Influence of active participation in a wellness programme on brand loyalty

A research report submitted by

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ABSTRACT

A considerable body of research exists that investigates the potential benefits of creating true brand loyalty and how this has the power to lead to a competitive advantage for brands. The insurance industry in South Africa is characterised by its extremely competitive environment. In an attempt to establish a competitive advantage and drive increased brand loyalty some companies have introduced a wellness programme to their consumer base. Relatively little research exists that investigates the potential benefits and outcomes of an insurance-based wellness programme with respect to increasing brand loyalty.

Insurance-based wellness programmes aim to effect specific member behaviour change across health, safety and financial aspects aimed at achieving defined business critical outcomes and increased brand loyalty. Through this they aim to drive increased business profitability.

Momentum Life has introduced their Multiply wellness programme which has as one of its objectives to create increased brand loyalty. This study aims to investigate the influence of active participation in an insurance-based wellness programme on brand loyalty. A case study approach is taken to investigate the Multiply wellness programme through the use of secondary data of the membership base of approximately 78 000 members for the 2018 calendar year. This quantitative research analysis the member data using SPSS and SPSS Amos. Pearson's correlation was conducted to assess the association among variables of active participation in the wellness programme and brand loyalty. Path analysis was conducted to assess causal relationship among variables. The research then goes further to understand how the different member tier statuses impacts brand loyalty.

The most noticeable finding from the study is that active participation in a wellness programme does achieve increased brand loyalty. However, more interesting is the degree to which members participation in each of the five tier statuses influences brand loyalty. The research shows a significant increase in influence as the member tier status improves through greater engagement in the wellness programme.

A wellness programme can play a meaningful role in driving member brand loyalty for an insurance company.

DECLARATION

I, Gregory Prince, declare that this research report is my own work except where it has been indicated in the various references and acknowledgements. The report is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Strategic Marketing through Wits Business School at the University of the Witwatersrand, Johannesburg. This report has not been submitted previously for any degree or examination at this or any other university.

Gregory Prince

Signed at **Johannesburg**

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CHAPTER 1: INTRODUCTION

Customers have come to be viewed as enduring assets through the lens of modern marketing (Rust, Lemon & Zeithaml, 2004). As a consequence, expenditure on marketing initiatives are viewed as investments in building relationships with customers that create potential future benefits for the company (Shugan, 2005). However, a prerequisite for viewing a customer as a true asset, the customer must be brand loyal (Shugan, 2005). Therefore, brand loyalty is an integral cog in the wheel of success of a company.

1.1 Loyalty Programmes

Loyalty programmes are a mechanism that have been developed to incentivise new business volumes and promote loyalty for brands. There are essentially three broad types of loyalty programmes that exist. The first is the traditional Retail Loyalty Programme (RLP), the second is the general Corporate Wellness Programme (CWP), and the third is the Insurance-Based Wellness Programme (IBWP). Each programme aims to incentivise various behavioural changes within their membership base which are focused at driving specific brand objectives.

Retail loyalty programmes aim to change member consumption and purchase behaviour to drive increased profitability and enhanced brand loyalty. These programmes are freely available to the general public and have very limited criteria, if any, for membership. There is significantly less effort required from members of retail loyalty programmes, as compared to members of a corporate wellness programme, to engage in the programme and access the benefits. Members only need to change the brand they engage with to realise a benefit. In most cases, members do not even have to change brands completely, but instead just add a brand to their shopping portfolio to access the benefits of the programme. Therefore, retail loyalty programmes are considerably easier to engage with for members. Essentially, loyalty programmes reward members for purchasing more or purchasing more frequently from a particular brand.

1.2 Corporate Wellness Programmes

Corporate wellness programmes are closed programmes and only available to employees of a specific company. They are not available to the general public, therefore there is a natural hurdle for membership. These programmes aim to change members' physical health, activity and lifestyle behaviours in an attempt to drive down member healthcare costs and increase member productivity through improved health and wellness. The premise on which these programmes operate is that a healthier and more active member will be more productive and more satisfied in their work environment. The potential benefits for the employer are reduced employee costs, greater employee productivity and increased employee loyalty to the company. However, these programmes require some amount of effort from the employee to fully engage and participate in the programme, making it difficult for the programme to generate sustainable outcomes.

1.3 Insurance-Based Wellness Programmes

Selected South African life insurance companies have developed and implemented a hybrid wellness programme as part of their integrated value propositions to drive new business acquisition and enhance brand loyalty in the face of an increasingly competitive market. These insurance-based wellness programmes have been designed by leveraging methodologies and structural components from both retail loyalty programmes and corporate wellness programmes. The process has required merging the most appropriate and valuable components of a traditional retail loyalty programme with those of a general corporate wellness programme to create a unique insurance-based wellness programme. The result is a hybrid programme that is somewhat difficult to define and has created a considerable degree of confusion in the market, both with clients and consumers. It has blurred the line between what a wellness programme is versus what a loyalty programme is.

Insurance-based wellness programmes aim to effect specific member behaviour change targeting business critical outcomes of improved member health metrics, personal safety, financial prudence, and brand loyalty, which all contribute to driving key business profitability outcomes. This type of programme leverages the member's physical health and activity elements from corporate wellness programmes, while leveraging the incentive methodologies and structures from retail loyalty programmes to drive their business objectives and enhance brand loyalty.

Insurance-based wellness programmes require a substantial amount of effort, engagement and on-going active participation before the member can access the true benefits of the programme. There also exists a barrier to entry for members in the form of compulsory policy ownership, which requires a level of commitment prior to accessing any benefits from the programme. An important aspect of these insurance-based wellness programmes is that they are open to the general public, similar to retail loyalty programmes. However, access to the programme is only granted provided a member purchases a qualifying policy or investment from the insurance company contrary to traditional loyalty programmes. Therefore, it is evident from the different qualifying criteria that an insurance-based wellness programme is a true hybrid programme, allowing access to the open market similar to a retail loyalty programme but limiting access to consumers until they purchase a qualifying policy or investment and become a client of the insurance company, similar to corporate wellness programmes that require a member to be an employee of a company.

1.4 Incentives

All three programmes drive specific, targeted and intentional member behaviour changes through the provision of a range of incentives and rewards. The different programmes leverage the provision of incentives and rewards in significantly different means and degrees.

1.4.1 Retail Loyalty Programme Incentives

Retail loyalty programmes typically offer a relatively rich set of incentives. The incentives generally take the form of product discounts or competitions. So, these incentives are generally restricted to the specific brand or brand environment. Some more sophisticated loyalty programmes offer access to a portfolio of rewards and incentives, which include rewards associated to the brand itself and rewards from other exclusive partners. As a result of the perceived higher value of the incentives, retail loyalty programmes have been somewhat successful in attracting new customers, altering member behaviour and enhancing brand loyalty.

1.4.2 Corporate Wellness Programme Incentives

At the other end of the incentive spectrum, corporate wellness programmes generally offer a very limited range of incentives and rewards. These rewards generally take the form of discounts on retail products and access to lifestyle experiences. The primary reason behind the limited value proposition is the costs associated with funding a wide range of benefits with a rich benefit structure. To ensure sufficient uptake in the market by companies, the corporate wellness programmes need to be very cost effective. Therefore, there are limited funds available to provide member incentives and rewards. As a consequence, corporate wellness programmes have experienced very limited success in changing member behaviour on a large scale and on a sustainable basis.

1.4.3 Insurance-Based Wellness Programme Incentives

Insurance-based wellness programmes offer an extremely rich portfolio of rewards and incentives. This is achieved due to the integrated nature of the programme design and significant cross subsidisation and high demand from partner brands. These programmes offer a comprehensive portfolio of retail product rewards and incentives which are aligned to client needs, wants and aspirations. Added to these, members can also access deep product discounts for products provided by the insurance company.

1.5 Wellness Programmes and Brand Loyalty

Therefore, although insurance-based wellness programmes may look like and behave similarly to some components of a retail loyalty programme on the one hand, and some components of a corporate wellness programme on the other hand, they are very different. An insurance-based wellness programme requires a much higher level of engagement from the member to extract maximum value and provides a much more advanced, comprehensive and valuable set of incentives and rewards. Therefore, it is extremely difficult to make any direct comparisons between the three different programme outcomes given the differences in their mechanics, levels of effort required to actively participate and the scope of their incentive structures.

Wellness programmes have been comprehensively researched. However, this research has primarily been contained to the corporate wellness sector and focused at the associated health benefits for the member and the company. The outcomes of this research have been mixed and varied. Retail loyalty programmes too, have been comprehensively researched and the results have been mixed and varied. Therefore, there is no conclusive evidence that either corporate wellness programmes or retail loyalty programmes achieve their stated outcomes and change member behaviour in a sustainable manner.

The process of designing a successful insurance-based wellness programme is an extremely difficult task and requires substantial investment to create a programme that offers tangible value to the member and the brand. There exists very little academic research conducted on the merits of an insurance-based wellness programme to determine the degree to which they meet their outcomes and drive business objectives. There also exists very limited literature that investigates the influence of active participation in insurance-based wellness programme on brand loyalty, which provides an opportunity to investigate this relationship with the intention of adding to the existing lean body of knowledge and provide greater insights for business.

Brand loyalty is a critical aspect for any company, especially companies participating in highly competitive markets comprising commoditised products and low switching costs. The purpose of this study is to evaluate the extent to which active participation in an insurance-based wellness programme influences brand loyalty within the South African life insurance industry.

1.6 Theoretical background to the study

It has become increasing important for life insurance companies operating in a hyper-competitive marketplace to build brand loyalty. According to Zineldin (2006), loyalty is a defined set of attitudes, state of mind, beliefs and desires toward a particular object. Loyalty is essentially a state of mind that consumers may show towards a brand, product categories, services, shops and activities (Uncles, Dowling & Hammond, 2003).

Brand loyalty is a psychological evaluative process where an individual makes a biased decision about one specific brand over competing brands expressed over a protracted period of time (Jacoby, Jacob, & Chestnut, 1978). Brand loyalty is the primary brand asset of a company, and it implies the dual benefits of a favourable attitude in respect to the brand together with a consistent pattern of purchase over time by the consumer (Aaker, 1992). Hence the desire for life insurance companies in South Africa to grow and enhance brand loyalty amongst their customers has become imperative to driving increased sales volumes, greater retention and improved profitability.

One strategy life insurance companies in South Africa are attempting to drive enhanced customer brand loyalty is through the implementation and integration of an insurance-based wellness programme. The premise behind an insurance-based wellness programme is aimed at creating a win-win partnership between the customer and the life insurance company. Insurance-based wellness programmes have utilised concepts from retail loyalty programmes and corporate wellness programmes in their design. A loyalty programme is a multistep procedure aimed at generating repeat buying behaviour by customers (Youjae & Hoseong 2003). Essentially loyalty programmes constitute two core objectives, firstly to increase sales through increased purchase levels, and secondly, to establish a more endearing bond between the customer and the brand (Uncles et al., 2003). Through leveraging the insurance-based wellness programme, the life insurance company aims to change and enhance member behaviour across key physical health metrics, personal safety and financial management behaviours.

A member's active engagement is promoted through the provision of incentives, both monetary and non-monetary. These incentives are designed to offer significant value to a member. This is achieved by providing incentives on a comprehensive range of retail products aligned to member needs, wants and aspirations.

There are beneficial outcomes for both the member and the life insurance company. The member gains access to lifestyle benefits at significantly reduced costs, affording the opportunity for an enhanced lifestyle. The life insurance company gains the benefit of a healthier member who consequently provides a number of business advantages including, reduced claims experience, more competitive pricing, increased sales, greater profitability and greater sustainability of insurance benefits.

