In LPs, regular brand connection is rewarded to promote emotional connections and repeat business (Madhavaram et al., 2014). In this relationship marketing, mobile apps act as touchpoints that support the brand-consumer relationship-building.

LPs also fall under retention marketing. This marketing type seeks to increase the lifetime value of existing customers instead of concentrating on acquiring new ones (Rhouma & Zaccour, 2018). This retention is done through tailored promotions and a subtle understanding of customers' purchasing habits (Rhouma & Zaccour, 2018). This reduces attrition and encourages the repeated use of the apps.

LPs also fall into data driven marketing, where apps gather first-party data of a customer's behavioural patterns (Rosario & Dias, 2023). This makes it easier to offer relevant offers to relevant customers. Relevance is based on for example, the financial means of people (Rosario & Dias, 2023)

LPs also fall within behavioural marketing which employs rewards to encourage purchasing behaviours. Some of the strategies this marketing type employs include time-sensitive offers, progress indicators, and point accumulation (Dobni et al., 2001).

Digital marketing is also worth noting. Digital marketing is the use of technology to support marketing initiatives in order to better understand customers by catering to their

demands (Chaffey & Smith, 2013). Digital marketing can be defined as a branding and marketing activity, strategy, or technique that makes use of digital platforms (Mandal & Joshi, 2017). One of digital marketing's methods is mobile marketing. Apps are essential to mobile marketing, which is a crucial channel in South Africa, since many customers rely on their mobile phones as their main digital access point (Mndal & Choshi, 2015) .In this era of digital technologies, mobile marketing has become the predominant method of reaching customers (Chien et al., 2024). In addition to being convenient, mobile loyalty apps offer geo-targeted promotions, QR code-based interaction, and low-data interfaces all of which are essential for successfully reaching low-income market segments (Chien et al., 2024).

When combined, loyalty programmes, and their mobile interfaces show how relational and data-driven marketing techniques have come together. Seeing these technologies through the prism of the 4Ps; Product, Price, Place, and Promotion, highlights their significance in influencing customer behaviour in a mobile world.

2.3. Theoretical foundation

2.3.1. Technology Acceptance Model

Among the most extensively used theoretical frameworks to understand consumer behaviours towards accepting and using new technology is the Technology Acceptance Model (TAM) (McLean, 2018). TAM holds that the perceived ease of use and perceived usefulness of a piece of technology can determine whether a consumer uses it or not (Malik et al., 2017). TAM, however, oversimplifies technology acceptance by only focusing on the cognitive aspects of perceived ease of use and perceived usefulness (McLean, 2018). It may not fully capture the complexity of user behaviour and the number of factors that influence technology adoption.

2.3.2. Unified Theory of Acceptance and Use of Technology (UTAUT and UTAUT2)

On the other hand, the Unified Theory of Acceptance and Use of Technology (UTAUT) and its extension UTAUT2 is a comprehensive model that combines previous models of

technology acceptance (Malik et al., 2017). These were developed as an extension of TAM, the focus was, however, more on post-adoption behaviour (Malik et al., 2017). Four major factors in this model which are; performance expectancy, effort expectancy, social influence, and facilitating conditions, predicted behavioural intents to utilise technology (Bendary & Al-Sahouly, 2018). This study considers the factors predominantly concerned with the low-income base according to previous studies conducted in other emerging markets (Hyde-Clarke, 2016; Malik etal., 2017; Bendary & Al-Sahouly, 2018; Correa et al., 2022).

2.3.3. Perceived ease of use

The perceived ease of use refers to how effortlessly a consumer can utilise a technology without requiring significant effort (McLean, 2018). Ease is based on how the technology allows the user to perform tasks (McLean, 2018). Malik et al., (2017) reveal that ease of use in the form of a user-friendly app was cited as a key factor that encouraged them to use it more often. McLean (2018) discusses additional findings where ease of use of a website has significant influence on how consumers behave towards the website. Ease of use is also found to have an impact on the intention to use mobile apps (Harris et al., 2016).

Proposition 1: *The perceived ease of use of a brand's mobile app will influence consumer engagement with its LP on app.*

2.3.4. Perceived usefulness

A key element of TAM and one of the most important factors for technology adoption, is perceived usefulness (McLean, 2018). Usefulness is defined as a consumer's belief that by using certain technology, their performance will be improved (Rootman & Krüger, 2020). Several studies have demonstrated that usefulness has an influence on technology adoption (Harris et al., 2016; Malik et al., 2017; Mclean, 2018; Rootman & Krüger, 2020).

Proposition 2: *The perceived usefulness of a brand's mobile app will influence consumer engagement with its LP on app.*

2.3.5. Socioeconomic factors

Socioeconomic and demographic factors such as income, household size, educational level, age, and sex have been widely identified as the drivers of adoption and digital technology use (Dakduk et al., 2020). There exists an opportunity to look at different income groups represented in those communities (Dakduk et al., 2020). Low-income consumers may have different motivations and barriers to app adoption compared to higher-income individuals. According to a study conducted in rural Mexico, people who are younger, wealthier, better educated, and familiar with digital technology are more likely to use the internet (Granguillhome et al., 2022). They also tend to dwell in the northern (richer) region of the country and have social media accounts (Granguillhome et al., 2022). For this study, two factors were considered, income level and literacy levels based on educational background, as they appear as the prevalent factors impacting consumer behaviour in South African townships (Pillay & Struweg, 2023).

Proposition 3: *Income level significantly impacts low-income consumers' LP engagement on mobile apps.*

Proposition 4: *Educational attainment significantly impacts low-income consumers' LP engagement on mobile apps.*

3. CHAPTER 3: RESEARCH METHODOLOGY

3.1. Introduction

This chapter outlines the research methodology used to meet the study's objectives. It covers the research design, population, sampling methods, data collection, research instrument, data analysis strategies, limitations, quality assurance, and ethical considerations.

3.2. Research design

A qualitative approach was employed, chosen for its exploratory nature, allowing a thorough examination of the study's objectives (Stiehler-Mulder & Cunningham, 2022). Qualitative research enables in-depth engagement with participants, uncovering nuances relevant to the study (Stiehler-Mulder & Cunningham, 2022). The study's objectives required detailed insights best achieved through qualitative methods.

3.3. Data collection methods

3.3.1. Population

The target population comprised low-income consumers from Johannesburg townships or surrounding areas with experience in LPs and mobile apps. Demographics such as race, gender, and age were excluded, as Cromhout (2022) found minimal differences in app usage across these factors, suggesting socioeconomic status is the key variable for understanding LP engagement. Despite economic challenges, townships represent a significant market with substantial purchasing power and digital engagement (The Township Customer Experience Report, 2023).

3.3.2. Sample and sampling method

A non-probability sampling method was used, combining convenience sampling and snowballing to address potential bias (Creswell, 2009). A sample size of 8 to 15

participants was deemed appropriate, in line with qualitative research standards (Creswell, 2009). Previous studies, such as Malik et al. (2017), involved focus groups of 5 participants, while Van Bell (2011) conducted semi-structured interviews with 12 participants.

For this study, 8 low-income consumers were selected based on criteria including smartphone usage, basic English proficiency, and residence or work in Johannesburg townships. The sample included individuals with varying employment statuses, including unemployed, contract workers, and permanently employed, as well as different educational levels, ensuring diverse socioeconomic perspectives.

Figure 1 illustrates the participants' educational qualifications, with 37.5% holding Grade 12, 37.5% possessing diplomas, and 25% having higher certificates.

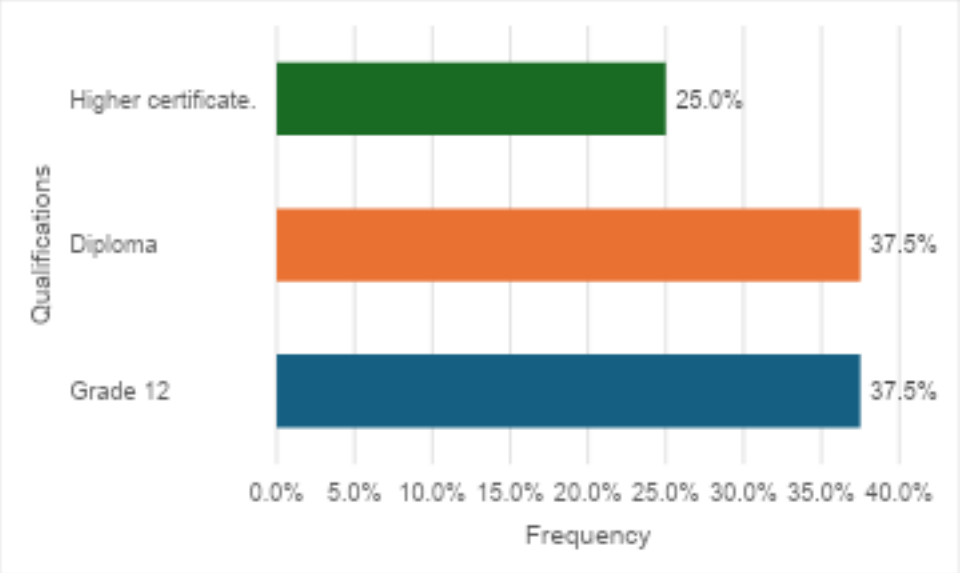

Figure 1: Participants qualification distribution.

3.4. The research instrument

Semi-structured interviews

Semi-structured, in-depth interviews, with open-ended questions were conducted (Saunders & Lewis, 2012). The interviews were conducted online to ensure cost-effectiveness for participants, allowing them to engage comfortably from their preferred environments. Recording was facilitated through Microsoft Teams, Zoom, and Otter, with automatic transcription capabilities to enhance accuracy and efficiency in data collection. The transcribed data were first organised in Microsoft Excel and then transferred to ATLAS.ti for streamlined analysis and coding. The interview questions used to guide the discussions can be found in **APPENDIX B.** A minimum time allocation of 30 minutes to a maximum of 1 hour 30 minutes, noted as a reasonable time for these types of engagements (Owens, 2015), was allocated to each interview session to allow participants enough time to fully express themselves. The language and pace of the interviews were adapted to suit each participant's comfort level. While English was the primary language used, vernacular expressions were incorporated as needed to facilitate clearer communication.

3.5. Data analysis strategies and interpretation

Thematic analysis was utilised to identify common themes in the participants' responses (Saunders & Lewis, 2012). Braun & Clarke's (2006) six phases of thematic analysis as illustrated in their framework below guided data interpretation. The interview recordings were played back to match the transcriptions and to identify specific themes and coding thereof (Braun & Clarke, 2006).

Step 1: Become familiar with the data, Step 2: Generate initial codes, Step 3: Search for themes,	Step 4: Review themes, Step 5: Define themes, Step 6: Write-up.

Framework 1: Braun & Clarke's six phase framework for doing a thematic analysis (Braun & Clarke, 2006).

As a way to ease participants into the discussion and to understand their level of familiarity with mobile technology, participants were asked about mobile applications

they frequently use and their reasons for preferring them**.** This exercise not only facilitated engagement but also reaffirmed that all participants had access to mobile phones, mobile apps, and internet connectivity, which was a prerequisite for this study. Table 1 in **APPENDIX C** lists responses obtained and the associated excerpt from the raw data. Figure 1 **APPENDIX C** presents the plotted responses, with WhatsApp being the most popular, followed by TikTok and Instagram.

To systematically analyse the data, responses were processed using ATLAS.ti Version 25, where open coding was applied following Braun and Clarke's (2006) thematic analysis framework. This process generated forty-five (45) distinct codes**,** which were subsequently grouped into fourteen thematic categories and aligned with the study's research propositions.

3.6. Quality assurance

Interview questions were standardised to ensure consistency in data collection (Saunders & Lewis, 2012) and participants were given enough time to respond (Creswell, 2009). A defined sample criteria was followed to ensure that sampling is consistent (Saunders & Lewis, 2012). Throughout the research process, data was documented through audio recordings (Saunders & Lewis, 2012).

3.7. Ethical considerations

This study was conducted in line with the ethical guidelines of the Wits Business School Ethics Committee, under the University Human Research Ethics Committee (Non-Medical), with ethical clearance granted under Protocol Number: WBS/BA674773/753.

Participants received a cover letter outlining the study's purpose and an informed consent form (see **Appendix A)** to ensure voluntary participation and protection of their rights (Creswell, 2009). The form highlighted the voluntary nature of participation, confidentiality measures, and the right to withdraw at any stage without consequence.

To maintain ethical integrity, participants' confidentiality and anonymity were safeguarded throughout data collection, analysis, and reporting (Creswell, 2009). Clear

communication about how the data would be used further promoted transparency, trust, and respect for participants' contributions.

4. CHAPTER 4: DATA ANALYSIS AND FINDINGS

4.1. Introduction

This chapter presents the findings of the data analysis, guided by the research question: *'*What factors influence the adoption of mobile applications for LP engagement among low-income consumers in South Africa?' The study explored user experiences, engagement levels, benefits, and challenges associated with mobile loyalty apps. Key themes emerged around usability, perceived value, and the role of digital convenience in driving customer engagement.