Therefore, although a wellness programme is designed very differently to a loyalty programme in that it requires significantly more effort to actively engage in order to extract maximum value, there are important similarities in respect to the incentive structures and behaviour outcomes. A significant amount of literature exists that can attest to the influence of loyalty programmes on brand loyalty. However, the literature purports a range of contradictory findings as to the impact of loyalty programmes on customer and brand loyalty (Dorotic, Bijmolt & Verhoef, 2012). Currently, very little research exists that addresses the influence of wellness programmes on brand loyalty, particularly in the context of the South African life insurance industry. This is a significant gap in literature given the size of the life insurance industry globally and the growing exposure of wellness programmes in the open market.

1.7 Context of the study

The South African life insurance industry is dominated by five major life insurance companies, all competing for market share in a limited and saturated market segment. The life insurance industry is a complex environment in relation to the dynamics surrounding how life insurance policies are sold to consumers. Typically, for many consumers, life insurance is a grudge purchase in most instances and as such, consumers are resistant to purchasing these types of products.

The life insurance target market is typically the SEM 6 – 10 market segments. This research report utilises Socio-economic measure (SEM) as the basis for describing and segmenting the target audience, based on SEM being a more appropriate means of measurement.

Defining the socio-economic segments of South Africa is in a transitory state. For the past 30 years, South African marketers have relied on a measurement tool developed by the South African Advertising Research Foundation (SAARF). The tool developed is the Living Standards Measure (LSM). This tool utilised the sample populations' degree of ownership and urbanisation to group people into different segments. However, since its introduction in the 1980s, the South African society has evolved significantly with the result that the LSM no longer reflects the new realities of South Africa (Frontline Market Research, 2018). The basis for this assertion is that the LSM is inherently racially biased (Langschmidt, 2017).

A new measure, Socio-Economic Measure (SEM) has been introduced. The SEM relies less on durables and more on household structures and community infrastructure (Frontline Market Research, 2018). Developed by Peter Storarr from Kantar TNS, the SEM tool provides a considerably more accurate picture of how the South African population lives with the benefit of providing marketers with greater insight to solve technical and statistical challenges (Ole Connect). This is achieved through providing information that is more balanced when it comes to income, lifestyle, race, geography and much more (Langschmidt, 2017).

Life insurance companies have been seeking new ways to create a stronger relationship directly with customers. They want to drive enhanced brand loyalty to insulate themselves from highly competitive market forces, commoditisation and low switching costs. But building brand loyalty is exceptionally difficult in the insurance environment.

Nevertheless, two life insurance companies in South Africa have differentiated themselves through the development and implementation of an insurance-based wellness programme. As the name suggests, a wellness programme is aimed at enhancing the wellness of members to the benefit of the member and the insurance company. The benefits for the member are improved health and wellness, motivated by the provision of incentives and rewards. The benefits for the life insurance company are lower risk related costs and increased profitability.

These two life insurance companies that are pioneering insurance-based wellness programmes aim to build steadfast brand loyalty amongst their customer base.

1.8 Problem statement

1.8.1 Main problem

The purpose of the research is to evaluate the influence of active participation by members of an insurance-based wellness programme on brand loyalty within the context of the South African life insurance industry.

1.8.2 Sub-problem 1

The first sub-problem is to define the components of a corporate wellness programme and how the programme is structured to drive specific member behaviour change.

1.8.3 Sub-problem 2

The second sub-problem is to define the various antecedents of loyalty programmes and the mechanisms employed by these programmes to influence customer behaviour.

1.8.4 Sub-problem 3

The third sub-problem is to identify the antecedents of an insurance-based wellness programme in the context of the South African life insurance industry and the components that determine active member participation.

1.8.5 Sub-problem 4

The fourth sub-problem is to identify the antecedents influencing brand loyalty and the outcomes of enhanced brand loyalty.

1.9 Research objectives

This study investigates the influence of active participation in an insurance-based wellness programme on brand loyalty. The study focuses its attention on a specific wellness programme that offers membership to the open market within the South African life insurance industry. The study begins its investigation by unpacking the purpose of an insurance-based wellness programme. It unpacks the various components that form the building blocks of the wellness programme. The drivers of active participation are considered and the subsequent effort required by members to demonstrate active participation are expanded upon. Through this process, the study explains the structure of the insurance-based wellness programme and the impact of behavioural economics on promoting member loyalty.

An important next step is to investigate the resultant member behaviours and outcomes that result from active participation in the insurance-based wellness programme. Wellness programmes share some important similarities with retail loyalty programmes, especially when considering the incentive structures and benefits. Retail loyalty programmes have played a significant role in marketing over the past few decades and can be seen to achieve some important outcomes for brands. Therefore, it is important for the research report to reference these key retail loyalty programme outcomes.

Following on from this, the concept of loyalty is unpacked to understand the key aspects that constitute loyalty. This extends into an investigation of brand loyalty and the various antecedents of loyalty programmes to be considered in respect to brand performance.

Focus then shifts to considering the relationship between the outcomes of active participation in an insurance-based wellness programme and the drivers of brand loyalty. The ultimate objective is to understand the degree of influence active participation in an insurance-based wellness programme has on brand loyalty in the context of the South African life insurance industry.

1.10 Justification of the study

Most developed markets across the globe are exposed to a mature and highly competitive life insurance industry. As a consequence, a majority of the population occupying the SEM 6 – 10 categories are influenced, to varying degrees, by the solutions and products provided by the competing life insurance companies in the respective jurisdictions. Intense competition, commoditised products and low switching barriers traditionally dominate these life insurance industries. The South African life insurance industry is no exception.

This highly competitive environment is compounded by the manner in which life insurance products are sold to consumers. Insurance companies primarily rely on a combination of tied financial planning agents and independent financial advisers (referred to as financial intermediaries, in this research report) to market and sell their products to the consumer. This sales strategy provides the insurance company with a cost effective and efficient distribution strategy for their products. However, it poses some challenges when it comes to building brand commitment and brand loyalty directly with the customer.

The financial intermediary is responsible for identifying prospective customers, engaging with the potential customer around their financial needs and building relationships with the potential customer. Through this process, the financial intermediary will sell a financial solution and accompanying life insurance product to the customer. Thus, a majority of the work is carried out by the financial intermediary, while the life insurance company only provides the life insurance product and administration support. The result is that the primary relationship is developed between the financial intermediary and the consumer. The insurance company, responsible for the product, only holds an arm's length relationship with the consumer.

Due to the fact that the primary relationship is established with the financial intermediary and not the life insurance company, the consumer is heavily influenced by the recommendations from the financial intermediary in respect to which insurance solution or product, and as a result which insurance company, is most appropriate. Thus, a large part of the sales success of a life insurance company is dependent of the business relationship between the financial intermediary and the life insurance company. The financial intermediary is influenced by remuneration considerations in respect to which life insurance company to support. Commoditised products and low switching barriers make it convenient for the financial intermediary to change allegiance between different life insurance companies when searching for the most lucrative value proposition. This is despite an avalanche of legislation imposed on the life insurance industry to negate any negative implications for consumers due to frequent policy switching.

As a result, life insurance companies are faced with some serious challenges when it comes to developing enduring, long-term relationships with consumers. One of the tactics being employed by selected life insurance companies to address this challenge is the introduction of an integrated wellness programme. Despite the considerable costs associated to wellness programmes, there is a definite intention to drive enhanced customer loyalty. Two insurance companies in South Africa are pioneering the way forward in this area.

This provides an interesting area for additional research. A considerable amount of research has been conducted on the merits of wellness programmes. However, the majority of this research is focused on corporate wellness schemes and the associated health benefits. The existing body of research concentrates its attention on the aspects influencing member behaviour aimed at achieving desirable health outcomes that drive down expenditure on healthcare costs and increase individual productivity. There is very little research that focuses on the commercial and marketing merits of open market wellness programmes. In particular, there is a severe lack of research that focuses on the influence of wellness programmes on brand loyalty.

Therefore, a gap in research exists to investigate if active wellness programme participation influences brand loyalty. This research report focuses on a case site in the South Africa life insurance industry. Insurance industries across the globe display a high degree of similarity in respect to their markets, structures and challenges. Therefore, this study will offer insights that provide significant generalisability in various jurisdictions around the globe.

1.11 Significance of the study

Due to the lack of a considerable body of evidence investigating the influence of active participation in an insurance-based wellness programme on brand loyalty in the context of the South African life insurance industry, there exists a gap in knowledge. This research study provides greater insight for academia as to the additional merits of an insurance-based wellness programme and the influence it may have on brand loyalty. At the same time, the study garners greater understanding for marketers as to the merits of insurance-based wellness programmes within a highly competitive insurance industry.

1.12 Delimitations of the study

The research report focuses on a single wellness programme associated with the third largest life insurance company in South Africa. The wellness programme is representative of the upper income market segment in South Africa.

1.13 Conceptual/theoretical definition of terms

- Multiply points – the Multiply wellness programme has established a range of engagement activities to drive member behaviour. Every time a member engages with one of the programme activities, the member earns Multiply points. The points act as an easy measure of how actively the member participates in the programme.
- Tier Status – through participation in the programme engagement activities members earn points. These points translate into a programme tier status. There are five tier statuses in the Multiply wellness programme – Bronze, Silver, Gold,

Platinum and Private Club. The tier status determines the level of rewards the member has access to in the programme.

- Incentives and rewards – Multiply offers members access to a range of incentives and rewards for being part of the programme and actively engaging with the programme. These rewards and incentives take the form of product discounts across a portfolio of products from various consumer brands. In addition, it provides discounts on certain financial products offered by Momentum.

- Be healthier – This category of engagement activities focuses on measuring and rating a member's physical health and activity. It includes health and activity questionnaires, a health assessment, physical activity and a fitness assessment.

- Be safer – This category of engagement activities focuses on measuring and rating a member's approach to personal safety. It aims to gauge how they engage in activities that reduce their risk in respect to their living and driving. It includes safety questionnaires, travelling safely and ensuring their vehicle is safe through a vehicle safety check.

- Be on top of finances – This category of engagement activities focuses on measuring and rating a member's approach to finances. The aim is to create awareness for the member about their personal financial portfolio and planning. It includes financial questionnaires, tax return submission and savings.

- Have cover – This category of engagement activities focuses on driving product up-take with Momentum. Members earn more points for owning financial products and investments from Momentum.

- Health Assessment (HA) – This is a personal health assessment that requires a member to complete a general health questionnaire together with a range of biometric assessments, including cholesterol, glucose, blood pressure and body mass index carried out by a registered nurse.

- Healthy Heart - This is a term created by Multiply to define a specific level of physical health which promotes good health. It references key health indicators of cholesterol levels, sugar levels, heart rate and blood pressure.

- Fitness Assessment (FA) – This is a personal fitness assessment that requires a member to complete a general physical health questionnaire, two physical strength endurance assessments covering maximum number of sit-ups and push-ups over a duration of one minute, and a physical fitness step test lasting fifteen minutes with a registered biokineticist.

- Active Day – This is a term created by Multiply to define a specific level of physical activity each day necessary to achieve health benefits for a member. An ActiveDay is achieved if the member completes one gym visit or burns more than 300 calories in an exercise session or walks more than 10 000 steps in a 24-hour period.

- Safe Day – this is a term created by Multiply to define the specific criteria and behaviours that represent a safe day according to Multiply. A SafeDay is achieved if a member travels in a responsible manner and maintains a safe vehicle.

- Product integration – Product design that integrates the outcomes of member behaviour into the pricing of the products. The cost or benefit of an insurance product moves up or down based on the level of engagement and performance by the member in the wellness programme.

1.14 Assumptions

The research report based its findings on the analysis of an insurance-based wellness programme member data provided by the case site insurance company. There are no assumptions that are required to be articulated which would affect the outcome of the research.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Enhancing brand loyalty is a primary goal for any company and hence an imperative objective for marketers across all industries. The South African life insurance industry is no exception.

The research report investigates the relationship between active participation in a wellness programme and its influence on brand loyalty in the context of the South African life insurance industry. These life insurance-based wellness programmes leverage a considerable amount off the mechanisms and incentive structures of loyalty programmes to drive their objectives. Therefore, it is necessary to discuss the critical components of a loyalty programme to provide context to the correlations and differences that exist between these two programme types. Focus is given to the beneficial outcomes achieved by loyalty programmes in respect to driving behaviour change and increased brand loyalty.

Following on from this, a concise unpacking of the core elements constituting a wellness programme is conducted to provide understanding of the range and scope of activities that define active participation. In addition to this, the influence of behaviour economics and incentive mechanisms used to drive member behaviour is discussed. Finally, the pertinent factors influencing brand loyalty are identified and expanded upon, with the objective of defining the degree of influence a wellness programme exerts on brand loyalty in the context of the research.

2.2 Behavioural outcomes

The essence of both loyalty programmes and wellness programmes is to drive specific member behaviour change. Loyalty programmes aim to change member purchase behaviour to drive brand profitability. Wellness programmes aim to change a range of physical health and fitness, lifestyle and financial member behavioural aspects to drive brand success. Both programmes leverage a range of incentives and rewards to motivate members to engage in these programmes and effect the desired behaviour change.

The programmes may seem the same, however their design is significantly different. Loyalty programmes are primarily focused at changing member purchase behaviour in respect to frequency and volume. Essentially, loyalty programmes reward members for purchasing more or purchasing more frequently from a particular brand. A range of incentive and rewards mechanisms are employed to drive this desired behaviour change. But loyalty programmes target only one aspect of member behaviour change that is relatively easy to influence and does not require too much effort on behalf of members.

Wellness programmes are significantly more holistic in their approach to the desired behaviour change they aim to effect. This behaviour change is also considerably more difficult to effect, due to the nature of the lifestyle aspects that are involved in a wellness programme. Wellness programmes also make use of a far more sophisticated incentive structure to reward the required member behaviour change.

Nevertheless, both programmes drive member behaviour change through the motivation of incentives and rewards. Ultimately, both programmes want to achieve greater brand loyalty from their members. But brand loyalty is extremely difficult to achieve and there is no conclusive evidence that suggests that these programmes lead to enhanced brand loyalty.

2.3 Wellness programmes

Wellness programmes have traditionally been employer initiatives aimed at managing and improving the health and well-being of employees. Corporate benefit packages, as part of the employee's benefit structure or as an additional feature, provide employees with free access to a wellness programme (Callaway, Bosworth & Thole, 2014).

Typically, individuals consistently under-estimate their health status and the associated health risks (Slutzky, 2008). Employees that fail to manage their physical health appropriately can have a considerably negative and costly impact on a company. Therefore, the objective of a wellness programme is to drive member awareness of their health status and facilitate corrective action should it be required. Through this process, the employer, via the wellness programme, can facilitate physical health and well-being improvements of employees who are members of the company wellness programme. This has a number of financial benefits for the company as improved employee health contributes significantly to achieving cost savings through the reduction of healthcare expenditure and drives productivity performance enhancements for both the member and consequently, the company (Goetzel, Henke, … & Metz, 2014).

However, achieving proactive member engagement in a wellness programme is not as straightforward as many employers wish for it to be. Convincing members to participate in the various health assessments and wellness activities is often extremely difficult. As a result, an average corporate wellness programme may have a high membership base but a very low member participation percentage. This is because members find it extremely challenging to motivate themselves to proactively engage in the wellness programme and manage their health on a consistent basis.

As a result, wellness programmes have deemed it necessary to incorporate a rewards element into the programme to appropriately incentivise members to engage. The rewards and incentives component of a wellness programme can take many forms. Fundamentally, they aim to provide members with access to a range of products, benefits and experiences at discounted rates. The goal is to provide rewards and incentives that members see sufficient value in to jolt them into action around engaging with the wellness programme.

Structural components of a corporate wellness programme - A generic corporate wellness programme has a set of basic health assessments aimed at helping members to measure, gauge and understand their physical health status. Added to this, the wellness programme makes available to the member a range of health tracking and analysis tools to assist them in managing their health status on an on-going basis. It is important to point out that driving this sort of member engagement in the wellness programme is very difficult. Therefore, members are incentivised to complete a Health Risk Assessment (HRA) and engage with the various tracking and analysis tools.

The major components of a typical wellness programme consist of the following:

- Health Risk Assessment (HRA)
- Health tracking and analysis tools
- Incentives and rewards

At its core, a wellness programme aims to make members healthy and by doing so, reduce healthcare expenditure and improve the quality of lifestyle and health for the member. The first component in this process is to establish an objective physical health baseline which is achieved through the member completing a Health Risk Assessment (HRA). The outcome of this initial HRA provides important health information that allows the individual to either improve upon on maintain. Essentially, it provides the member with insight as to the benefits for making certain lifestyle changes and maintaining meaningful behaviour change (Bowden, Fry, Powell, Rosene & Shewanown, 2010). A health risk assessment typically comprises a general lifestyle questionnaire and a range of biometric assessments that include blood pressure, glucose, cholesterol and body mass index (BMI) (Berry, Mirabito & Baun, 2010).

Physical activity is also critical to determining a member's overall health status. Caspersen, Powell and Christenson (1985, pg. 126) define physical activity as "any bodily movement produced by skeletal muscles that results in energy expenditure". Physical activity is most accurately measured in the number of kilocalories burned. The most common manner in which individuals are physically active is through exercise. Exercise, as defined by Caspersen et al. (1985, pg. 126) is "a subset f physical activity that is planned, structured and repetitive and has a final or an intermediate objective, the improvement or maintenance of physical fitness". The end result of a regular exercise routine is improved physical fitness, which can be defined as "the ability to carry out daily tasks with vigour and alertness, without undue fatigue and with ample energy to enjoy leisure time pursuits" (Caspersen et al., 1985, pg. 128). The amount of exercise varies considerably amongst members of a wellness programme and for a given member over time.

The second key component of the programme is the health tracking and analysis tools which offer the member the ability to establish personalised goals, provides individualised data and allow the member to track their progress towards their goals. The difficulty with health and fitness improvements is that they are typically difficult to see or experience. This results in members becoming frustrated with the process and as a result, promote disengagement. Therefore, the health tracking and analysis tools play a pivotal role in assisting members to remain engaged in the programme. These tools take the form of technology platforms that record, track and analyse physical health and activity data.

The final component of a wellness programme is the access to a range of rewards and incentives to drive motivation, engagement and retention in the programme. Incentives play a critical role in maintaining engagement in the programme and entice new members to join the programme (Callaway et al., 2014). The rewards and incentives take the form of discounts on consumer brands and lifestyle experiences. This component is the Achilles heel of the corporate wellness programme. The reason for this is that there is insufficient funding available to drive strong, deep and valuable rewards and incentives. The result is that these rewards and incentives do not provide the degree of member motivation required to sustain engagement. So, although the programme structure is well designed, the outcomes are considerably curtailed by poor rewards and incentives.

2.4 Loyalty programmes

The development of enduring relationships between the customer and the brand are formed on the back of customer engagement strategies, which ultimately manifest in improved business performance (Bolton, 2011). A loyalty programme has as its primary objective to create a win-win partnership between the customer and the brand, where the customer receives certain benefits that are either monetary or non-monetary, based on the degree of loyalty displayed towards the brand (Sharp & Sharp, 1997).

According to Palmer, McMahon-Beattie and Beggs (2000), there are two primary factors that drive the implementation of a loyalty programme. The first factor is a need from the brand to differentiate itself from the competition by offering the customer a value proposition that increases the customer's propensity to return. The second factor stems from the brands desire to learn more about its customers. Ultimately, loyal customer behaviour, which is explicitly rewarded, is the essence of a loyalty programme (Stauss, Schmidt, & Schoeler, 2005). The premise for introducing a loyalty programme is forged on the belief that existing customers are considerably more profitable than new customers (Melzer, 2006).

Therefore, brands attempt to drive customer loyalty based on the underlying principle of reinforcement, which purports that purchase behaviours that are rewarded, shall be repeated (Bridson, Evans & Hickman, 2008). Hence, loyalty programmes reward customers for the purchases either in the past, through delayed rewards, or current purchases, through immediate rewards (Yi & Jeon, 2003). According to Dowling and Uncles (1997), loyalty programmes are constructed with three outcomes in mind. The first is a defensive outcome to retain customers and to maintain existing sales volumes, current margins and profit. The second is more offensive by attempting to increase the potential value of customers and enhance customer loyalty experienced as increases in sales, margins and profits. The third outcome aims to extend the cross-buying potential of customers. These outcomes, if achieved through the appropriate management of a loyalty programme, will result in a positive impact on the longevity of the customer relationship with the brand and the customer's share of wallet (Meyer-Waarden, 2006a).

The level of competition that a brand faces in a market together with its degree of market share will impact the performance of their loyalty programme (Kopalle & Nelsin, 2003). The greater the number of competitor loyalty programmes in place within the specific market, the greater the reduction of the effectiveness of a loyalty programme (Magi, 2003; Meyer-Waarden, 2007). Added to this, loyalty programmes dictate that brands need to add considerable operating expenses for implementing, administering and managing the programme (Partch, 1994). In a market that exhibits multiple competing loyalty programmes, customers are able to selectively choose the best benefits and deals from each programme without being loyal to a single loyalty programme or brand, which creates serious risks for the brand (Dowling et al., 1997; Capizzi & Furguson, 2005). As a result, it becomes exceedingly difficult to confirm that loyalty programmes fundamentally change the market structure by changing customer behaviour in very competitive markets (Dowling et al., 1997).

Loyalty programmes provide additional benefits to customers through the provision of incentives that may constitute monetary or non-monetary rewards based on the volume of sales generated (Stauss et al., 2005). According to Dorotic et al. (2012), rewards offered by companies can also be classified as direct rewards or indirect rewards. Direct rewards are focused at the brand's own products where a customer receives additional products as a reward. Indirect rewards are generally unrelated to the brand's products and a customer is rewarded with a product or service from another brand. According to research, customers generally prefer direct rewards as opposed to indirect rewards (Roehm et al., 2002). Direct rewards play a pivotal role in driving enhanced customer brand associations, which reinforces attitudinal commitment (Roehm, Pullins & Roehm, 2002). Further to this, rewards may be defined as either hard or soft rewards, where hard rewards are typically tangible rewards like discounts or gifts and soft rewards are typically experiential in nature such as preferential treatments (Barlow, 1996; Harris, 2000).

Mimouni-Chaabane and Volle (2010) have shown that the benefits of a loyalty programme can be catagorised into three types, namely, utilitarian, hedonic and symbolic benefits. Utilitarian benefits relate to discounts and convenience benefits, hedonic benefits relate to experiential and entertainment benefits and symbolic benefits relate to recognition benefits. Brands have to decide which set of rewards and benefits are most appropriate to their customer base and which of these benefits and rewards will most effectively meet the specific objectives set for the loyalty programme. In addition to deciding on the reward and benefit set, a brand must determine if they are going to offer these value-added incentives as immediate or delayed rewards. Immediate rewards are given for every transaction; while delayed rewards are given only after a certain volume hurdle is cleared by the customer (Dowling et al., 1997).