4.2. Key themes and patterns

The data analysis was structured using 45 distinct code types, which were systematically categorised into 14 broader themes and further grouped into four main clusters based on the research propositions. This framework allowed for a clearer understanding of emerging patterns, and insights into user behaviours and perceptions.

Table 1 summarises the emerged categories, corresponding code groups, and illustrative excerpts from participant responses.

Table 1: Emerged categories, code groups and associated direct code samples

Emerged category	Code group	Code example	Direct quotation sample
Experiences with loyalty programme apps (Q1)	Perceived ease of use of a brand's app	Benefited from loyalty programme	I generally use loyalty programs because I find them to be very rewarding 2:18 ¶ 4 in P2
Ease and difficult features of apps (Q2)		Easy to track savings and transfer	It's easy to track your savings, and when you need that money, there's an option to transfer immediately 5:19 ¶ 6 in P5
Engagement with loyalty programme (Q3)		Ease of use and convenience	Since eBucks is on the mobile app, I can use it anytime, anywhere, buy things like airtime whenever I do need it. So that helps a bit 7:4 ¶ 8 in P7
Challenges when using mobile apps for loyalty programmes (Q4)		Initial challenges in understanding Loyalty apps	I did have challenges at first. I didn't understand what it was, until a friend of mine clued me up on how it works and how it benefits me 6:21 ¶ 10 in P6
Benefits of participating in loyalty programmes (Q5)	Perceived usefulness of Brands app	App based rewards	I think sometimes they've got, like, app exclusive discounts or app exclusive, you know, specials, etc. 1:25 ¶ 12 in P1
Helpfulness of apps in improving LP experience(Q6)		App has improved user experience	100% it's efficient. It makes my life easier. I've got a physical card that I've never activated because the app is doing everything for me 8:21 ¶ 14 in P8
Useful and beneficial features of the app (Q7)		Real time and ease of access to the app	The ease of access to my phones and just being able to see what's going on in my account in real time 7:20 ¶ 16 in P7
Rewards offered in loyalty programme (Q8)		Financial savings and rewards	The fact that it enables me to save and see my savings keeps me using it. 5:9 ¶ 18 in P5

Emerged category	Code group	Code example	Direct quotation sample
Income level and financial situation (Q9)	Significance of income level on consumer LP	Budget and financial constraints	So budget is a big thing as well. So it needs to be as stringent as possible every single month in order to be able to get the things that I want, 1:32 ¶ 20 in P1.
Impact of income on loyalty programme participation (Q10)		Rewards directly linked to participation	For example, with eBucks, you need to spend to earn, so if you don't have much to spend then you won't earn much 4:28 ¶ 22 in P4.
Difference in LP engagement for different income levels (Q11)		High income earners are not engaged in LP	I think high income earners aren't too engaged or aren't desperately looking to save via loyalty points. 3:28 ¶ 24 in P3
Challenges affecting ability to engage on mobile apps (Q12)		The price of data can be a challenge	Data can sometimes be a challenge. 4:13 ¶ 26 in P4
Effect of educational background on LP app engagement (Q14)	Impact of education on consumers' engagement on LPs	Literacy levels affecting understanding of loyalty apps	I think it might because you need basic understanding of English. The content is mostly in English, unless someone teaches you. 7:15 ¶ 30 in P7
Effect of education in understanding LP mobile apps (Q15)		Difficulties in calculating and verifying discounts	or people can calculate. For example, if one has to calculate 5% of R100, not everyone will know how to do that. Therefore, it might deter them, because 5% or 1% sounds small as if that's not going to do anything for me. 8:29 ¶ 32 in P8

4.3. Categorical analysis results

This section presents the findings from the categorical analysis of LP experiences, as identified in Table 2.

4.3.1. User experience with using LPs

Participants' experience with LPs varied. Four out of eight participants found them beneficial and appreciated their integration into purchasing habits. The following statements illustrate their perspectives:

'I generally use loyalty programmes because I find them to be very rewarding.' (P2).

'The Capitec Live Better Savings that I've been using for the last three years; whenever I make like, payments, it saves a certain percentage of whatever it is that I'm spending.' (P5).

'The loyalty programme that I use almost monthly is the Capitec Live Better. It gives you 1% cash back on every spend, on every swipe that you can use in stores.' (P6)

*'I use loyalty programmes, especially if they help me save money, or give me some kind of tangible benefit that I see as worthwhile.' (*P8).

Conversely, Participants one (P1) and four (P4) remained critical of the perceived value and clarity of benefits. They emphasised the importance of LPs for brands but noted that rewards often felt too small or unclear. They shared the following experiences:

*'Most of the time I don't find them to be as effective, because you must accumulate points over a long time, and you don't really see the actual value when you buy a product from a store.' (*P1).

'I subscribe mainly to retail loyalty programmes…I don't always see their value because the discounts or rewards are so small.' (P4).

The remaining two participants (P3 and P7) acknowledged the importance of LPs but had limited usage and experience. They commented:

'For me, I feel like loyalty programmes are essential for any brand. I don't particularly have experience with them a lot but always think they're a good way to retain customers.' (P3).

'There are loyalty programmes that I use; eBucks, Shoprite card. I don't have too many because my shopping is pretty limited.' (P7).

Transparent reward structures and alignment with consumer spending habits emerge as crucial factors influencing the effectiveness and adoption of LPs. **Table 2** lists emerging codes from the analysis performed, and **Figure 2** shows direct quotations from the participants.

Table 2: Code summary of user experience with LPs

Codes	**Number of times mentioned during the interview**	**Percentage**
Actual value of loyalty programme not seen	2	25%
Benefited from loyalty programme	4	50%
Limited loyalty programme usage and experience	2	25%
Total	**8**	**100%**

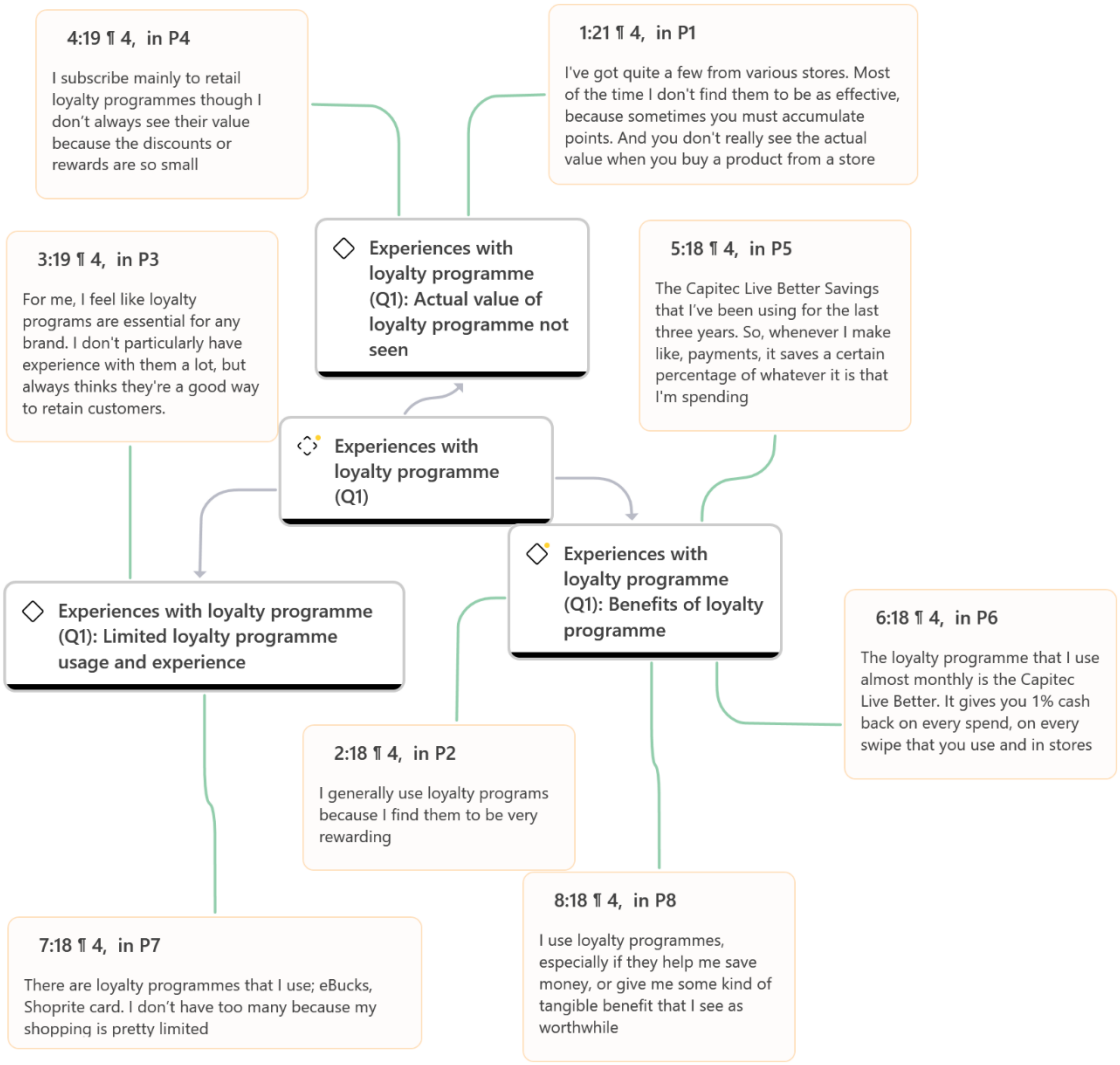

Figure 2: Network diagram of participants' views on experience with using LPs

4.3.2. Ease and difficulty of application features

During the interviews, participants were asked to identify application features they found easy or difficult to use. The findings are summarised in **Table 3**. Five participants noted that tracking points, savings and rewards was straightforward. They highlighted real-time tracking and transparency as crucial factors contributing to ease of use. The following excerpts illustrate this perspective:

'I would say clear points tracking and the ability to see how many loyalty points or rewards one has and can redeem.' (P3).

'It's easy to track your savings, and when you need that money, there's an option to transfer immediately.' (P5).

Participants further appreciated that applications provide detailed information about savings and loyalty points, making them convenient to use anytime and anywhere. In contrast, some participants expressed scepticism or lack of engagement with application features.

'I don't know about features, but the whole entire programme.' (P6).

'None really.' (P4).

Overall, while most participants found the tracking features intuitive, a few demonstrated limited awareness or engagement with application functionalities.

Figure 3 displays direct quotations reflecting these perspectives

Table 3: Code summary of challenges affecting participation in LP

Codes	**Number of times mentioned during the interview**	**Percentage**
Easy tracking of points, savings and rewards	5	71.4%
None of the features are difficult or easy	2	28.6%
Total	**7**	**100%**

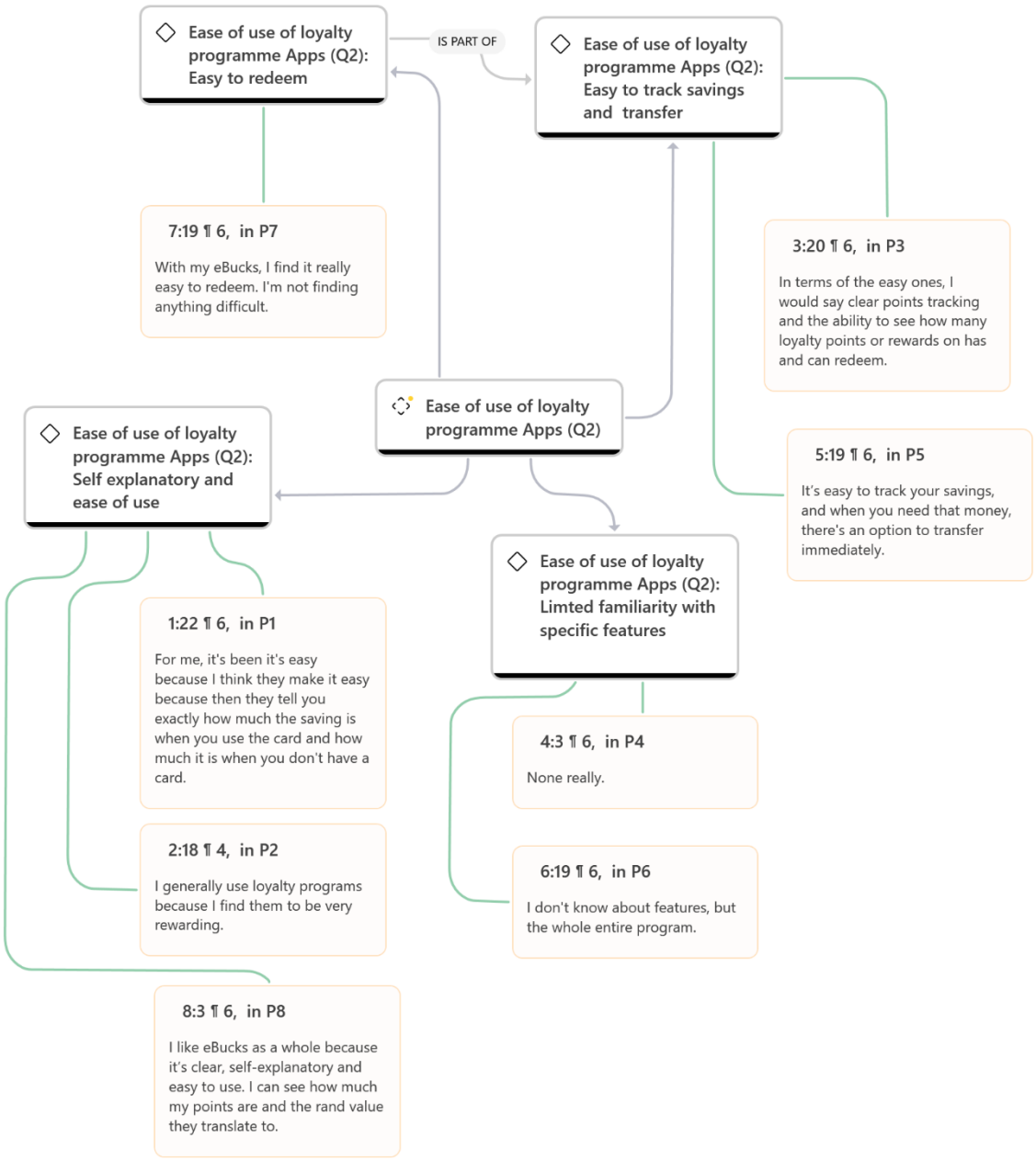

Figure 3: Network diagram of participants' views on the features of apps

4.3.3. Factors driving engagement with LPs via mobile apps

Table 4 presents a summary of the codes identified in participants' responses regarding their engagement with LPs through mobile applications. **Figure 4** illustrates a network diagram of direct quotes derived from the analysis.

The primary reason for engagement, cited by Participants 1,3,6,7, and 8, was the ease of use and convenience of mobile applications. They emphasised the benefits of digital accessibility, as reflected in the following statement:

'I think for me, it's more convenient to keep on using the app, because right now, everything is digital, carrying cards you tend to forget the card.' (P6).

Conversely, Participants 2,4, and 5 were primarily motivated by the perceived rewards and savings associated with mobile LPs. Their engagement was driven by tangible financial benefits rather than convenience alone.

These findings highlight the dual appeal of mobile-based LPs: where for some users, ease of access is the key driver, while for others, the potential for savings and rewards is the main motivator. **Figure 4** provides direct participant quotations supporting these insights.

Table 4: Code summary of engagement LP via mobile apps

Codes	**Number of times mentioned during the interview**	**Percentage**
Ease of use and convenience	5	62.5%
Perceived rewards	2	25%
Savings associated with loyalty programme	1	12.5
Total	**8**	**100%**

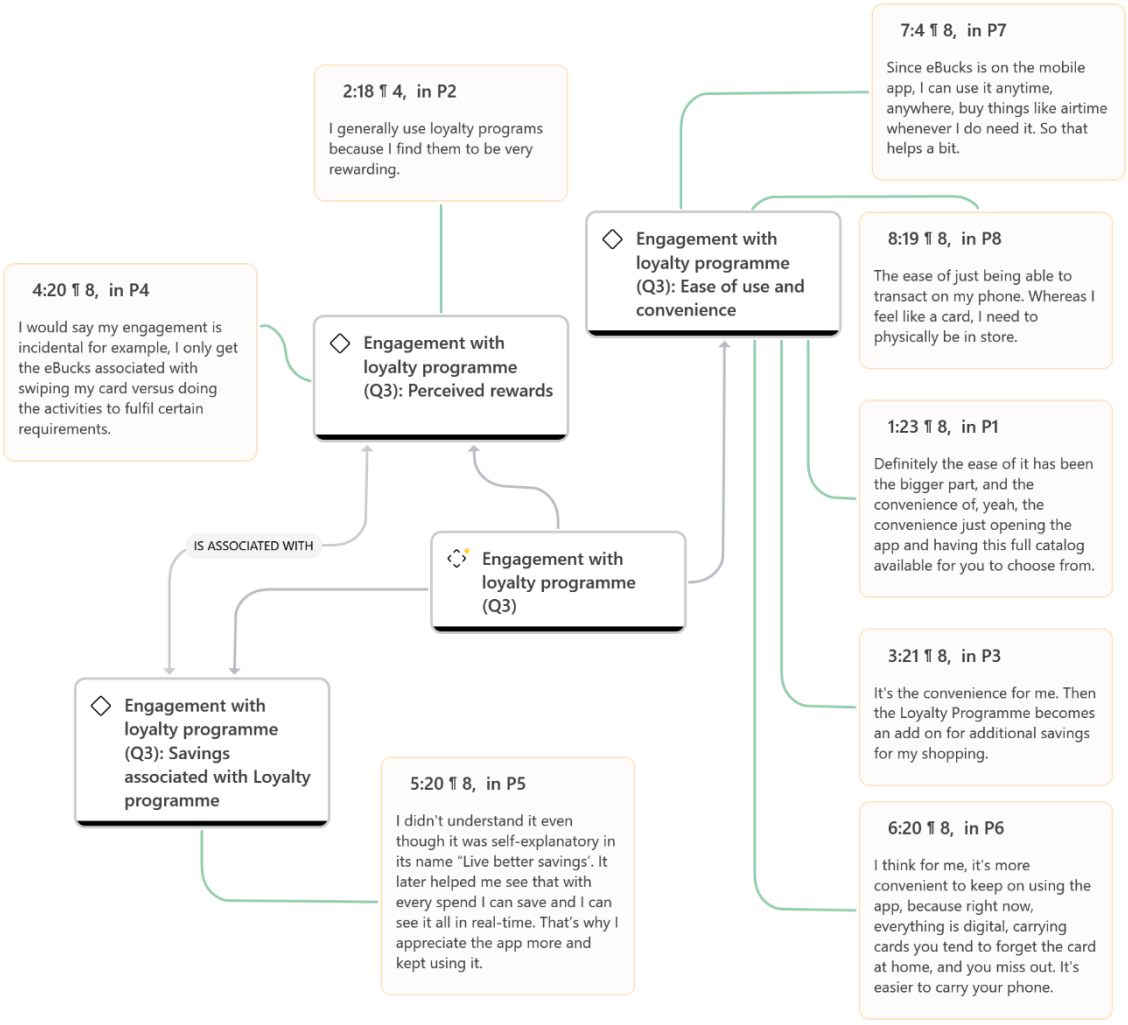

Figure 4: Network diagram of participants' views on engagements with LPs via mobile apps

4.3.4. Challenges in using mobile apps for LPs

The analysis indicates that most participants did not encounter significant challenges when using mobile applications for LPs. However, two specific issues were mentioned. Participant 4 noted occasional difficulties logging into the application due to outages:

'No, not really. What I will say is a challenge is when the app is offline when you try to use it.' (P4).

Additionally, Participant 6 initially struggled to understand the functionality and benefits of the application, requiring assistance from a friend:

'I did have challenges at first. I didn't understand what it was, until a friend of mine clued me up on how it works and how it benefits me.' (P6).

Despite these isolated challenges, most participants expressed that mobile LP applications were user-friendly. Common phrases such as 'no challenges', 'easy to use', and 'smooth sailing' suggest that users generally perceive these applications as intuitive and convenient. **Figure 5** presents direct quotations from the participants to support these findings.

Table 5: Code summary of challenges using LPs via mobile apps

Codes	**Number of times mentioned during the interview**	**Percentage**
Initial challenges in understanding loyalty apps	1	12.5%
No challenges experienced with loyalty apps	7	87.5%
Total	**8**	**100%**

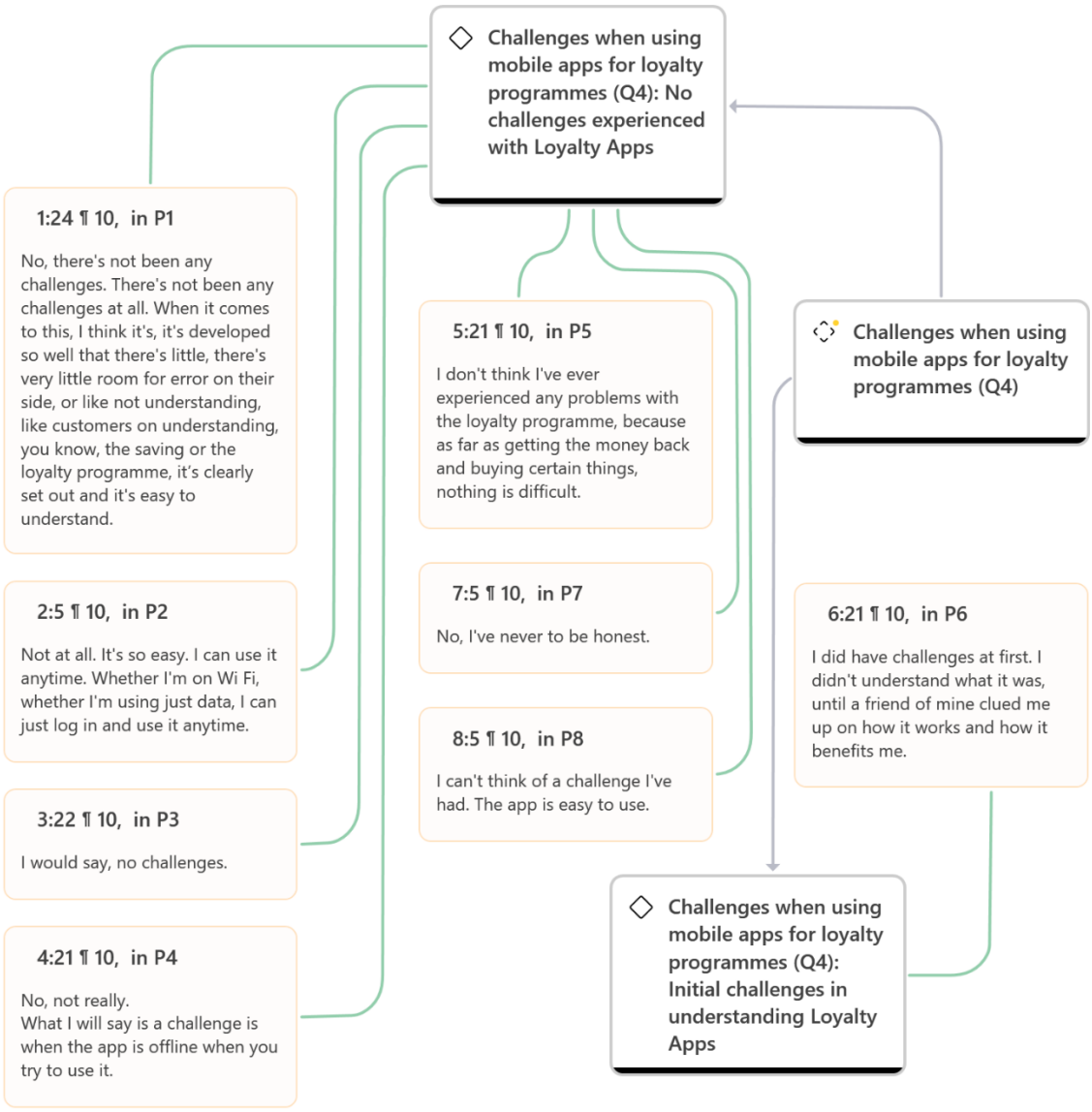

Figure 5: Network diagram of participants' views on challenges when using mobile apps

4.3.5. Benefits of participating in LPs

Participants were asked about the benefits they enjoy from participating in LPs through mobile apps. Several benefits were identified, including convenience, discounts and financial savings. One of the primary advantages highlighted was the ability to purchase electricity and airtime from home:

'I just enjoy the convenience it brings. If I need airtime or electricity, I don't need to step out of the house go to the shops' (P2).

Participants also appreciated the discounts and savings offered by these programmes:

'Most of the time it's the discounts and exclusive offers that they have. Sometimes you get free items if you buy certain products.' (P3).

'The savings help me because I'm able to buy airtime whenever I don't have money. Maybe it's five days until payday, and I have no data or transport money.' (P5).

Additionally, features such as cashback and point monitoring were noted as key elements that keep consumers engaged. Special deals and seasonal discounts were also referenced, particularly during holiday seasons:

'Since the world is moving to digital, it's a good feeling knowing that every time I use my card, I get something back.' (P6).

Table *6* presents a summary of the coded responses under the category 'Benefits of participating in LPs'. The analysis shows that perceived rewards (54.5%, n=12) were the most dominant reason for participation, followed by convenience and financial savings, which were mentioned five times.