Customisation and Personalisation - Brands have become reliant on business intelligence and customer data analytics to acquire and retain market share in an increasingly competitive environment (Capizzi et al., 2005). Loyalty programmes offer an extremely rich source of robust behavioural data and have the ability to significantly contribute to the data analytics and reporting needs of a brand (Capizzi et al., 2005). There is a significant amount of data available in the market and from customers. Brands need to consider carefully what they aim to achieve by collecting and analysing specific data. Effective data analytics and reporting requires substantial investment from the company and it is necessary to determine the appropriate return on investment, both financial and from a business development perspective, before implementing technologies to enable constructive data analytics. Companies must first consider if they want to track and understand customer level data at an aggregate or individual level. Companies choosing to gather customer level information with the aim of better understanding individual customer behaviour will potentially have the ability to customise communications, products and value propositions, however, this approach will entail considerable additional costs which ultimately, will impact profitability (Berger, Eechambadi, George, Lehmann, Rizley & Venkatesan, 2006). A loyalty programme can leverage off database technology to identify loyal customers and reward the right customers in line with the business objectives for implementing a loyalty programme (Yi et al., 2003). Loyalty programmes that manage to effectively leverage this avalanche of data have the ability to develop relational bonds with customers through personalised communications and treatment, thereby positively influencing the profitability of the company (Evanschitzky et al., 2012).

Frequency - The types of products sold by the brand have a critical role to play when it comes to the frequency of purchases displayed by the customer. Products typically fall into either frequently purchased or infrequently purchased categories. According to Yue Pan et al. (2012), frequently purchased products are characterised by relatively short purchase cycles and take place on a regular basis. Infrequent purchases are characterised by purchase cycles that have long gaps between purchases and are generally irregular in nature. Customers engaging in the different purchase cycles are characterised by different behaviours and affected by different external influences. Loyalty programmes have an important role to play in both purchase categories.

Involvement - A loyalty programme's success can, to some degree, be affected by the degree of customer involvement (Yi et al., 2003), as the level of customer involvement is believed to be a key construct affecting customer purchase decision (Mittal, 1995). Involvement determines the customers' propensity to collect and process information pertaining to a product, service or brand, and where highly involved customers are seen to make more informed decisions, leading to more advantageous outcomes (Kinard & Capella, 2006). Involved customers not only make better purchase decisions, but also remain loyal to the brand, based on their high level of personal involvement (Dagger & David, 2012). Loyalty programme rewards reflect the level of customer involvement. Direct rewards are preferable in high-involvement situations irrespective of the timing of the reward and provided they offer customer value (Yi et al., 2003). Under high-involvement situations, customer perceptions of the loyalty programme value drive brand loyalty, directly and indirectly, through programme loyalty (Yi et al., 2003). Conversely, immediate rewards of any type are more desirable and play a stronger role in building programme value in low-involvement situations (Yi et al., 2003). Therefore, it is critical for a brand to understand the level of customer involvement displayed by their customers to effectively design loyalty rewards that provide perceived value.

Attitude and behaviour - Customers demonstrating a positive attitude towards the brand are brand loyal, as opposed to customers demonstrating a positive attitude towards the rewards of a loyalty programme are deemed to be programme loyal (Evanschitzky, Ramaseshan, Woisetschläger, Richelsen, Blut & Backhaus, 2012). Although it has been proven that customers demonstrating brand loyalty choose to frequent a particular brand more, and indeed prefer it over competitors, it is not necessarily a powerful predictor of repeat purchase intention or behaviour (Evanschitzky et al., 2012). Brand loyalty is indicative of a customer’s psychological and emotional stance towards the brand in respect to the quality of the relationship that exists, ultimately leading to favourable outcomes (Kumar, Scheer & Steenkamp, 1995). On the flip side, programme loyalty focuses exclusively on the tangible relational benefits on offer for displaying loyal behaviour through repeat purchases (Evanschitzky et al., 2012). However, both these loyalty constructs work in unison as brand loyalty attracts a customer to a brand and programme loyalty drives a customer to make more purchases.

According to Uncles et al. (2003), loyalty programmes have had success in increasing sales revenues through increases in customer purchase levels. Added to this, they have also contributed to building more advantageous relationships with customers that promote a stronger bond with the customer thereby insulating them against the advances of competitors. Dick et al. (1994) have shown that fundamental to the success of loyalty programmes is the behavioural and effective dimensions of the loyalty concept that are fundamental to the success of loyalty programmes. The behavioural dimension is characterised by repurchase propensity, while the effective dimension is characterised by preference, commitment and attitude towards the company. Loyalty programmes focus initially at rewarding behavioural loyalty in respect to a customer repeat purchasing of products and services (Kumara & Shah, 2004). In respect to loyalty programmes, attitudinal loyalty is the driver of behavioural loyalty (Wirtz, Mattila & Lwin, 2007; Hansen, Deitz & Morgan, 2010; Steyn, Pitt, Strasheim, Boschoff & Abratt, 2010). Attitudinal loyalty is displayed through a long-term commitment from the customer towards the company and infers a greater benefit to the company (Shankar, Smith & Rangaswamy, 2000).

Relationships - Developing long-term, enduring relationships with customers is assumed to positively drive company revenues and profitability (Gupta, Lehmann & Stuart, 2004). As brands have become more client-centric they have given much greater focus to building relationships with customers. This has been achieved through leveraging technology. Companies have employed large investments in the development of customer relationship management (CRM) programmes, processes and strategies with the objective of developing and managing enhanced customer relationships (Injazz & Popovich, 2003). The development of closer relationships and subsequent increased loyalty is shown to lead to a higher degree of purchase and cross-purchase intention, resulting in higher profits for the brand (Bolton, Lemon & Verhoef, 2004; Gupta et al., 2004). Loyalty programmes are a key CRM strategy that drives investments in developing enduring customer relationships with the intention of creating loyalty and an increased probability of retention (Jones, Mothersbaugh & Beatty, 2002).

Satisfaction - Dick et al. (1994) found that customer satisfaction is believed to be a key determinant of customer loyalty. Satisfaction is determined over time by the customer's holistic evaluation of the purchase process and consumption experience associated to a product or service (Anderson, Fornell & Lehmann, 1994). Therefore, brands must ensure that the entire customer experience, including the benefits associated to the loyalty programme, promotes positive customer satisfaction, and as a direct consequence improves customer trust and loyalty (Kim, Jeong, Park, Kim & Kim, 2007). The greater the customer satisfaction with the brand's value proposition, the greater the likelihood of customer repurchase intention (Yue Pan, Sheng & Xie, 2012). Therefore, there exists a direct, positive link between customer satisfaction and loyalty. However, when a brand fails to satisfy a customer’s needs, that is, the customer becomes dissatisfied with the value offering, it will lead to a reduction in customer loyalty, reduced consumption and a decrease in positive word-of-mouth (Stauss et al., 2005).

Commitment - Commitment is a behavioural element that plays a pivotal role in contributing to customer loyalty. The emotional bond between a customer and a brand defines commitment (Akehurst, Comeche & Galindo, 2009). There are a number of advantages that flow from a customer’s strong commitment to a brand, including the propensity for the customer to invest greater effort in developing a relationship with the brand, greater perceived benefits for their loyalty and higher perceived switching costs (Evanschitzky et al., 2012). According to Marshall (2010), two types of commitment can be defined. The first relates to affective commitment and the second type to continuance or calculative commitment. A customer’s craving to continue a relationship with a brand defines affective commitment and is primarily based on affiliation and loyalty (Gundlach, Achrol & Mentzer, 1995), whereas a customer’s focus on the benefits available, switching costs and termination impact defines continuance commitment (Kumar, 1996).

Customers displaying continuance or calculative commitment where they are focused on economic considerations will not display automatic repurchase behaviour (Marshall, 2010). It is only customers displaying affective commitment that display a high probability of repurchase behaviour and show preference over competitors (Marshall, 2010). Therefore, affective commitment has a significantly stronger influence and impact on overall customer loyalty. In essence, the objective of loyalty programmes is to significantly strengthen customer commitment and create relational bonds that tie the customer to the brand (Uncles et al., 2003).

Value - According to Meyer (2012), brands operating in markets characterised by fierce competition are coming under increasing pressure to establish more efficient mechanisms for engaging with customers and to consistently deliver meaningful value. A customer’s relationship with the brand is formed on the foundation of value (Lemon, Rust & Zeithaml, 2001). Brands must ensure that their loyalty programme is constructed in such a way that it is perceived as valuable by customers and through this, the brand has the potential to grow brand loyalty (O’Brian & Jones, 1995). Customers may calculate value by weighing up what must be sacrificed versus what is received (Lemon et al., 2001). A customer’s increased perceived value of a product also contributes to greater purchase intentions (Yang & Peterson, 2004).

Trust - The level of trust felt by the customer towards the brand is a major determinant of loyalty (Garbarino & Johnson, 1999; Chaudhuri & Holbrook, 2001). Increased levels of trust produce more favourable customer attitudes toward the brand, a higher propensity to pay a premium, increased levels of loyalty and a greater willingness to distribute positive messages (Chaudhuri et al., 2001). Both behavioural and attitudinal loyalty are positively correlated to the degree of trust displayed by the customer towards the brand (Harris & Goode, 2004).

Frustration - Loyalty programmes offer a promise of a reward or added benefit in return for a defined behaviour on the part of the customer. When the customer is restricted in accessing the rewards, a high level of negative emotion in the form of frustration on the part of the customer results (Colman, 2001). There exist three primary forms of frustration according to Stauss et al. (2005), which have a negative impact on customers. The first is refusal of reward, where the customer is denied access to the anticipated reward. The second form is reduction of reward, where a certain component of the reward is withheld or withdrawn. Finally, the third form of frustration is postponement of reward, where the customer only gains access to the reward at a future date later than that initially promised. Therefore, loyalty programmes offering rewards must be operationally sound to negate any changes in the delivery of rewards that may cause customer frustration.

Switching Costs - Switching costs are mechanisms employed by brands to establish economic, psychological or relational barriers with the aim of nurturing a customer's commitment and loyalty to the brand (Marshall, 2010). Loyalty programmes have a critical role to play in respect to increasing switching costs and locking in customers, particularly in markets dominated by low or no switching costs (Shapiro & Vivian, 2000). Switching costs constitute economic, as well as psychological values, where economic costs relate to transaction and potential search costs, and psychological costs relate to emotional and cognitive effort costs (Yue Pan et al., 2012). In essence, all costs related to moving from one brand to another constitute switching costs to some degree (Heide & Weiss, 1995). It is the nature of customers to avoid negative consequences and therefore the higher or more severe the switching costs the more dependent they become on the current company and more reluctant they will be to switch to a competitor (Yue Pan et al., 2012). There exists a significant link for the customer between loyalty programme participation and perceived switching costs, which makes it more difficult for customers to defect (Lam, Shankar, Erramilli & Murthy, 2004).

Retention - When considering the function of marketing, it is easy to assume that a lot of focus should be directed at acquiring new customers to drive volumes and profit. However, just a 5% increase in the retention of existing customers can lead to potentially a 100% increase in profits (Reichheld & Sasser, 1990). A loyalty programme has, as one of its primary objectives, the development of increased levels of customer retention in appropriate segments through the provision of greater perceived value and enhanced satisfaction for customers (Bolton, Kannan & Bramlett, 2000).

Share of Wallet - Loyalty programmes have shown a positive correlation between programme membership and increases in customer share-of-wallet (Leenheer et al., 2008). A customer's total spending across a specific brand and within a product category determines share-of-wallet (Baumann, Burton & Elliot, 2005). It is also a measure of the manner in which customers divide their purchases across different competitors in the market (Evanschitzky et al., 2012). Loyalty programmes have the ability to drive customer share-of-wallet irrespective of the customer's level of psychological attachment to the brand, thereby bridging the gap between how the customer may view the brand and their purchase behaviour (Wirtz et al., 2007). Customer lifetime duration is also positively affected by the existence of a loyalty programme (Meyer-Waarden, 2007), which results in greater customer lifetime value.