Table 6: Summary of benefits for participating in LP.

Emerged codes	**Number of times mentioned during the interview**	**Percentage**
Convenience it brings	5	22.7%
Financial savings	5	22.7%
Perceived rewards	12	54.5%
Total	**22**	100%

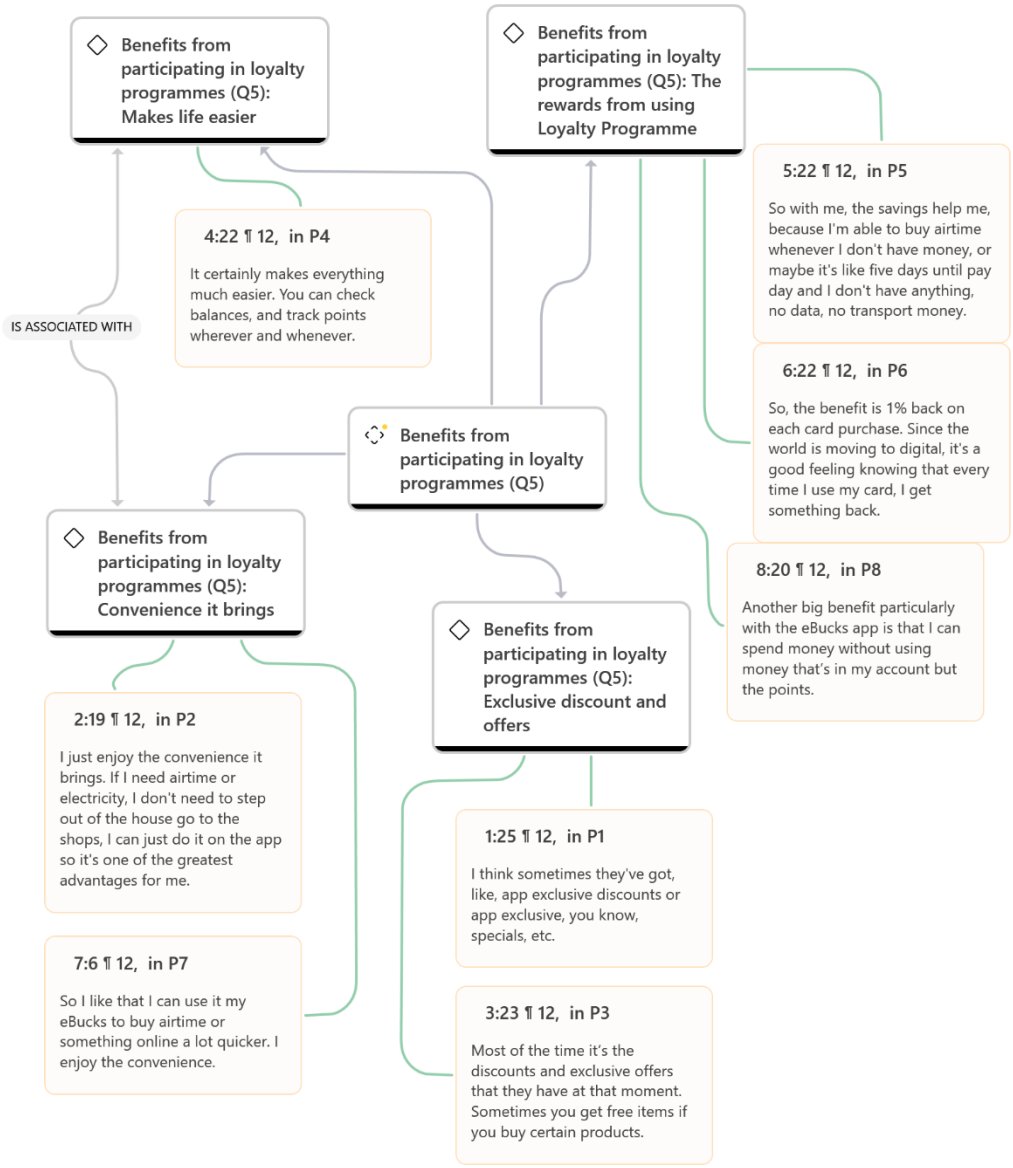

Figure 6: Network diagram of perceived rewards

4.3.6. Mobile app helpfulness in improving experience with the LP

Results presented in **Table 7** suggest that mobile applications improved most participants' experiences with LPs by offering convenience, real-time tracking, and efficiency in managing rewards. These results are presented in Table 7 and direct quotations shown in **Figure 7.**

'100%...it's efficient. It makes my life easier. I've got a physical card that I've never activated because the app is doing everything for me.' (P8).

In contrast, participant 4 is of the view that certain content may not be fully explained via the application: '*I won't really say 100% because a lot of the content you have to fully understand and the info in the app doesn't fully explain'* (P4).

Similarly, participant 1 prefers physical stores to see the value of savings. The participant stated, *'I think I have a different experience when I go into the store and I'm at the till and I'm paying, and I can see the real value on the teller screen rather than just seeing it on my phone.'* (P1).

Generally, most participants found mobile applications helpful in improving their experience with LPs.

Table 7: Code summary of views on how the app has improved LP user experience

Codes	**Number of times mentioned during the interview**	**Percentage**
App has improved user experience	7	70%
In store transaction preference	1	10%
Partial improvement of experience with loyalty programme app	1	10%
Total	**9**	100%

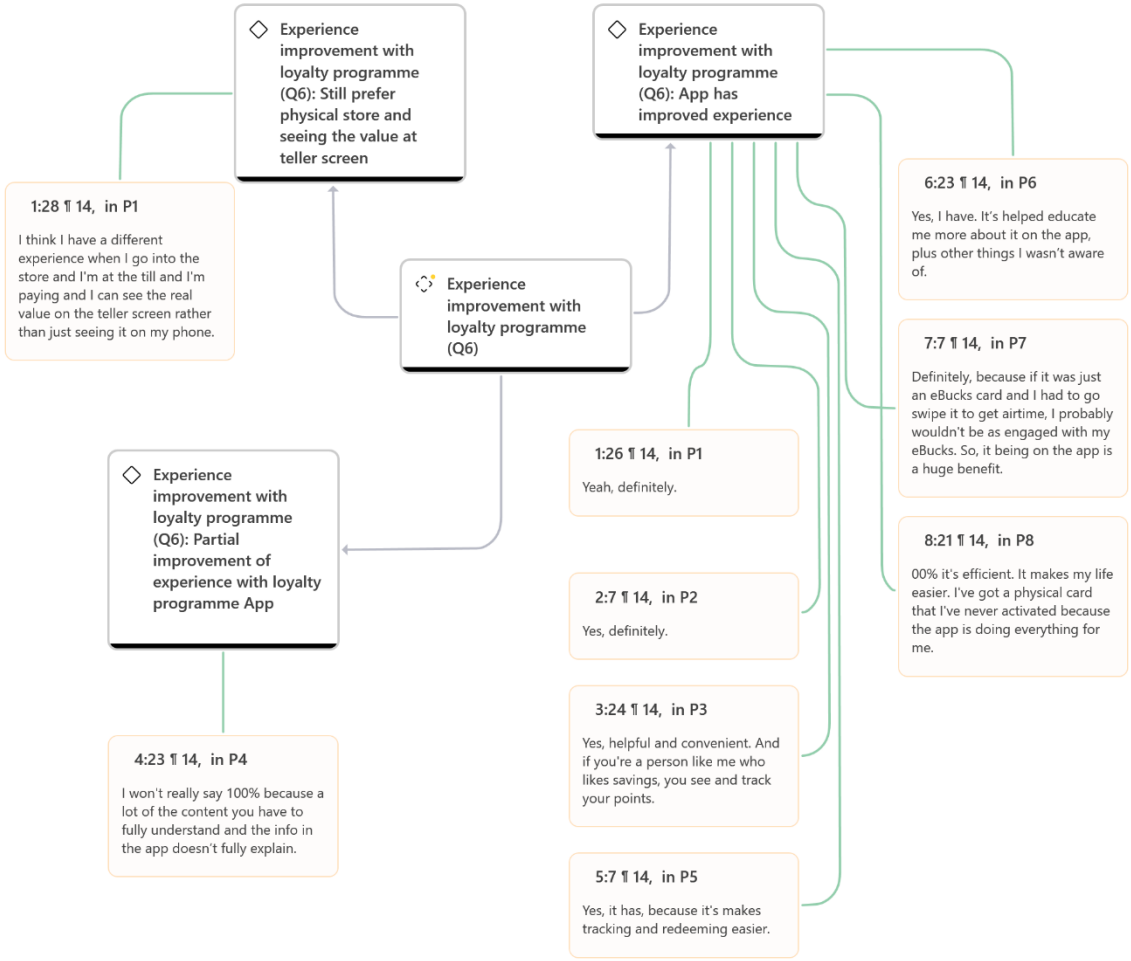

Figure 7: The network diagram of the app has improved user experience code

4.3.7. Useful and beneficial features of the app

The analysis revealed that simplicity was the most frequently mentioned theme across research samples. Several participants emphasised the importance of user-friendly app features, with one stating, *'The app features are pretty simple. It doesn't have a lot of features but the key ones for managing your money in the programme'* (P5). Participants valued the ability to effortlessly track points, monitor real-time transactions, and manage their money within the app. The convenience of accessing the app on their phones further enhanced their overall user experience.

Furthermore, rewards and seasonal benefits are highlighted as key factors enhancing the app's usefulness. One participant found the Checkers Sixty60 app's seasonal updates

particularly helpful, noting how themed features, like Christmas promotions, made shopping easier and more convenient. Overall, the findings underscore that users prioritise simplicity, real-time monitoring, and easy access, indicating that mobile LPs are most effective when they align with users' basic needs and provide clear, tangible value.

Table 8: Summary of views on useful and beneficial features of the app

Emerged codes	**Number of times mentioned during the interview**	**Percentage**
Ease of access to the App	1	11.11 %
Not sure of useful App	2	22.2 %
Rewards and benefits	1	11.1 %
Simplicity of the Apps	4	44.4 %
Themes that the App offers	1	11.1 %
Total	**9**	100 %

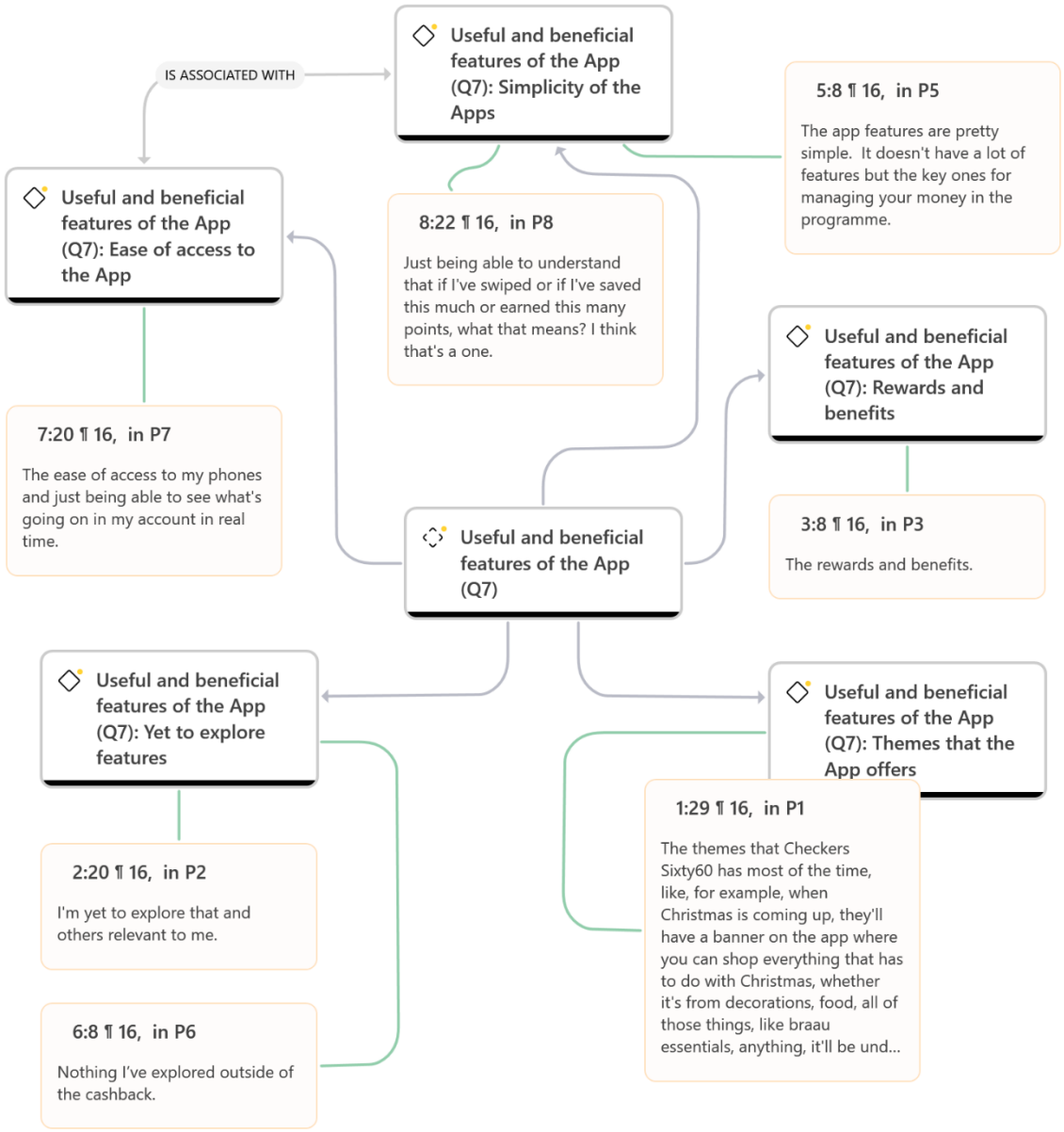

Figure 8: Network diagram showing codes and associated respondents

4.3.8. Rewards offered to motivate participation in a LP

The emerging codes obtained from the analysis are listed in **Table 9,** and **Figure 9** shows direct quotations to show findings. The responses reveal a range of motivations for participating in LPs associated with mobile apps. The analysis brings to light that the dominant motivation for LPs is mainly rewards and benefits (n=6), and convenience is mentioned as another key factor.