It is evident that a considerable amount of research has been conducted on the merits of loyalty programmes. Loyalty programmes can be articulated as programmes aimed at rewarding members with the desired outcome of encouraging loyal customer behaviour in an attempt to increase the economic returns (Sharp & Sharp, 1997). Unfortunately, the research pertaining to loyalty programmes has delivered contrasting results. Nevertheless, loyalty programmes are implemented by brand to positively influence greater customer loyalty (Evanschitzky, et al., 2011). At the heart of loyalty programmes is the promise of rewards, either monetary or non-monetary, based on a customer's level of purchases

(Stauss, et al, 2005). The focus of a loyalty programme is therefore aimed at rewarding a customer for the repeat purchases.

It is here that we witness the fundamental difference between a loyalty programme and a wellness programme. A loyalty programme aims to reinforce a particular behaviour through rewards purely based on the member's propensity to increase purchase frequency and volume. It does not compel the member to make any fundamental lifestyle changes. A wellness programme, in stark contrast, requires the member to make several, extremely challenging lifestyle modifications in order to realise any rewards. These lifestyle changes require significantly more effort than simply changing buyer behaviour, as is the case with typical loyalty programmes.

2.5 An insurance-based wellness programme

The development of insurance-based wellness programmes has been spearheaded by two specific life insurance companies in South Africa, Discovery and Momentum. Discovery has pioneered the development of the insurance-based wellness programme with the Vitality programme. Momentum have taken the lead of Discovery, but have played an important role in advancing the development of these programmes over the past several years with the growth of the Multiply programme. It is important to stress that these two companies are the global forerunners of insurance-based wellness programmes.

The aim of an insurance-based wellness programme is to drive member behaviour change. This change is focused at improving and maintaining personal health and wellness. The health component targets physical health and activity to drive improvements in key health and activity metrics that have a fundamental impact on quality of life. The wellness component targets lifestyle and financial aspects that ensure members can provide for their current and future lifestyles.

These programmes are extremely integrated into the core business of the life insurance company. The reason behind this is that the health benefits derived from a member's active participation in the programme have direct benefits for the life insurance company in terms of reducing the individual's insurable risk, reducing potential claims and driving enhanced profitability.

Wellness programme participation process - Member experience has become an ever-increasing requirement for wellness programmes to adopt and plays a pivotal role in persuading on-going member engagement. Therefore, over and above the appropriate incentives, the programme engagement mechanisms must promote easily understandable, efficient and convenient interaction between the member and the programme. Life insurance-based wellness programmes typically utilise a tiered structure in their construction. This tiered structure consists of five tiers or statuses. Members enter the programme and start their journey to wellness on the lowest status. Through active participation in the programme and by achieving specified objectives, members are able to progress up through the different tiers or statuses. A member's progression is based on the accumulation of points associated to the engagement and completion of various activities within the programme. Hence, a member's points and status provide a proxy measure for the member's level of engagement in the programme (Patel, Lambert, da Silva, Greyling, Nossel, Noach, Derman & Gaziano, 2010). This structure is purposeful and leverages off human beings' profound and innate desire for elevated status (Dreze & Nunes, 2009; Heffetz & Frank, 2011).

The primary engagement activities that enable a member to earn points include the Be Healthier, Be Safe, Be on Top of Your Finances and Have Cover categories. The Be Healthier category includes online health and activity questionnaires, physical health assessment, physical fitness assessment, activity tracking and health monitoring. Together with these traditional points' activities, some wellness programmes also provide points for engagement in certain financial wellness activities, including an online financial wellness questionnaire and annual consultation with a certified financial planner. The more points the member earns, the higher the status achieved. Incentives are directly linked to tier status. The level of incentives increases at each status level. As a consequence, the greater the incentives, the greater the points-pressure effect on members (Melancon, Noble, & Noble, 2010).

Incentives are essentially delivered in the form of discounts across a wide range of products and services. These products and services are focused in three categories, personal finance, physical wellness and lifestyle. The personal finance category relates to discounts on the monthly premiums of the core life insurance policy benefits. Typically, these discounts range between 20% of the monthly premium for the lowest status and increase to 60% for the top status. The physical wellness category relates to discounts on services aimed at assisting members improve their physical health and fitness. Discounts on monthly gym membership fees and personal activity tracking and fitness devices are typical examples of discounts available in this category. Finally, the lifestyle category provides access to discounts on an extensive range of service providers and products aimed at enhancing the members' lifestyle that provides for both the utilitarian and hedonic aspirations of members to be fulfilled (Dorotic, Bijmolt, & Verhoef, 2012).

Factors promoting engagement - Effecting on-going and lasting behaviour change requires the formation of new habits. This can only be achieved if the wellness programme structure facilitates and promotes the appropriate type of motivation. A wellness programme utilising the appropriate incentive structure can achieve the desired habit formation if the incentive runway is long enough to convince members to push past the minimum timeframe necessary to develop lasting habits (Charness & Gneezy, 2008). However, incentives can only achieve a degree of the total motivation required to effect permanent behavioural change, a degree of internal motivation is required by the member (Bowden et al., 2010).

Effective wellness programmes employ a combination of factors to increase the efficacy of the programme, which include goal setting, a combination of rewards and social interactions and support structures (Discovery Vitality, 2015). Goal setting is critical for members as it provides the basis for establishing behaviour change. It should be personalised and include continuous adjustment of goals. When considering the types of behaviour change outcomes expected from active participation in the wellness programme, it is clear to quantify the considerable degree of effort required by members to makes these lifestyle changes. These targeted behaviours are complex in nature as they are typically habitual and entrenched in a member's life, and potentially reinforced by their social networks (Jochelson, 2007). In particular, physical activity is complex in that a member's environment and social interactions have a strong influence on their participation (Sutherland, Christianson & Leatherman, 2008). Therefore, for incentives to be effective in driving behaviour change, they must be on-going because, should they cease, the individual will relapse into former behavioural patterns (Jochelson, 2007).

In essence, ensuring on-going engagement and utilisation of the programme is imperative. Recently, technology has started to play a much more prominent role in providing encouragement for members to improve their physical activity. Personal activity trackers and fitness devices enable members to monitor activity, fitness, sleep patterns and nutrition. All this information is available in real time on the member's device or via their smartphone mobile app. These devices and apps also facilitate the establishment of a social community where members can view each other's activity data, engage in challenges and motivate each other. Increased physical activity is also highly correlated to an increase in other healthy lifestyle behaviours, thereby creating a powerful multiplier effect on health (Discovery Vitality, 2015).

Incentive structures - The first step in the process is to ensure there are established personalised goals and that these goals must be monitored together with regular feedback provided to members in respect to their progress. This behaviour is motivated by incentives, which play a pivotal role in driving the desired member outcomes. The incentives involve a combination of small, frequent incentives focused on the short-term together with large, aspirational incentives focused on the longer-term (Discovery Vitality, 2015). The inclusion of social interactions in developing and supporting changes to an individual's lifestyle behaviours has a significant impact (Steglich, Snijders & Pearson, 2010).

Providing a wide scope of appropriate short-term and longer-term incentives is essential. Incentives can be classified into two categories. Participation incentives provide rewards for merely participating in the wellness programme, while attainment incentives provide rewards for achieving certain goals or targets associated with improving health and physical activity (Schimdt, Voigt & Wikler, 2010). It is important to acknowledge that with participation rewards, members may only participate to access the reward whereas attainment incentives have a higher probability of achieving the desired lifestyle modifications (Bowden et al., 2010).

Incentives can also be either positive in nature or negative in nature. Positive incentives focus on rewarding behavioural outcomes, whereas negative incentives focus on the withdrawal of rewards for non-compliance with behavioural outcomes (Jochelson, 2007). Although some wellness programmes do implement negative incentives for specific benefits, a vast majority of incentives are positive in nature. When implementing positive incentives, it holds that the financial incentives provide the greatest motivation. Marteau, Ashcroft and Oliver (2009) have shown that an increase in motivation is correlated to two key aspects. Firstly, the increase in the monetary incentive drives greater motivation. Secondly, the less time elapses between the attainment of the desired behavioural outcome and the incentive, the greater the motivation.

The incentives available play a significant motivating role to obtain the desired lifestyle modifications beneficial to both the individual and the life insurance company (Bowden et al., 2010). Research has shown that financial incentives can improve outcomes and that there is a positive correlation between the level of incentives and the level of engagement by the member (Marteau et al.. 2009).

It is evident that there is a significant divergence in the structure of a corporate wellness programme to that of an insurance-based wellness programme when it comes to the type of member engagement. The personal health and physical activity components of both programmes are fairly aligned, albeit that the insurance-based wellness programme requires considerably more effort from the member. However, the engagement components focused on personal safety, personal finances and product ownership are only prevalent in insurance-based wellness programmes. These components are non-existent in a corporate wellness programme. The reason for this is that corporate wellness programmes are only focused on achieving member health benefits to drive lower costs and enhanced productivity.

Insurance-based wellness programmes are more holistic in their objectives, based on the nature of their business. These wellness programmes are highly integrated into the core business. The components of personal safety, financial planning and product ownership are directly related to the insurance company's value proposition. Intuitively, this seems like a natural add-on by virtue of the fact that a life insurance company is in fact, a financial services organisation that provides multiple financial products across a broad range of client needs. These wellness programmes view the incorporation of financial wellness in the programme as important, based on two key aspects. Firstly, there is evidence that financial distress may have a direct impact on employee health and well-being (Van Deusen, Anell, Hartmann, Mazar, & Friedman, 2011). The ability of members to manage their finances appropriately and ensure they have the necessary financial protection mechanism in place to protect themselves against unforeseen life events and to make provision for future needs play a critical role in overall wellness. Secondly, a life insurance company aims to drive increased sales and cross product holdings amongst its membership base. By incorporating a financial wellness component into the wellness programme provides them with an effective platform for driving these sales objectives.

The objective of the wellness programme is to promote a healthier and more productive lifestyle for its members. However, this is an extremely challenging objective, as ongoing active participation in the four areas requires a permanent behaviour change on behalf of members. The stark reality is that members are facing increasingly busy lives, making it difficult to schedule in the necessary programme engagement to realise the programme benefits. They are also challenged with a multitude of distractions preventing them from actively participating in the programme. Finally, they have no meaningful incentives to coax them to make the relevant behavioural lifestyle changes, irrespective of how good their intentions could be (Goldman, 2011). It has been proven that failure by individuals to exercise consistently is due to the absence of sufficient motivation or the presence of externally driven motivators to promote sustained physical activity (Teixeira, Carraça, Markland, Silva & Ryan, 2012).

Therefore, wellness programmes have had to change their approach to achieve their objectives in respect to member wellness. Over recent years there has been a significant push from wellness programmes to provide more tailored health information and education, together with the enhanced use of economic incentives and rewards with the aim of inducing engagement and participation in healthy lifestyle behaviour on a significantly more regular basis (Mello & Rosenthal, 2008). Wellness programmes have thus effectively leveraged the disciplines of “behavioural economics” and “choice architecture” through the deployment of these loyalty tactics (Goldman, 2011, pg. 88). According to Goldman (2011, pg. 88), behavioural economics can be defined as “the use of social, cognitive and emotional factors in understanding and influencing the decisions of individuals”, and choice architecture can be defined as “the way in which decisions are influenced by how the choices are presented”.

The challenge is then to determine the most effective means of employing incentives to encourage individuals to voluntarily change their lifestyle behaviours. The incentive methods utilised are very similar within the life insurance-based wellness programmes, and all have the same objective of driving consistent behaviour change and active participation in the programme (Callaway et al., 2014). When considering the use of incentives and how they influence human behaviour it is important to look at both the economic and psychological perspectives. The financial benefit available to the member for developing a healthier and more active lifestyle should exceed any associated costs to effecting this change. While any behaviour change, especially if motivation is lacking, requires a significant enough incentive to adequately motivate this change (Jochelson, 2007).

There is a growing global trend of life insurance companies implementing wellness programmes with the dual objectives of changing member behaviour and improving the health and wellness of members (Schult, McGovern, Dowd & Pronk, 2006). A significant development for wellness programmes, when considering financial incentives, is the offering of premium discounts on individual protection policies. This linking of potential premium discounts to life insurance policies provides added incentives for members to improve their personal health and wellness. Innovative companies are pioneering this new wave of incentive based behavioural change and extending the methodologies of the corporate wellness programme industry to the open market, none more so than some of the leading South African life insurance companies.

Incentives play a crucial role in driving behaviour change. But this behaviour change is extremely difficult for most members to achieve. Therefore, incentives must be tailored to achieving the desired outcomes while optimising the member experience to facilitate efficient access to rewards (Bowden et al., 2010). The portfolio of incentives on offer must lead to lasting behaviour change (Goldman, 2011).

Affecting appropriate member behaviour in relation to these components has a direct impact on the insurance companies' profitability.

2.6 Multiply wellness programme structure

The Multiply wellness programme consists of four participation components.

The first component is the Be Healthier component. This component focuses on personal health and physical activity. It is aligned to a corporate wellness programme. However, the scope of the health and activity engagement is considerably more targeted and onerous. From a personal health perspective, members are required to complete several online questionnaires, a Health risk Assessment at a designated service provider network, a fitness assessment at a designated service provider and consistently earn ActiveDay's. All these engagements are tracked, measured and reported on by the wellness programme. This information is made available to the member through a digital interface which allows the member to track their level of engagement and progress. This component of the wellness programme is critical for achieving greater profitability for the insurance company and hence, there is significant focus placed on this component. Thus, the first hypothesis is:

H1: Be Healthier - Engagement in physical health and activity measurement and improvement drives member points and status level.

The next component, Be Safer, is focused on personal safety and associated behaviours. It is here we start to see the divergence from a corporate wellness programme. This is also the point where we see the concept of product integration filtering into the programme. One of the key product lines of the insurance company is short term insurance. In order to drive awareness of the need for this product category and reduce member risk in this category, members are incentivised to engage with a range of online questionnaires and safety assessments. The safety assessments are focused on travel and vehicle safety. Multiply has introduced the concept of a SafeDay which provides an easy metric to classify good behaviour associated to personal safety for members to understand and track. Thus, the second hypothesis is:

H2: Be Safer - Engagement in safety tracking and risk reduction behaviour drives member points and status level.

The third component is Be on top of your finances. Engagement in this component requires a member to answer a range of online financial wellness questionnaires covering all aspects of the member's financial portfolio and lifestyle expenditure. In addition, members are encouraged to have an annual review of their financial portfolio with a certified financial planner. These mechanisms aim to drive member awareness of their financial status and the impact it has on their lifestyle and well-being. This component is directly aligned to the business of an insurance company. Thus, the third hypothesis is:

H3: Be on top of your Finances - Engagement in financial position analysis and improvement drives member points and status level.

Have cover is the fourth component of the Multiply programme. This component aims to drive members to purchase products from the insurance company. The integrated approach of the wellness programme makes the purchase of products from the insurance company appealing due to the potentially significant discounts members have access to as part of their membership to the wellness programme. The more products the member owns, the more Multiply points the member earns. Thus, the fourth hypothesis is:

H4: Have Cover - Ownership of the company policies and investments drives member points and status level.

The final component of the Multiply Wellness programme are the incentives and rewards. These take the form of discounts across a range of retail and lifestyle products and services. The discounts are tiered based on the member tier status, with the lower tiers having fairly shallow discounts and the higher tiers having relatively deep discounts. The portfolio of programme partners is very wide providing value across almost every area of a member's life.

2.7 Loyalty

The ultimate goal for every brand is to increase the number of loyal customers and to increase profitability. Loyalty, according to Oliver (1997, p. 392), is defined as "a deeply held commitment to rebuy or re-patronise a preferred product or service consistently in the future, thereby causing a repetitive same-brand or same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior". Similar definitions of loyalty have been proposed where customer loyalty is defined as a customer commitment aimed at re-buying a preferred product consistently into the future (Oliver, 1999; Stank, Goldsby, Vickery, & Savitskie, 2003; Jamal & Anastasiadou, 2009). Customer loyalty can also be defined as the customer's increased propensity to create positive word-of-mouth together with their increased intention to repurchase (Zeithaml, Leonard, & Parasuraman, 1996).

Therefore, customer loyalty is deemed to be a valuable asset for companies operating in a competitive market environment (Srivastava, Shervani, & Fahey, 2000). Due to the importance of this concept, that loyal customers are assets, many brands are focusing heavily on developing more engaging relationship management strategies to drive enhanced customer loyalty (Aaker, 1991). But, for meaningful loyalty to exist, there must be some fundamental psychological mechanism to drive a customer's preference for a specific brand (Dick & Basu, 1994; Oliver, 1999). For customers to be truly loyal requires them to have complete certainty that the brand has the unwavering ability to meet their specific needs and by doing so renders the competition insignificant in the mind of the customer, ultimately leading to a situation where the customer will purchase almost exclusively from that company in future (Shoemaker & Lewis, 1999). Hence, customer attitude plays a significant role in driving customer behaviour and consequently, customer loyalty.

Competitive markets are characterised by abundant choice, with customers having the opportunity to access a multitude of options that will fulfill their needs in a very similar manner. As a result, building a portfolio of customers that are truly loyal to a single brand is extremely difficult. There are different types of loyalty at play. It has been found that very few customers are monogamous or 100% loyal, and a majority of customers are instead polygamous where they are loyal to a portfolio of brands (Ehrenberg & Scriven, 1999). This nevertheless does not undermine the importance of developing loyal customers. When a brand increases the number of loyal customers it has, there is a direct increase in revenue, together with an increase in the predictability of this revenue (Uncles, Dowling, & Hammond, 2003). Therefore, companies intent on driving increased revenue and profitability, need to be obsessed about developing greater customer loyalty (Reinartz & Kumar, 2002).

Evidence exists that demonstrates the importance for brands to intently focus on driving customer loyalty, as only small increases in customer loyalty and retention have the potential to deliver substantial increases in the profitability for a brand (Reichheld, Markey, & Hopton, 2000). One of the key initiatives aimed at enhancing customer loyalty is the establishment of a loyalty programme. This is the outcome of the general shift in most industries for brands to become more client-centric and as a result, create a much greater focus on customer relationships through the initiation of customer relationship management programmes aimed at enhancing customer loyalty (Dorotic, Bijmolt & Verhoef, 2012).

2.8 Brand loyalty

In today's markets, which are dominated by extreme competition, commoditisation of products and increasing unpredictability, brand loyalty has become a critical element being targeted by marketers in their strategies and tactics (Fournier & Yao, 1997). This ultra-competitive environment consuming most markets is exposing consumers to a multitude of similar value propositions and consequently, being flooded by a plethora of conflicting marketing messages. Consequently, in an attempt to reduce the risk associated with making the incorrect purchase decision, consumers pursue ways to simplify their purchase decisions and one of the defence mechanisms is by referencing trusted brands (Matzler, Grabner-Kräuter & Bidmon, 2008).

According to Rowley (2005), there are four types of loyalty. The first considers captive customers who essentially prefer repeatedly purchasing the same brand due to the absence of opportunities to access alternatives. Secondly, convenience seekers prioritise convenience in their search to satisfy their needs and may not identify or respect a brand necessarily. The third type of loyalty constitutes contented consumers who exhibit a positive attitude to the brand, however this does not extend into additional consumption. Finally, committed loyalty are consumers that exhibit positive attitudes and demonstrate this through their positive consumption behaviour. Therefore, the ability for companies to establish a widely recognisable and trusted brand has become imperative.

According to Aaker (1991), profitability of a company is directly influenced by the degree of brand loyalty it attracts. There exists a strong relationship between brand loyalty and brand equity which proposes that loyalty has the potential to drive price premiums and market share for a brand (Yoo, Donthu & Lee, 2000).

Loyalty investments - Brand loyalty does not just happen. Companies have to make considerable investments across their full value chain to build, develop, establish and enhance brand loyalty amongst consumers. The return on this substantial investment is borne out by the fact that it costs five times more to attract a new customer than it does to maintain a loyal customer (Reichheld & Sasser, 1990). Therefore, although the investment in building brand loyalty is considerable, it is still less expensive than continually pursuing new customers. Companies that can boast a large percentage of loyal customers generally control a large market share, and a large market share positively correlates, in most instances, to high rates of investment return (Reichheld et al., 1990). Investment in building loyalty can work from both perspectives. When consumers experience the benefits of a company's investment in them, they feel obliged to reciprocate by making similar investments in the company, which ultimately results in brand loyalty development (Morais, Backman & Dorsch, 2003).

When companies measure the degree of brand loyalty achieved through their investments, both repurchase intention and price tolerance from a consumer's perspective, must be taken into consideration (Fornell, 1992). Building real, sustained brand loyalty should include both preferences towards the brand and consistent repurchase behaviours. Both these factors must reflect consistently in a consumer's decision making and evaluation process, and sustained commitment to the brand (Bloemer & Kasper, 1995). Therefore, it is only at the point that the consumer holds a favourable attitude towards the brand, together with demonstrating repeat purchasing, is true brand loyalty achieved (Møller, & Hansen, 2006).

Brand awareness - Another important strategic intention for a brand is its ability to create consistent brand awareness. Brand awareness is critical in terms of its ability to influence consumer purchase decisions and this is achieved through ensuring the brand holds a top-of-mind place in the consumers mind at the time of purchase (MacDonald & Sharp, 2000). Strong brand awareness leads to a state of enhanced brand trust for consumers and a repurchase intention (Aaker & Keller, 1990).

Brand experiences - It has been shown that when consumers have more rewarding brand experiences, a higher level of brand loyalty is developed as a direct consequence (Iglesias, Singh & Batista-Foguet, 2011). It follows then that if the experiences attached to the purchase efforts by consumers are gratifying, it can be assumed that consumers would want to repeat this cycle and thereby become more loyal to the brand (Brakus et al., 2009).

It is these purposefully designed consumer experiences that constitute the cornerstone of the brand development process (Payne, Storbacka, Frow & Knox, 2009). When consumers, either directly or indirectly, engage with the brand they are exposed to a variety of different stimuli that impacts their feelings, cognitions and behavioural responses (Brakus et al., 2009). However, consumers can have a number of varying associations with a brand. One such association is brand affect. This association is determined by the consumers' overall evaluation of the brand and is classified as either favourable or unfavourable (Bhat & Reddy, 2001). Brand affect can be defined as "a brand's potential to elicit a positive emotional response from the average consumer as a result of its use" (Chaudhuri & Holbrook, 2001, p.82). Therefore, a company's ability to deliver a favourable experience and provide consistent satisfaction places them in a position to elicit brand loyalty.

Involvement - Brand loyalty is also influenced by the degree of involvement displayed by consumers in their purchase decisions concerning different products and services. Customers of infrequent purchase items express greater involvement and impose a more comprehensive evaluative criterion in the purchase decision due to the nature of the purchase (Yue Pan, Sheng & Xie, 2012). When consumers follow through on repurchase decisions for high involvement products, it reflects true brand loyalty, whereas when consumers display the same behaviour for low involvement products, it is seen as basic habitual behaviour loyalty (LeClerc & Little, 1997). Increased customer involvement is seen to have a strong positive correlation to a customer's level of loyalty and commitment to the brand. The higher the involvement, the higher the brand loyalty displayed by the customer (Quester & Lim, 2003). However, it is not always convenient or possible to categorise all products and services as either high involvement or low involvement purchases. It is also necessary to appreciate that products mean different things to different consumers. Their involvement with a particular product may also change over time. Following from this, it is proposed that involvement is a continuum representing a consumer's subjective perception of the degree of importance a particular purchase has, at a specific time (Quester et al., 2003). As such, when a purchase is deemed important a high degree of involvement will be displayed and this is where true loyalty comes to bear.