Participants 3, 5 and 6, reported savings and cash back as motivation. While participants 4, 7 and 8, mentioned benefits and special offers. Participant 1 mentioned that *'The loyalty programme is just an added extra'*, while Participant 4 valued the convenience, ability to purchase airtime, data, and electricity through the application when needed, stating that, *'I'm however happy to take whatever benefits are on offer as a result'.*

Table 9: Summary of motivation to participate in LP

Codes	**Number of times mentioned during the interview**	**Percentage**
Convenience offered through Apps	2	25%
Financial savings and rewards	4	50%
Shopping benefits	2	25%
Total	**8**	100 %

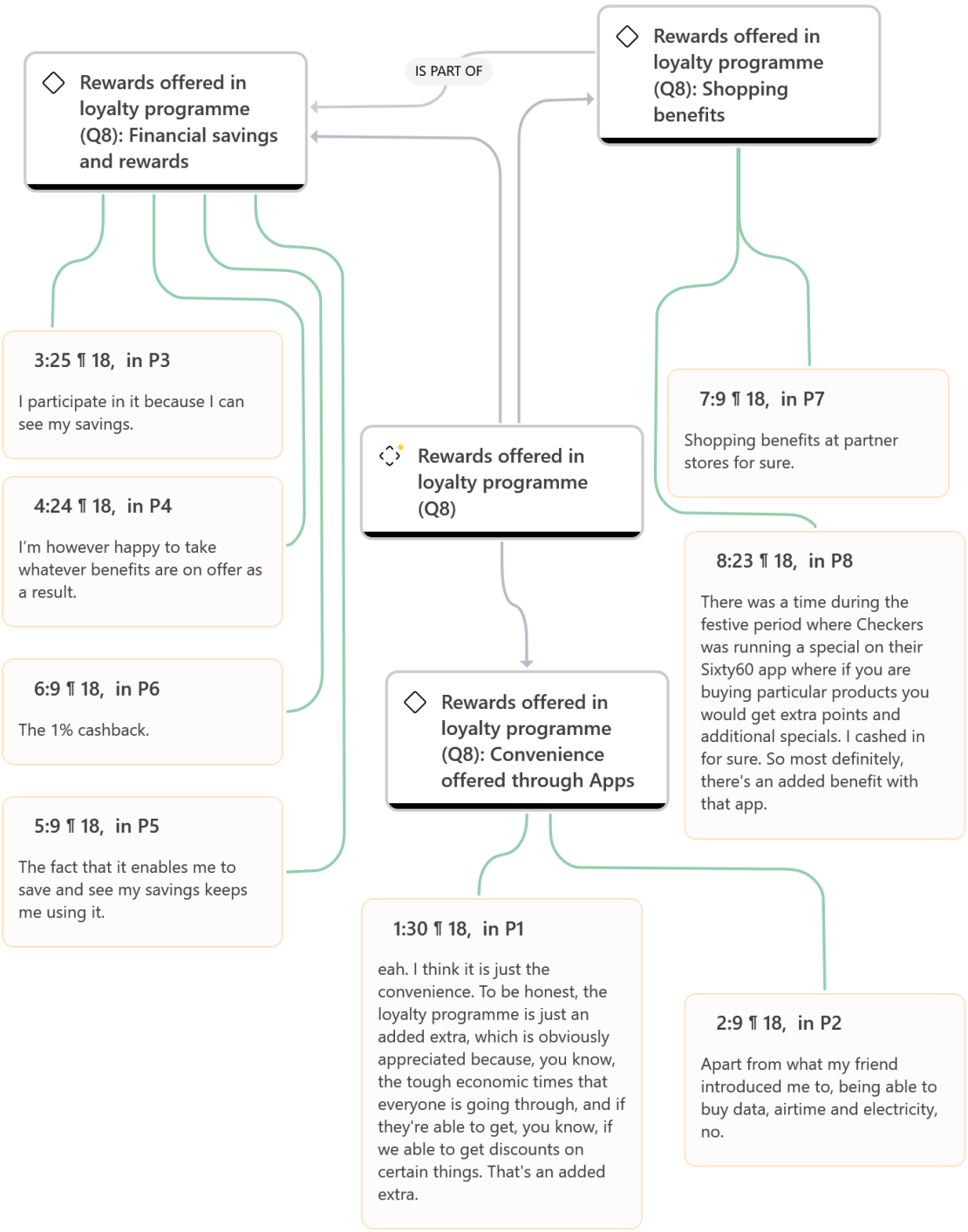

Figure 9: Network diagram of participants' views on rewards offered in LPs

4.3.9. Income level and financial situation

Participants were asked about their income levels and financial situations. **Table 10** presents the dominant code, highlighting budgetary and financial constraints, which appeared five times. Below is a verbatim excerpt of what participant 1 said:

'So, budget is a big thing as well. So, it needs to be as stringent as possible every single month in order to be able to get the things that I want.' (P1).

Notably, only participants 3 and 5 indicated that their finances are manageable enough to cover at least their essential needs. This what the participants said:

'For me, I'd say manageable. I am able to cover essential bills.' (P3).

'I wouldn't say I have a lot to cover because I'm still in my 20s with not much financial responsibility' (P5).

Figure 10 shows a comparative assessment of the emerging codes and the participants. Interestingly, participants 2 and 5 emphasised that the loyalty programme is particularly beneficial for low-income earners.

Table 10: Code analysis of income level and financial situation

Codes	**Number of times mentioned during the interview**	**Percentage**
Budget and financial constraints	5	50%
Low-income earner -loyalty programme is useful	2	20%
Low-income earner- things are difficult	1	10%
Manageable financial situation to cover essentials	2	20%
Total	**10**	100%

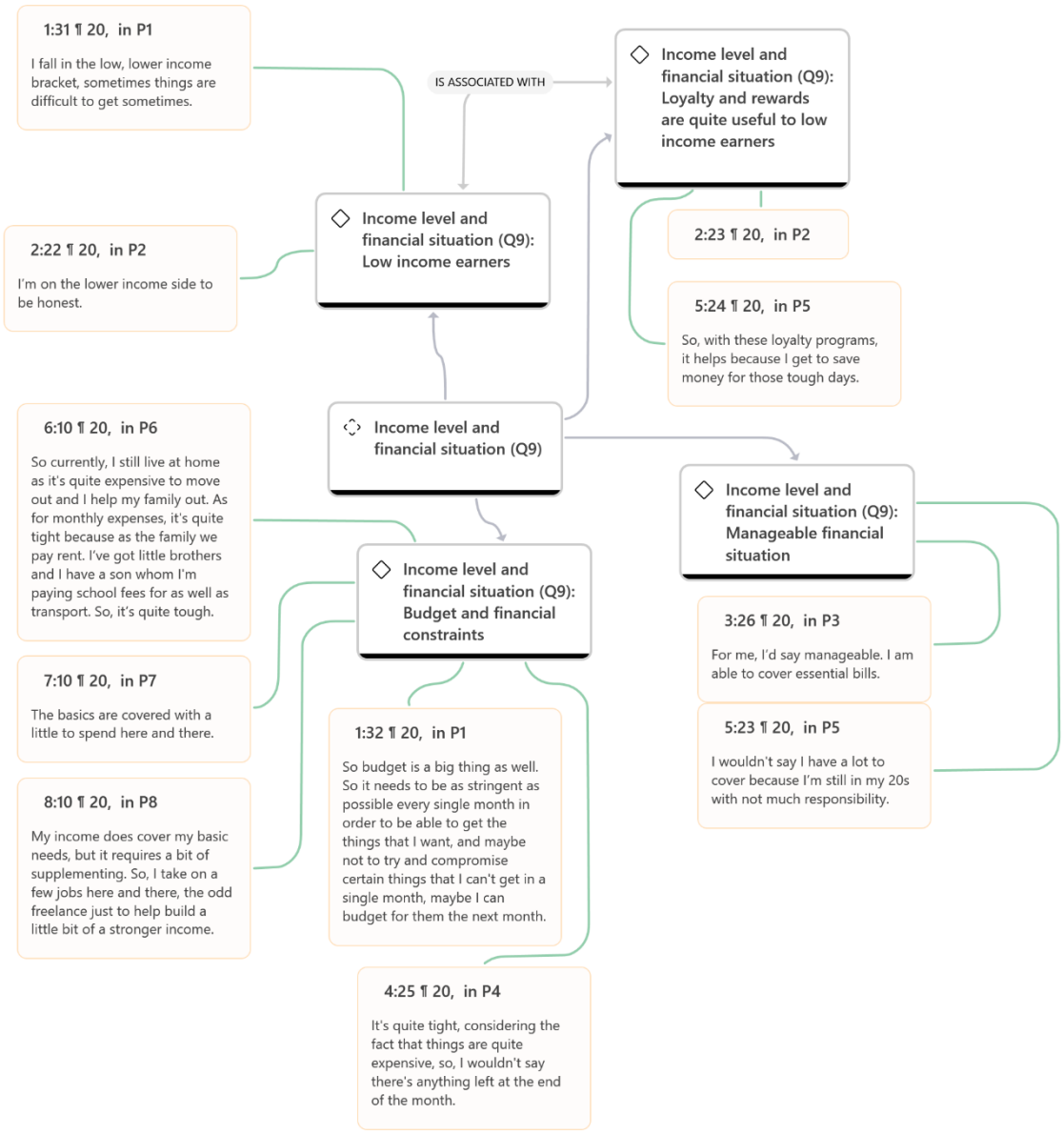

Figure 10: Network diagram distribution across respondents

4.3.10. Income level affecting participation in LPs through mobile apps

The dominant theme based on the interview responses is that income level plays a crucial role in deciding whether to participate in mobile app-based LPs. Participant 1 commented, *'Yeah, definitely. Because then it's also about how much I can afford at a time based on the budget that I've created'.* While participant 2 said, *'For me to enjoy the slow lounge discount, it means I'm able to buy a plane ticket or travel, of which I'm not able to do at the moment so I will never access that benefit through my eBucks'.*

Many participants felt that their financial constraints compelled them to engage more actively in LPs to maximise savings and take advantage of discounts. However, lower-income individuals often perceived some benefits as less significant or accessible due to the spending requirements associated with earning rewards. As Participant 4 noted, '*For example, with eBucks, you need to spend to earn, so if you don't have much to spend then you won't earn much'.*

Table 11: Effect of income level on LP participation

Emerged codes	**Number of times mentioned during the interview**	**Percentage**
High income earners are not engaged in LP	2	14.3%
High income earners engage more in LP	1	7.1%
Income level is a determinant to participation	8	57.1%
Income level is not a determinant for participation	2	14.3%
Not sure whether income level is a determinant for participation	1	7.1%
Total	**14**	100%

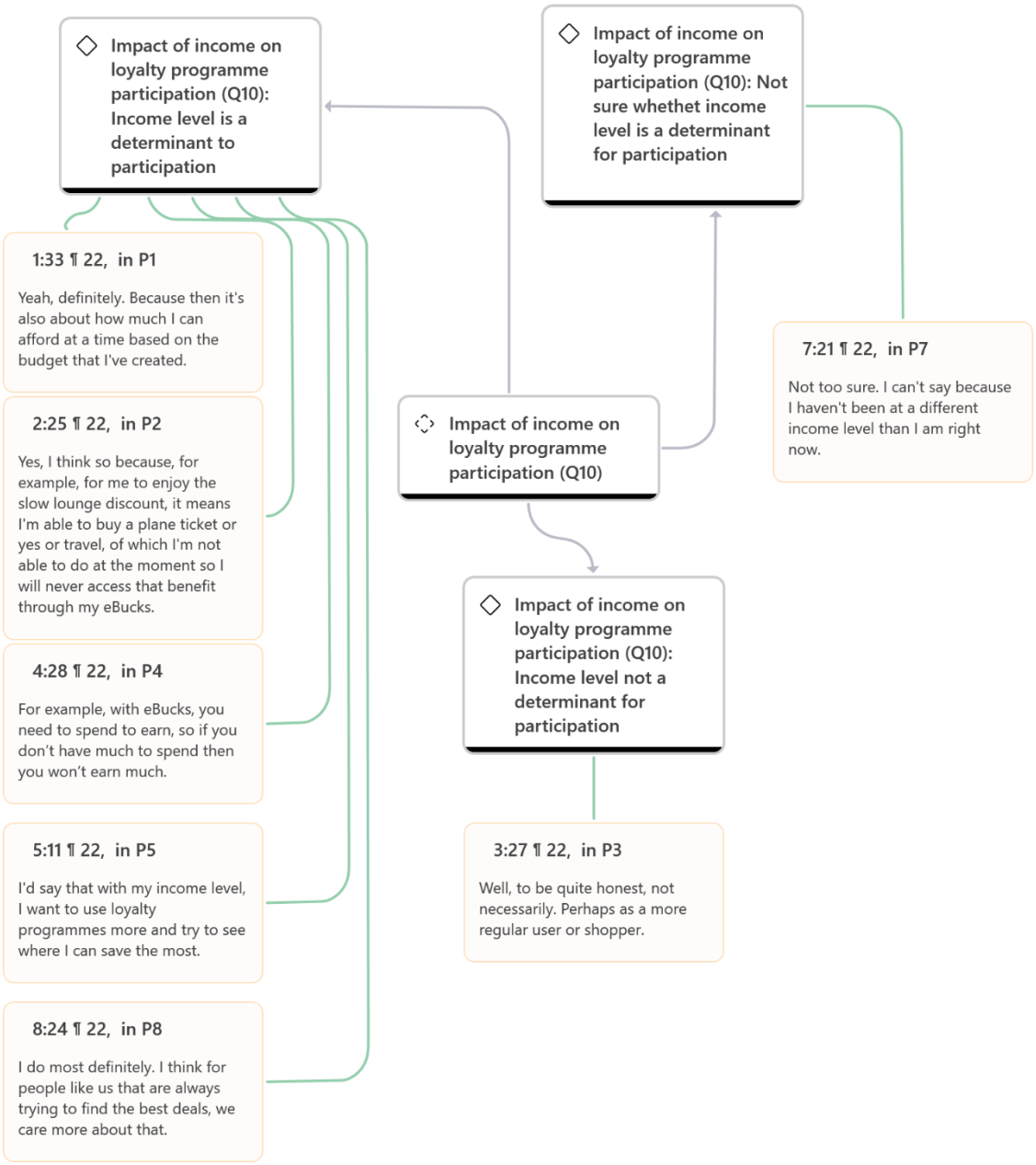

Figure 11: Ad hoc network for selected category "income level affecting LP participation through apps"

4.3.11. Differences in the LP engagement based on income levels

Low-income individuals may not have the financial means to participate in LPs, while high-income earners may have more disposable income to spend and reap rewards from LPs. However, a person's engagement in LPs may also depend on their interest and preferences rather than just their income level.

There are conflicting perspectives on the engagement of high-income earners with LPs. Participant 3 stated, *'I think high income earners aren't too engaged or aren't desperately looking to save via loyalty points.'*. In contrast, Participant 6 observed, *'What I've seen is that most people who earn good money or have a sustainable income may engage more with loyalty programmes'* (P6*)*. These differing views may stem from variations in spending habits, with low-income earners engaging more to maximize savings, whereas higher earners might perceive loyalty rewards as less significant relative to their overall spending capacity.

Table 12: Summary of different engagements in LP

Emerged codes	**Number of times mentioned during the interview**	**Percentage**
High income earners are not engaged in LPs	2	28.6%
High income earners engage more in LPs	1	14.3%
Income level influences LP engagement	3	42.9%
Income level has no influence	1	14.3%
Total	**7**	100%

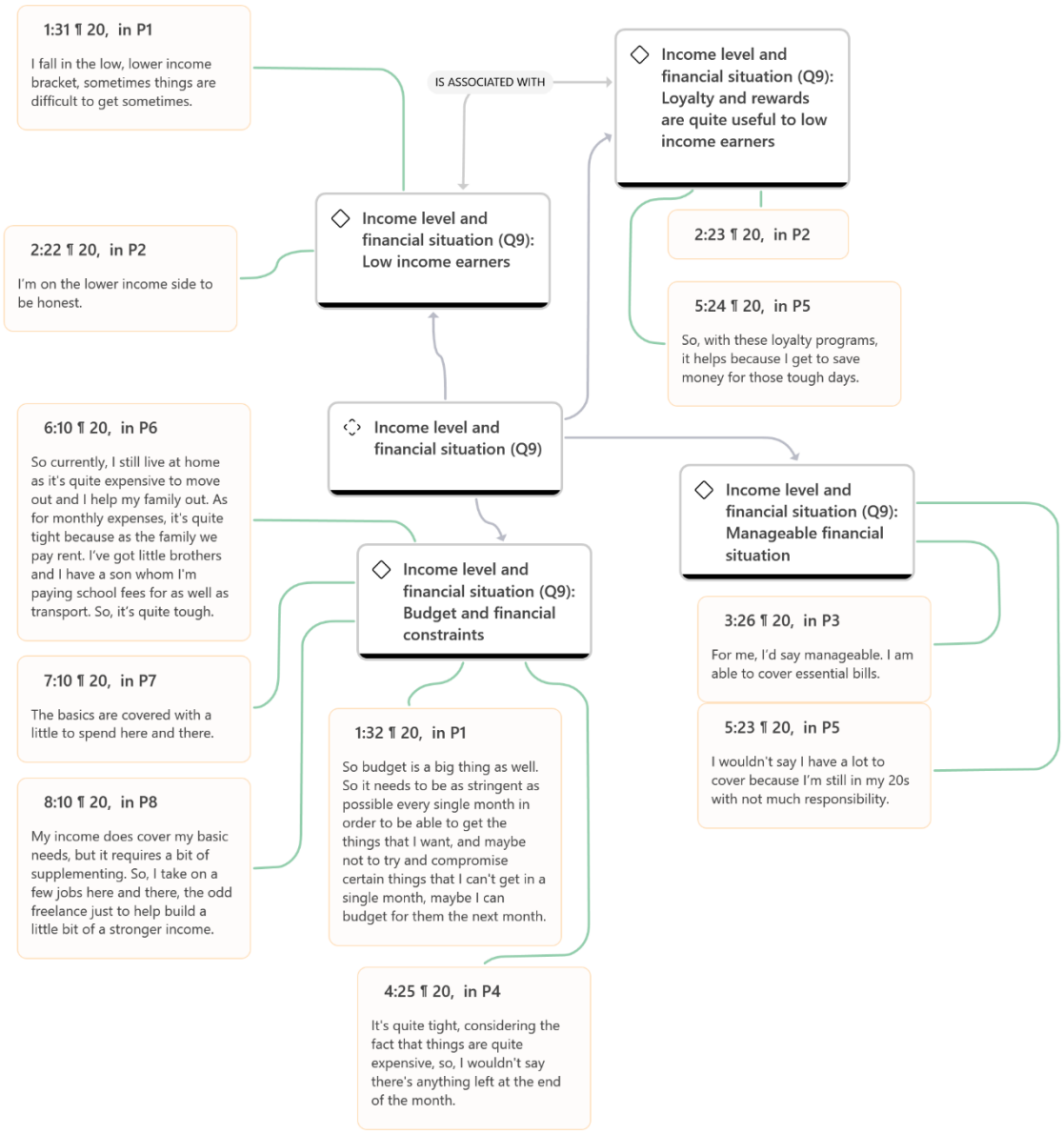

Figure 12: Participants' views on income level-based programme engagement

4.3.12. Challenges affecting the ability to engage on mobile apps

Participants were asked about specific challenges that hinder their ability to engage with mobile applications. As shown in **Table 13**, the most frequently mentioned challenge was data costs and mobile device compatibility, cited four times. Participant 1 highlighted this issue, stating, '*Data is one big one. And sometimes, the phone that I have does not support certain apps that I'm unable to download it'.* This concern was echoed by Participant 2, who noted, *'For example, let's say I run out of data, and I want to get into my app, which requires data'.*

Additionally, connectivity issues and income levels were identified as barriers to participation in LPs. Lastly, participant 6 emphasised that a lack of understanding of the app's functionality further limits engagement. **Figure 13** provides an extract of the code "Data and mobile device challenges" with direct quotations.

Table 13: Summary of challenges affecting participation in LPs

Emerged codes	**Number of times mentioned during the interview**	**Percentage**
General affordability challenges	1	12.5%
Connectivity challenges	1	12.5%
Data and mobile device challenges	4	50%
Income constraints affecting engagement	1	12.5%
Initial challenges in understanding loyalty apps	1	12.5%
Total	**8**	100%

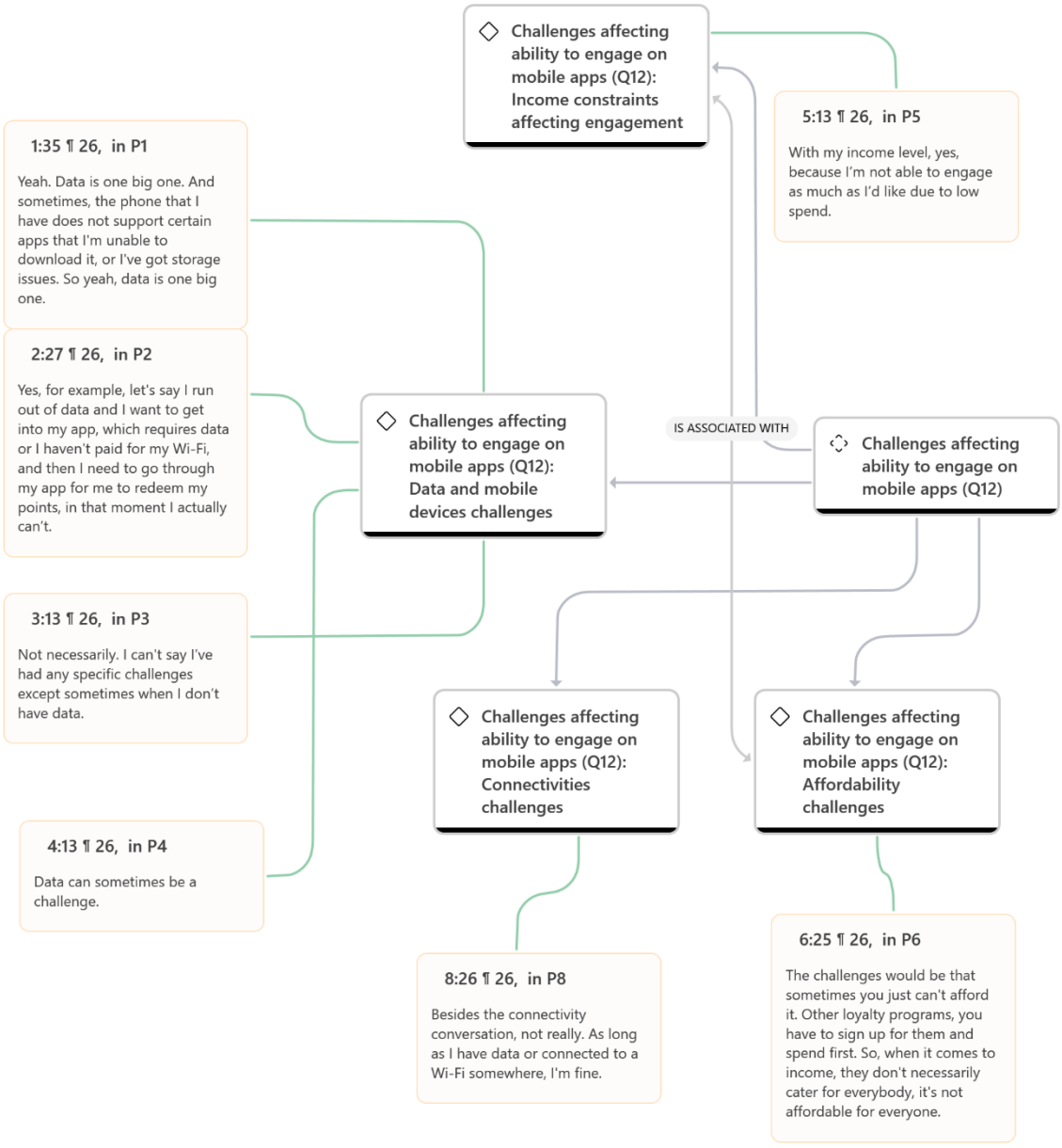

Figure 13: Network diagram showing challenges faced by respondents

4.3.13. Effect of educational background on LP app engagement

Participants expressed differing views on the impact of educational background on engagement with LPs through mobile apps. Their perspectives were categorised into two key themes: Educational background influences understanding of loyalty apps and educational background is irrelevant to understanding loyalty apps.