An alternative view proposes that loyalty can be categorised based on timeframes, either short term loyalty or long-term loyalty. Following the findings of Jones and Sasser (1995), it is determined that only long-term loyalty demonstrates true brand loyalty as consumers displaying this commitment will negate buying alternative brands even if there are superior options available through these alternatives. Therefore, brand loyalty in itself is not sufficient. A company must aim to build true brand loyalty. True brand loyalty occurs when a consumer displays both positive attitude and behaviour towards a specific brand. When only one of these factors is in place it is seen to be spurious brand loyalty (Baldinger & Rubinson, 1996). When a consumer displays an attitude-based behaviour, it is deemed to be true brand loyalty, whereas when the consumer displays inertial repurchase behaviour with no associated brand loyal attitude, it is deemed to be spurious loyalty (Odin, Odin & Valette-Florence, 2001).

Attitude - Therefore, the attitude of consumers towards a brand has a considerable influence on a company’s fortunes. Fundamental to a powerful brand is its ability to deliver an enticing value proposition that enthuses commitment from a customer (Yue Pan et al., 2012). Commitment is a necessary attitude for loyalty to occur and is evident when attachment or identification with a product exists (Bloemer & De Ruyterk, 1998). Leading from customers’ elevated sense of commitment to the brand is the degree of perceived value from the product or brand. It is imperative for there to exist a perception of high value to drive enhanced brand loyalty (O’Brien & Jones, 1995). According to Krosnick and Adelson (1992), attitude strength can be dissected into five dimensions. Extremity is the first dimension and defines the extent of favourability or unfavourability of a consumer’s attitude towards a product. Secondly, attitude intensity defines the degree of strength pertaining to a consumer’s feelings about a product. The third dimension defines attitude certainty which determines the level of certainty pertaining to the correctness of the consumers’ attitude. Fourth, the dimension of attitude importance defines the extent and level of importance conveyed to the attitude. Finally, attitude relevancy defines the degree and breadth of knowledge associated to beliefs about the product.

Consumer attitudes are developed over time, influenced by the purchase experience and the degree of satisfaction attained through the ability of the product or service to satisfy a consumer need. The degree of satisfaction attained acts as an important link between brand loyalty and experience (Brakus, Schmitt & Zarantonello, 2009). Satisfaction also has important influence over the consumption experience (Mano & Oliver, 1993). Brand experience is the culmination of the company’s efforts to deliver on their brand promise in a sustained and consistent manner (Brodie, Whittome & Brush, 2009). Therefore, it can be deduced that satisfaction plays a significant role in determining consumer commitment to a brand (Anderson & Srinivasan, 2003).

Influence of attitudes and behaviour - Customer loyalty is a construct of both attitudinal and behavioural components (Russell-Bennett, McColl-Kennedy, & Coote, 2007; Dick & Basu, 1994). Behaviour attitude is expressed through a consumer repurchase behaviour, while loyalty attitude is expressed as a psychological commitment from the consumer towards the brand (Aaker, 1991; Oliver 1999; Hollis & Farr, 1997). Therefore, it is the customers' overall disposition to the brand, after all aspects have been considered, that determines the degree of brand loyalty (Chaudhuri & Holbrook, 2001). Essentially, when consumers refrain from considering alternative brands in their purchase decisions then brand loyalty has been achieved by a company (Baldinger & Rubinson, 1996).

Commitment - Brand loyalty is the deeply held commitment by the customer to consistently repurchase a specific brand in the future, irrespective of the influence of alternative brand initiatives aimed at trying to convince customers to change (Oliver, 1999). It is an attitude that is developed based on previous use and purchase experience, which can be measured by the level of repurchase of the brand over time (Deighton, Henderson & Neslin, 1994; Assael, 1998). Eventually, customers become committed to a brand. Customer commitment can be categorised as either affective commitment or continuance commitment (Evanschitzky & Wunderlic, 2006). The emotional attachment to a specific brand as a result of the personal identification with that brand by the consumer is seen as affective commitment (Allen & Meyer, 1990). The necessity of a consumer to maintain a relationship with a brand due to the lack of a suitable alternative or implication of high switching costs is characteristic of continuance commitment (Evanschitzky et al., 2006). The presence of commitment is an imperative and adequate condition of brand loyalty (Knox & Walker, 2001). However, only the existence of affective commitment results in the development of true brand loyalty (Punniyamoorthy & Prasanna, 2007).

Credibility - Brand credibility is a pivotal lever in establishing brand trust. Erdem, Swait and Louviere (2002, p.3) define brand credibility as "the believability of the product position information contained in a brand, which entails consistently delivering what is promised, and it represents the cumulative effect of the credibility of all previous marketing actions taken by that brand". The formation of cognitive and affective conviction is heavily driven by brand credibility. Consequently, these convictions strongly influence the degree of attitude strength exhibited, leading to the development of brand commitment and ultimately, the establishment of true brand loyalty (Kim, Mocris & Swait, 2008). The credibility of the brand displayed over a prolonged period will result in a widely recognised brand reputation. The development of a positive reputation contributes to the formation of brand loyalty (Selnes, Jaworski & Kholi, 1996). This contribution of brand reputation is achieved through increasing the willingness and belief of the consumer in respect to positive engagement, which grows into positive behaviour towards the brand and ultimately, the formation of brand loyalty (Mao, 2010).

Brand trust - Brand loyalty constitutes a number of key antecedents. Brand trust is deemed an important aspect contributing to the development of brand loyalty (Chaudhari et al., 2001). The foundation of brand trust comprises the existence of a brand-consumer relationship and that this relationship acts as a proxy for the physical contact between a company and a consumer (Sheth et al., 1995). All strong, lasting relationships rely on a high level of trust to nurture the relationship. This is achieved via a brand consistently delivering on its brand promise, through the correct functioning of its products or services. Consequently, brand trust is established as the consumer can safely rely on the brand to meet their needs (Chaudhari et al., 2001). This development of trust between the consumer and the brand leads to positive behavioural intention over time, which results in the development of brand loyalty (Lau & Lee, 1999). Therefore, the outcomes of building brand trust are either favourable behavioural intention or genuine repurchase behaviour or a combination of both behaviours (Maztler et al., 2008).

Price sensitivity - In highly competitive markets, there tends to be a significantly high level of commoditised products available from the various brands competing in the market. This creates a situation where price becomes a strong differentiating factor and a source of competitive advantage. In such instances, consumers become considerably more price sensitive and as a result more assailable to advances or attacks from competitors (Møller et al., 2006). Delivering brand value is important for a company, as it is the customer's perception of the level of brand value that drives price insensitivity. There exists a positive correlation between brand loyalty and higher prices. However, the degree of importance given by customers to price and the associated value proposition is a strong predictor of brand loyalty (Dowling & Uncles, 1997). Nevertheless, an environment of commoditised products and the acute propensity to follow price advantages is compounded when there are low switching costs. In this instance, consumers will find it difficult not to move to a competitor.

Switching costs - Switching costs incorporate all costs associated to moving from one provider to another provider (Heide & Weiss, 1995). Switching cost play an important motivating factor in respect to customer loyalty with both economic and psychological values being considered by customers (Fornell & Larcker, 1981). Economic value includes factors like transaction costs and costs associated for looking for an appropriate alternative. Psychological value includes factors like emotional costs associated to changing brands and cognitive effort required to make the change. Essentially, switching costs are the potential sacrifices or penalties that may be imposed on customers for moving from one brand to another (Jones, Reynolds, Mothersbaugh, & Beatty, 2007). It is these potential associated costs that motivate customers to remain loyal. They are regularly credited with the reason for holding customers in committed relations irrespective of the customer's satisfaction with the brand (Yue Pan et al. 2012). In a situation where costs associated with switching brands are high, consumers are inclined to display behavioural loyalty and remain with their current brand (Beerli, Martin & Quintana, 2004; Dick & Basu, 1994). Therefore, brand loyalty plays a critical retention role (Reichheld et al., 2000).

Risk aversion - Another antecedent of brand loyalty is investment size (Li & Petrick, 2008), which is effectively a result of a high level of consumer satisfaction. When a consumer is repeatedly satisfied, they will tend to duplicate their purchase behaviour, which results in increased investment over time. But before a consumer can reach this position, they must overcome any risk aversion that may be present. At some point, every product or service was a first-time purchase for a consumer. According to Mitchell (1999), the concept of perceived risk was prevalent in the purchase decision. This concept includes two critical aspects, the perceived uncertainty of outcomes of a specific purchase decision and the perceived severity of potential negative ramifications of the purchase decision. Brand loyalty is considered an effective mechanism used by consumers to reduce the risk associated to certain purchase decisions (Sheth & Parvatiyar, 1995).

Repurchase intent - Through commitment, consumers develop loyalty. When measuring brand loyalty, it is pertinent to distinguish between affective loyalty and action loyalty (Chi, Yeh & Yang, 2009). When repurchase intention exists due to the amassing of satisfactory experiences of past purchases, then affective brand loyalty is achieved (Chi et al., 2009). However, it is prudent to point out that a mere intention to repurchase does not necessarily result in actual repurchase. It is only when consumers display an innate preference towards a brand and act upon this intention through making repurchases consistently that action loyalty is created (Oliver, 1999). As a result, brands must focus intently on creating action loyalty within their market segment to benefit from their substantial investments in driving greater brand loyalty. The rewards for a company with a large base of brand loyal consumers are considerable. The offensive rewards come to fruition in respect to higher levels of new sales and revenues, while the defensive rewards constitute higher entry barriers to competitors, lower susceptibility of consumers to the aggressive marketing endeavours from competitors and a considerably more effective ability to counter attacks from competitors (Delgado-Ballester & Munuera-Alema´n, 1999).

2.9 Brand loyalty outcomes

Brands that are able to achieve a high degree of brand loyalty from consumers create a strategic advantage through establishing a unique competitive advantage that delivers protection against the array of advances of competitors and provides high levels of direct control over their marketing programmes (Gounaris & Stathakopolous, 2004). Brand loyalty is unique to each brand, which makes it exceedingly difficult to replicate by competitors (Delgado-Ballester et al., 2005). The achievement of brand loyalty provides benefits for both the consumer and the company. Repeated favourable experiences lead to positive attitudes and stronger commitment to the brand for consumers, while a company benefits from a greater defensive mechanism to competitor advances, increasing margins and enhanced effectiveness of their marketing strategies (Keller, 1998).

Thus, the fifth hypothesis is:

H5: Brand Loyalty Enhancement – Tier status drives enhanced brand loyalty

2.10 Conceptual Model

Based on the review of literature surrounding wellness programmes, loyalty programmes, and the antecedents of brand loyalty, a conceptual model (figure 1) has been developed. The conceptual model posits that active participation in a wellness programme is determined by the level of engagement across three core areas, which constitute physical health tracking and improvement, physical activity tracking and improvement and financial analysis and improvement.

These engagement areas drive the associated points mechanism, which in turn, determines the degree of incentives and rewards available to the member. It is proposed that through the members' on-going engagement in the programme, they will earn more points and improve their status. Their improved status will provide them with access to greater incentives and rewards. It is hypothesised that this process will ultimately lead to enhanced brand loyalty for the parent brand.

H1: Be Healthier - Engagement in physical health and activity measurement and improvement drives member points and status level.

H2: Be Safer - Engagement in safety tracking and risk reduction behaviour drives member points and status level.

H3: Be on top of your Finances - Engagement in financial position analysis and improvement drives member points and status level.

H4: Have Cover - Ownership of the company policies and investments drives member points and status level.