Table 14 presents the distribution of the responses alongside participants' educational levels. Participants 2, 6 and 7 are of the view that educational background affects understanding of loyalty applications. Participant 6 suggested that individuals in township communities may engage less with LPs due to a lack of awareness about their benefits and potential language barriers, as most content is in English. The participant stated *'Yes, I do believe that, because if I am looking at my peers, most people who live in the township settlements, don't necessarily engage much. They do not pay attention to loyalty programmes. They don't see how they benefit them, so, there's less engagement when it comes to them. So, I would say that education actually played a vital role in and how I engage with these loyalty programmes'.*

In contrast, participants 3, 4, 5 and 8 argued that formal education is not necessary to understand and use loyalty apps. They believed that individuals from diverse educational backgrounds can engage with and benefit from these programmes. Participant 3 remarked, *'No, I think it's pretty much understandable. Personally, you don't need to have a degree to take part'.*

Table 14: General views on educational background affecting LP engagement

Does educational background affect engagement with LP through mobile apps?	**P1** Grade 12	**P2** Grade 12	**P3** Diploma	**P4** Diploma	**P5** Grade 12	**P6** Higher Certificate	**P7** Diploma	**P8** Higher Certificate
Educational background affecting understanding of loyalty apps		1				1	1	
Educational background is irrelevant in understanding loyalty app	1		1	1	1			1

4.3.14 Effect of education level in understanding LP mobile apps

Participants were asked to identify aspects of the mobile application and LP that they found easy or challenging to understand in relation to their education level. **Table 15** provides a cross-tabulation of their responses against their qualifications.

Participants 3 and 6 find the application to be user-friendly and believed that anyone could understand it. Participant 6 state, *'I don't think so, I believe it's very straightforward. The app is user friendly for everybody to understand.*'

However, there was a consensus that certain elements such as the calculations, language and financial jargon, were not easily understood. Participant 8 highlighted the challenges, explaining that technical language and numerical calculations could be barriers for some users:

'When language is used that only higher qualified people would understand, or people can calculate. For example, if one has to calculate 5% of R100, not everyone will know how to do that. Therefore, it might deter them, because 5% or 1% sounds small as if that's not going to do anything for me. But now, if you're calling out the actual Rand figure then that's simpler to understand for the ordinary man'.

Similarly, Participant 1 expressed difficulty in calculating and verifying discounts, reinforcing Participant 8's concerns. They also found the app's layout unintuitive, particularly for users who are unfamiliar with digital applications:

'Even like the layout on the app is not easy. For example, if I'm to introduce that to my mother, or it's layout, it doesn't explain much to someone who doesn't really understand how to use an application.' (P1).

Additionally, Participant 7 noted that while navigating the app to redeem rewards required some initial effort, it was not overly difficult: *'Navigating the app to redeem rewards needs attention at first but nothing too challenging.'* (P7).

Table 15: Aspects of apps easy/difficult to understand due to education level

Aspects mentioned by participants	**P1** Grade 12	**P2** Grade 12	**P3** Diploma	**P4** Diploma	**P5** Grade 12	**P6** Higher Certificate	***P7*** *Diploma*	***P8*** *Higher Certificate*
The app is user-friendly for everybody.			1			1		
Difficulties in calculating and verifying discounts	1							1
Hard to understand certain things					1			

The jargon and language used are unclear.		1			1			1
Navigating the App needs attention.							1	
User interface design is not easy		1						

Key to note is that no other socioeconomic factor emerged beyond those already discussed.

4.4. Chapter conclusion

This chapter presented the analysis results, highlighting challenges faced by low-income South African consumers in adopting mobile apps for loyalty programmes. These include limited disposable income, restricted access to data and compatible devices, and educational barriers affecting comprehension of financial terminology. It also explored participants' perceptions of app ease of use and usefulness. The next chapter will interpret these findings in relation to existing literature, to evaluate the extent to which the study's objectives have been met.

5. CHAPTER 5: DISCUSSION AND INTERPRETATION

5.1. Introduction

This chapter analyses the research findings in relation to existing literature and theoretical perspectives, identifying areas of alignment and divergence. It highlights the broader significance of the results, discussing key implications for both theory and practice. Additionally, the chapter explores unexpected insights that emerged during the study, providing new perspectives and suggesting potential directions for future research.

5.2. Comparative analysis

5.2.1. Theme 1: Perceived ease of use (Proposition 1)

Participants consistently highlighted the importance of user-friendly interfaces, easy navigation, and transparent reward tracking. In several cases, individuals praised the simplicity of checking points and transferring funds directly within the app, reinforcing the idea that a seamless experience encourages consistent engagement. These findings align with a study conducted in India by Malik et al., (2017), which identified ease of use as a key factor influencing app adoption and continued usage. Their research further distinguishes between utilitarian apps, such as banking and payment applications, where usability plays a crucial role, and hedonic apps, primarily used for entertainment (Malik et al., 2017). Additionally, the Technology Acceptance Model (TAM) supports the notion that perceived ease of use is a critical factor in the adoption and sustained engagement with technological systems, including mobile LPs (McLean, 2018).

5.2.2. Theme 2: Perceived usefulness (proposition 2)

Advancements in mobile app technology and the increasing variety of consumer options have raised expectations and intensified scrutiny of app features and services (McLean, 2018). Research on m-commerce applications by McLean (2018) highlights that users are more likely to engage with apps they perceive as genuinely beneficial.

Similarly, participants in this study emphasised that tangible benefits, such as savings, cashback, and exclusive discounts, played a key role in their continued use of mobile

loyalty apps. However, some expressed scepticism when rewards seemed minimal or difficult to calculate, suggesting that perceived usefulness depends on how benefits are presented. McLean (2018) supports this view, noting that when value propositions are unclear, perceived usefulness diminishes.

These findings highlight the importance of brands clearly communicating the valuable features of their apps, as consumers are more likely to remain engaged when they recognise tangible benefits.

5.2.3. Theme 3: Income level (Proposition 3)

The responses indicate that income constraints can influence both the extent and frequency of participation in LPs on apps. Several participants shared that they could not fully take advantage of certain rewards because they lacked the disposable income needed to meet minimum spending thresholds. This finding aligns with the 23% of South African consumers who reported not spending enough to earn significant rewards, as highlighted in The 2022 South African Loyalty Landscape (2022) BrandMapp study. Conversely, some participants noted that limited funds increased their interest in loyalty apps as a way to save on essential purchases. These contrasting perspectives reflect the diverse nature of emerging markets, as described by Sinha and Sheth (2018), who argue that emerging markets are highly heterogeneous, leading to a wide variety of needs among low-income groups. As such, companies should adopt an adaptive approach, tailoring strategies for this segment in a manner similar to how they approach middle- to high-income consumers (Sinha & Sheth, 2018). This suggests that factors beyond income can also influence user engagement with mobile app-based LPs.

5.2.4. Theme 4: Educational factors (Proposition 4)

According to Waema and Mitullah (2012), educational attainment was a strong predictor of new technology adoption in low-income Kenyan households. In this study, opinions on whether educational background affects app usage were divided. Some participants believed that basic literacy and numeracy are crucial for understanding percentages and financial jargon, while others argued that these apps can be learned informally through

friends or self-taught exploration. This discrepancy points to a possible interplay between formal education and user motivation or peer support.

5.3. Additional emergent themes

5.3.1. Data and connectivity barriers

Several participants highlighted data costs and device compatibility as barriers, suggesting that infrastructure challenges directly impact loyalty app adoption. This finding corroborates with the survey of Kenyan households by Waema and Mitullah (2012), which showed that while income did not significantly affect usage of internet-based services, it did influence the ability to access the necessary technological equipment, such as compatible smartphones (Ndung'u et al., 2012).

5.3.2. Desire for greater transparency

Participants frequently mentioned that small or unclear rewards, such as complicated point systems, conditional rewards and lack of real-time tracking, can undermine trust in a LP. Making reward structures more transparent may bolster perceived value and user satisfaction.

5.3.3. App integration and convenience

Building on Hyde-Clarke's (2016) research, which highlighted how the instant nature of mobile apps, and the ability to track message delivery and reading status, drive usage among 'survivalists' in Johannesburg's informal sector. Many interviewees in this study praised the convenience of having multiple services, such as airtime and electricity purchases, in one app. This reinforces the idea that an app's integration with everyday tasks can strengthen user loyalty.

5.4. Chapter conclusion

This chapter examined key findings alongside existing literature, revealing that perceived ease of use and usefulness are strong drivers of mobile app LP adoption. Income levels and education showed varied influences, reflecting the diverse needs of users in emerging

markets. Data costs, transparency, and app integration also emerged as critical factors. These insights highlight the need for brands to adopt user-centric and flexible approaches, to enhance engagement and retention among low-income consumers.

6. CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1. Conclusion

This study examined factors influencing mobile LP adoption among low-income consumers in South Africa. Key drivers included perceived ease of use and usefulness, aligning with technology acceptance models. However, barriers such as data costs, education, and income constraints also emerged, affecting user engagement.

Despite these challenges, mobile LPs remain valuable for cost-saving through cashbacks, discounts, and rewards. While some users faced onboarding difficulties, others engaged actively to stretch limited resources. The findings highlight the need for brands to prioritise accessibility, transparency, and inclusivity to better serve diverse income groups.

6.2. Recommendations

During the interviews, participants were requested to provide their general views and how they think companies can make their LP experiences better and based on the findings, the following recommendations are proposed to improve mobile LP engagement for low-income consumers:

6.2.1. Improve data accessibility

To improve accessibility, mobile loyalty programme providers should consider partnering with network providers to offer zero-rated apps**,** allowing users to access these applications without incurring data costs. This would help reduce a significant barrier for low-income consumers who often face data affordability challenges. Additionally, developing lite app versions that require less data, and storage could enhance adoption among users with low-end smartphones, ensuring a smoother experience even on devices with limited processing power. By addressing these digital access constraints, brands can encourage greater participation and engagement with their LPs.

6.2.2. Simplify onboarding and language

Findings from this study indicate that complex registration processes and confusing app interfaces can discourage engagement among low-income consumers. To address this, LP providers should simplify the sign-up process by reducing unnecessary steps and providing clear, step-by-step guidance to make onboarding more intuitive and accessible. Language barriers also emerged as a challenge, highlighting the need for language accessibility through universal app terminology and visual aids that simplify financial jargon. By making these adjustments, brands can create a more inclusive and engaging mobile experience, ensuring that LPs are accessible to a broader consumer base.

6.2.3. Increase transparency in rewards

Unclear reward structures and complicated point systems were often found to deter low-income consumers from fully engaging with LPs. To address this, brands should simplify rewards by displaying them in Rand values rather than abstract percentage points, making the benefits more tangible and easier to understand. Additionally, providing real-time updates on reward balances and redemption options can enhance transparency, build trust, and encourage more consistent participation. By improving clarity and immediacy, brands can strengthen perceived usefulness and drive long-term engagement with their loyalty apps.

6.2.4. Inclusive benefits and affordability

The study revealed that many low-income consumers feel excluded from LPs due to high spending thresholds required to earn meaningful rewards. To improve accessibility, brands should lower spending thresholds, allowing more consumers to benefit regardless of their financial situation. Expanding flexible redemption options, such as allowing points to be used for a wider variety of essentials like transport vouchers, would further increase relevance for financially constrained users. To ensure true inclusivity, brands should also consider demographic diversity, ensuring that loyalty benefits accommodate different income levels, races, religions, and lifestyles. These adjustments would make LPs more inclusive and valuable for a wider audience.

6.2.5. Address educational barriers

Limited financial literacy affects how low-income consumers engage with loyalty programmes, particularly in understanding reward structures and maximising benefits. To address this, brands can integrate financial literacy modules within their apps, offering simple guides on how to earn and redeem rewards effectively. Additionally, peer learning initiatives, such as referral incentives or community-based education, can encourage users to share knowledge, making the learning process more accessible and relatable. By empowering consumers with the necessary skills and information, brands can enhance engagement and ensure that LPs provide real, tangible value.

6.2.6. Recommended model for improving mobile app LP engagement among low-income consumers

The recommended model in **Figure 15** offers a practical approach to enhancing mobile LP engagement among low-income consumers by addressing key barriers identified in the study. It follows four interconnected phases: Input, Execute, Evaluate, and Output, aimed at user-centric innovation and continuous improvement.

The Input phase involves understanding consumer needs through surveys and competitor analysis, identifying common barriers like high data costs, complex app navigation, and unclear reward structures. The Execute phase applies these insights by introducing solutions such as zero-rated apps, user-friendly interfaces, affordable access, and personalised rewards. The Evaluate phase ensures ongoing refinement through regular feedback, app updates, and performance reviews. The final Output phase highlights the results of these efforts, including increased user engagement, higher retention, improved reward redemption, and valuable business insights. These outcomes feedback into the Input phase**,** ensuring loyalty programmes remain responsive to users' evolving needs.

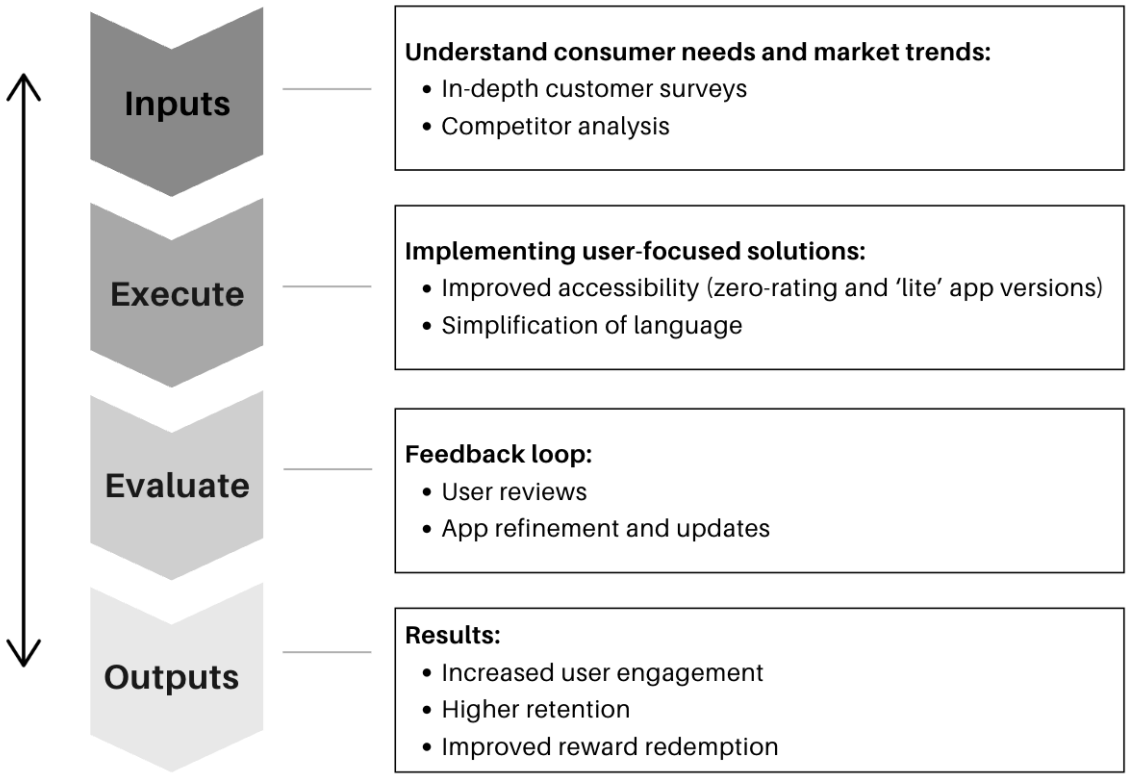

Figure 15: A model for improving mobile app loyalty programme engagement among low-income consumers

6.3. Research limitations

While this study offers valuable insights, there are several limitations to consider. The relatively small sample size and the focus on participants primarily from Johannesburg townships limit the ability to generalise the findings to the broader South African population, especially in rural areas where digital adoption may differ. Additionally, reliance on self-reported data introduces potential bias, as participants may have provided socially desirable responses or struggled with recall accuracy. The study's qualitative approach, while offering depth, lacks a quantitative component that could validate findings statistically. Furthermore, the rapidly evolving digital landscape means that consumer behaviours, app functionalities, and accessibility challenges may change over time, potentially affecting the medium and long-term relevance of the findings. Despite these constraints, the research serves as a strong foundation for understanding mobile LP

engagement among low-income consumers, highlighting key areas for future investigation.

6.4. Recommendations for further research

Future research could examine the impact of digital financial literacy, examining how knowledge of financial concepts influences mobile app adoption and reward utilisation. A comparative analysis across markets would also be beneficial in identifying transferable best practices by exploring how LPs function in other emerging economies. Additionally, investigating the effectiveness of alternative reward models, such as social rewards and gamification, could provide insights into whether non-monetary incentives enhance user engagement. These areas of study could further refine strategies for making LPs more inclusive and effective.

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APPENDIX A

Covering Letter:

Dear [Recipient's Name],

My name is Boipelo Mabe, I am a Master of Business Administration student with student number 674773, at the University of the Witwatersrand, Johannesburg. My supervisor is Dr Emmanuel Quaye. I am writing to seek your participation in my research study titled "The Influence of Mobile Applications on Loyalty Programme Engagement Among Low-Income Consumers in South Africa."

The nature of the interview will be an in-depth discussion. You are encouraged to express your experiences and freely. Your insights are invaluable to this study, and your comfort and candidness during the interview are of utmost importance. Please feel free to share any thoughts, concerns, or suggestions you may have.

Before we begin with the interview, I kindly request you to review and sign the attached consent form, which outlines the purpose of the study, confidentiality measures, and your rights as a participant. Your participation is voluntary, and you have the right to withdraw at any time without consequences.

Lastly, please confirm you are comfortable for me to record the interview using an audio recording device.

Contact Details:

Boipelo Mabe

674773@students.wits.ac.za

0611469383

Participant Information:

Participant's Name: _____

Location _____

Email Address: _____

Phone Number: _____

Purpose of the Study:

I, [Your Name], am conducting a research study to investigate the influence of mobile applications on loyalty programme engagement among low-income consumers in South Africa. The purpose of this study is to gain insights into how individuals like yourself select and use mobile apps for loyalty programme engagement.

Study Procedures: If you agree to participate in this study, you will be asked to engage in an in-depth interview with the researcher. During this interview, we will discuss your experiences and perspectives regarding the use of mobile apps.

Confidentiality: Your privacy and confidentiality will be strictly maintained throughout the study. Any information you provide will be anonymized and only used for research purposes. Your identity will be kept confidential, and your personal information will not be disclosed to anyone outside of the research team.

Voluntary Participation: Participation in this study is entirely voluntary. You have the right to withdraw from the study at any time, and your decision will not have any negative consequences. Your participation or decision not to participate will not affect any current or future relationships with the researcher or any associated organizations.

Informed Consent: I have read the information provided above and understand the purpose and procedures of the study. I voluntarily agree to participate in this research

study. I understand that I have the right to withdraw from the study at any time without consequences.

Participant's Signature: _____

Date: _____

Recording of Interview:

With your permission, the interview will be audio-recorded for accuracy and completeness. The recording will be securely stored and only accessible to the researcher.

I agree to the recording of the interview:

( ) Yes ( ) No

Acknowledgment of Receipt:

I confirm that a copy of this consent form has been provided to me for my records.

Participant's Signature: _____

Date: _____

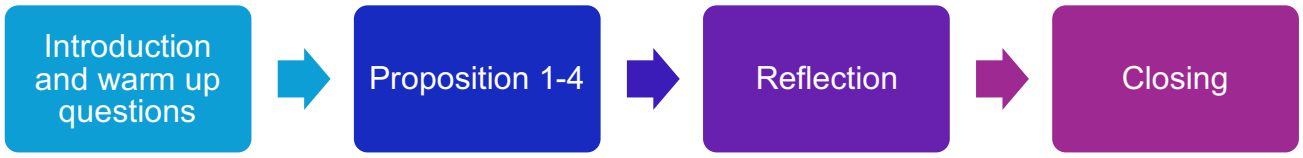
Please sign and return this consent form to the researcher before the interview begins. If you have any questions during or afterwards about this research study, feel free to contact me on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Contact Details:

Boipelo Mabe
674773@students.wits.ac.za
0611469383

APPENDIX B

Logic and flow of the interview:



Interview questions:

Warm-Up Questions:
Can you tell me about a mobile app you use frequently and why you like it?
Proposition 1: The perceived ease of use of a brand's mobile app will influence consumer engagement with its loyalty programme on the app.
1. Can you tell me about your experience with using loyalty programmes? 2. What features of the app do you find easy or difficult to use? 3. What makes you to engage with loyalty programmes via mobile apps? 4. Have you had any challenges when using mobile apps for loyalty programmes? If so, can you describe them?
Proposition 2: The perceived usefulness of a brand's mobile app will influence consumer engagement with its loyalty programme on the app.
1. What are some benefits you enjoy from participating in loyalty programmes through mobile apps? 2. Have you found the app helpful in improving your experience with the loyalty programme? 3. Are there any specific features of the app that you find useful or beneficial? 4. Can you think of a specific reward offered through a mobile app that motivated you to participate in a loyalty programme?

Proposition 3: Income level significantly impacts low-income consumers' loyalty programme engagement on mobile apps.

1. How would you describe your income level and financial situation?
2. Do you think your income level affects your participation in loyalty programmes through mobile apps?
3. Have you noticed any differences in the loyalty programme engagement between individuals with different income levels?
4. Are there any specific challenges related to your income level that affect your ability to engage on mobile apps?

Proposition 4: Educational attainment significantly impacts low-income consumers' loyalty programme engagement on mobile apps.

1. What is your highest level of education completed?
2. Do you believe that your educational background affects your engagement with loyalty programmes through mobile apps?
3. Are there any aspects of the mobile app or loyalty programme that you find easier or more challenging to understand based on your education level?

Probes:

1. Can you provide an example of a time when financial challenges affected your participation in a loyalty programme through a mobile app?
2. How do you think your economic situation compares to that of others who participate in loyalty programmes through mobile apps?
3. What in your opinion could help improve engagement with loyalty programmes through mobile apps?

APPENDIX C

Table 1: Frequently used apps by participants

Interviewee	Frequently used Application	Reasons for using specific Applications
P1	Checkers Sixty60	"I like it because it's convenient. I can buy groceries and anything, basically, wherever I am, and not have to worry about going to a physical store."
P2	Instagram and Facebook	"Mainly, it's for my business for advertising and connecting with clients and just interacting with other service providers."
P3	WhatsApp & LinkedIn	"WhatsApp because of convenience, you can talk to people across the country, reach your loved ones easily. And another one, is LinkedIn, because you are exposed to great opportunities"
P4	WhatsApp	"It makes communication easier. It's convenient and easy to use"
P5	TikTok	"It's just a way for me to unwind after long days. I watch all types of videos, some are educational, some are just for entertainment."
P6	WhatsApp, Instagram & Banking app	"WhatsApp – for communication with friends and family. Instagram – to keep up with world events and news, public figures, some educational content and old friends from school, and my sports teams. Banking app - for payments and withdrawals."
P7	YouTube	"Because of the wealth of information and convenience."
P8	TikTok & Banking App	"TikTok is for research and entertainment purposes. Banking apps is for tracking my spending or if I'm having to send money."

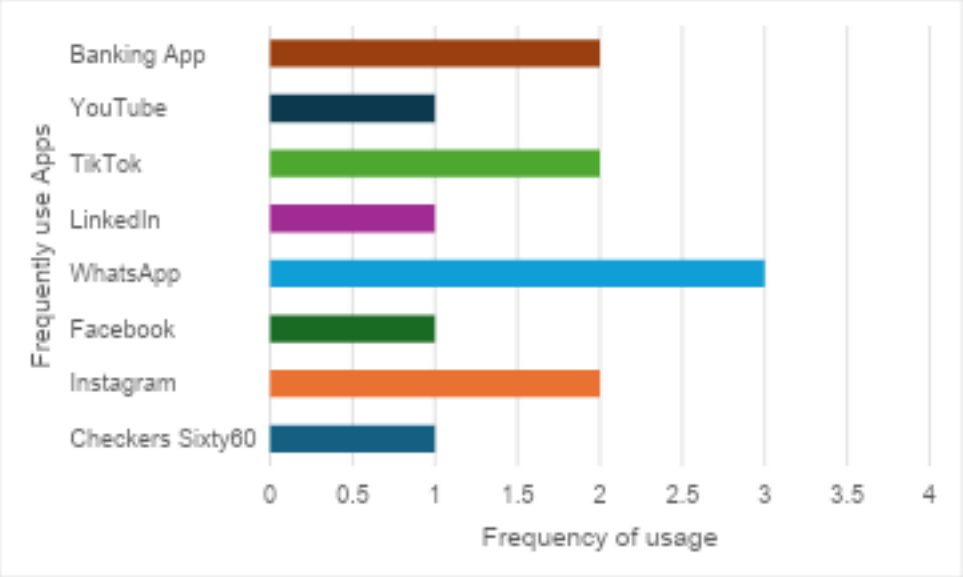


Figure 1: Frequently used apps by participants.