H5: Brand Loyalty Enhancement – Tier status drives enhanced brand loyalty

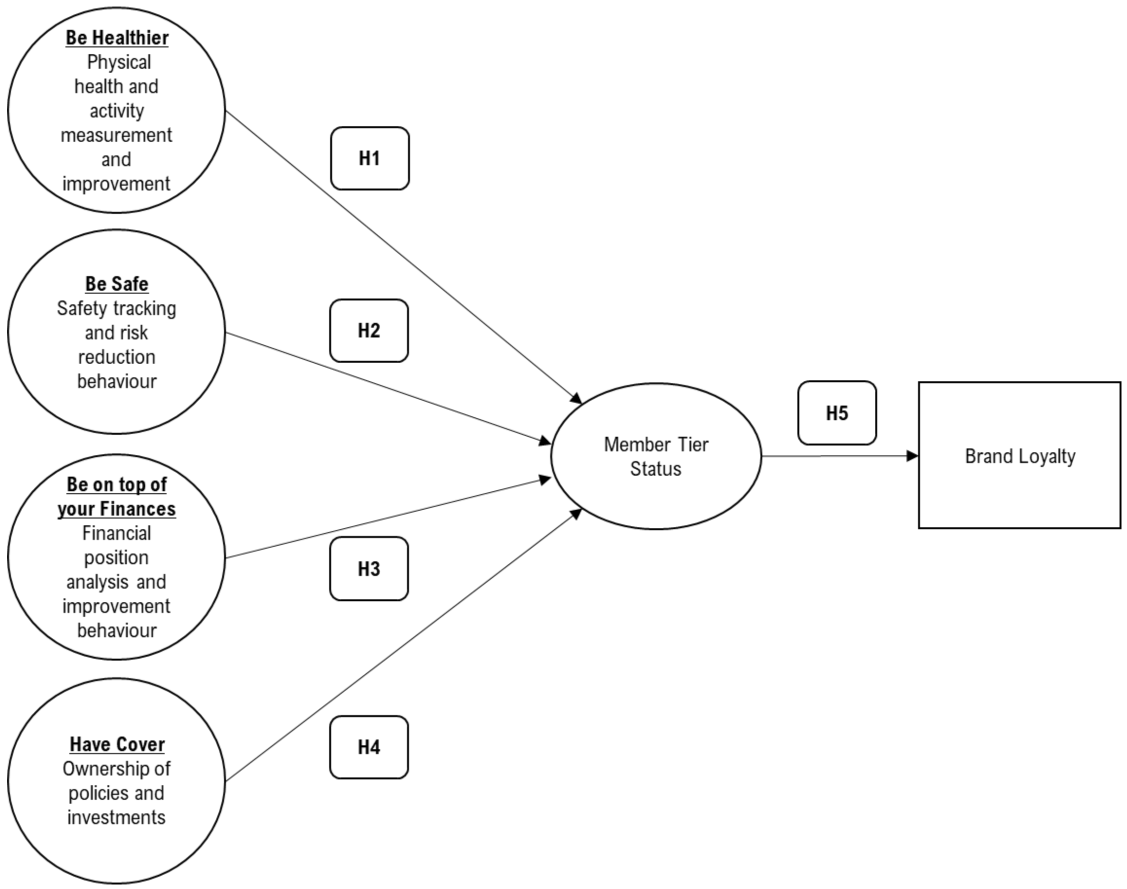

Figure 1: Conceptual research model

2.11 Conclusion

The fundamental objective of a wellness programme is to provide a mechanism to assist members to measure, manage and improve their physical health and wellbeing on a consistent basis. Traditionally, corporate companies have employed wellness programmes to drive specific employee productivity outcomes. Participation in wellness programmes is promoted through the provision of a range of incentives and rewards. A fair amount of research has been conducted over the years to attest to the positive impact participation in a wellness programme has on a member's health.

The provision of incentives and rewards is a fundamental component of wellness programmes. Wellness programmes strive to improve member health and wellness, which requires a permanent change in member behaviour. The required lifestyle changes that result in improved health and wellness are typically difficult for members to make, and even more difficult to maintain over the long term. Without some external promise of incentive or reward, this desired behaviour change would prove extremely difficult, if not impossible. Therefore, wellness programmes have taken their lead from traditional loyalty programmes to provide guidance as to the structure of their incentive and reward mechanisms. Loyalty programmes have become exceptionally popular in driving a range of targeted consumer behaviours. They aim to attract and maintain customers in respect to the parent brand. Their incentive and reward mechanisms are tailored to cause a change in consumer behaviour that creates sustained loyalty to the brand and improves profitability of the brand. Therefore, loyalty programmes provide an excellent benchmark from which wellness programmes can build their incentive mechanisms.

Over the past two decades, some South African life insurance companies have pioneered a new approach to wellness programmes with the objective of creating a competitive advantage in a highly commoditised and congested market place. These wellness programmes have a dual objective of driving down member health related risk costs, while at the same time enhancing member loyalty to the brand. The utilisation of incentives and rewards, in innovative ways, plays a significant role in driving member up-take and engagement in these programmes. These life insurance-based wellness programmes leverage a considerable amount off loyalty programme incentive structures. However, it is critical to acknowledge that the desired member behaviour change targeted by wellness programmes is significantly more difficult to achieve than the behaviour change targeted by loyalty programmes.

Nevertheless, both loyalty programmes and life insurance-based wellness programmes aim to drive increases in brand loyalty as one of their primary objectives. Very little research exists in respect to the influence of active participation in wellness programmes on brand loyalty. The concept of brand loyalty is extremely important to brands seeking increased revenues and protection against the advances of competitors. Developing true brand loyalty is challenging due to the range of variables influencing consumer loyalty. As a result, brands are always searching for new ways to develop enhanced brand loyalty amongst their customer base.

Selected South African life insurance companies are innovating in the area of wellness programmes in the hope that changing member behaviour and offering a range of incentives and rewards will achieve greater customer brand loyalty and enhanced profits.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter identifies and describes the research methodology that was used in the study to investigate the influence of active wellness programme participation on brand loyalty. The research methodology provides the rationale as to how the research was conducted to allow critical evaluation of the outcomes of the study. Firstly, it identifies and describes the research strategy, which determines the type of research employed. Secondly, it defines the research design, followed by describing the procedure and methods involved to source and analyse the data. Thirdly, aspects of reliability and validity are addressed. Finally, the technical and administrative limitations are discussed in respect to the study.

3.1 Research strategy

When investigating a relationship between variables, it is important to clearly understand the most appropriate strategy to employ (Bryman, 2012). The research strategy defines the procedures to be followed, from defining the assumptions behind the research to articulating the data collection, analysis and interpretation methods (Creswell, 2014). Critically, it identifies the primary questions posed and then defines the models of research to be leveraged and the methods employed in finding answers to the posed research questions (Neuman, 2012). There exist three research strategies, which consist of quantitative, qualitative and mixed methods research. The study employed a quantitative research strategy.

According to Bryman (2012), quantitative research leverages a deductive approach in testing hypotheses and highlights quantification when collecting and analysing data. A quantitative research strategy takes a positivist view to research and aims to measure relationships between variables from an external and objective perspective. Further to this, Leedy and Ormrod (2013) maintain that with quantitative research, the researcher attempts to remain detached from the research environment in order to draw unbiased conclusions. Emphasis is placed on objectively measuring research problem variables. Quantitative research uses statistical procedures to analyse data collected to examine the relationships between variables with the aim of producing objective outcomes (Creswell, 2014).

Therefore, a quantitative strategy was deemed appropriate for the study, due to its focus on objectivity in measuring outcomes and the emphasis on quantification in the collection and analysis of data.

Cunningham (1956) studied the nature and significance of brand loyalty in the retail sector. This study did not aim to understand why the relationship existed but rather investigated the scope of the relationship. Emphasis of the study was to quantify the relationship between the variables by analysing secondary data, which allowed for an objective and reliable means of measurement. Liu (2007) investigated the long-term impact of loyalty programmes on consumer usage levels. At the time of the study, very little research had been conducted on the long-term impact of loyalty programmes. The study's critical objective was to quantify a loyalty programme's influence on future purchases that led to a quantitative research strategy being selected. This study provided important new insights that quantified the effectiveness of loyalty programmes over time.

Similarly, Meyer-Waarden (2008) compiled a quantitative research study that investigated how customer behaviour is impacted by loyalty programme membership by analysing panel data of supermarket purchases. The rationale behind this research study was to quantify the impact that a retailing loyalty programme may have on customer purchasing behaviour. The study contributed additional knowledge about the relationship between competitive purchasing and loyalty programme membership where the results were significantly generalisable. This study, similar to the studies of Cunningham (1956), Liu (2007) and Meyer-Waarden (2008) had the objective of quantifying the relationship between variables.

The approach of relying on secondary data enabled the researcher to remain detached from the research environment and to promote the objectivity of the research. Very little research has been conducted in respect to the influence of active participation in wellness programmes on brand loyalty, as such the study added to the knowledge in this space. The aim was to ensure the outcomes had a high degree of generalisability to other, similar environments, globally.

3.2 Research Design

Research design must be relevant to the specific research objectives and provide a structure to facilitate the collection and analysis of relevant data (Bryman, 2012). The essence of research design defines the planning and approach to conducting the research, collecting data and analysing this data within a formal framework (Leedy & Ormrod, 2013). Effectively, research design defines the critical decisions as to how the research will be conducted, the target population and the procedures to be followed (Babbie, 2014). According to Bryman (2012), there are five generic research designs, which include cross-sectional, longitudinal, case study, comparative and experimental. This study utilised a research design incorporating a longitudinal case study approach to investigate the relationship between the identified variables.

Longitudinal research design, due to the fact that it measures data more than once, allows more informative inferences to be drawn (Neuman, 2012). This design approach allows for the observation and measurement of the same variables over an extended timeframe (Babbie, 2014). It offers the opportunity for some insight to be garnered into the time order of variables with the benefit of enabling more causal inferences to be determined (Bryman, 2012). The advantage of a case study design enables the detailed and intensive analysis of a specific case (Bryman, 2012). It promotes the in-depth study of a single case over a defined timeframe with the objective of understanding detailed aspects (Leedy et al., 2013). Typically, this research design focuses attention on a single aspect of a particular social phenomenon (Babbie, 2014). Therefore, this study benefitted from a longitudinal case study design as this provided an appropriate design to investigate the specific influence of active wellness programme participation on brand loyalty over a predetermined time period within the single identified wellness programme.

A study by Cunningham (1956) provides a basis for selecting a longitudinal research design approach. This study reviewed retail purchase records of several products over a 3-year period. This approach allowed sufficient time to reveal realistic buyer behaviour purchase patterns in respect to loyalty. Further to this, a study by Liu (2007) also leveraged a longitudinal research design approach to examine the long-term behaviour change that resulted from loyalty programme participation. The study investigated a single convenience store’s loyalty programme to analyse the research problem. The rationale behind this research design was based on the fact that behaviour change only comes about over the long-term and therefore it made sense to measure the impact of a loyalty programme over a long term. A distinct advantage of this study was that it negated the self-selection bias associated with loyalty programme membership. Similarly, Meyer-Waarden's (2008) study investigated the relationship of loyalty programme membership on purchase behaviour of clients in the retail industry in France over a 156-week period. This study made use of a very large sample of 2 150 consumers active in the town of Angers, which was representative of the greater French population. The longitudinal nature of this research allowed for the appropriate analysis of consumer behaviour change over time. This study leveraged off these past studies to investigate the dynamics of active wellness programme participation on brand loyalty by utilising a longitudinal case study approach. This allowed for an in-depth investigation of a single case site and the measurement of consumer behaviour over a significant period of time to fully understand the impact of active participation in the wellness programme on brand loyalty.

3.3 Research procedure and operation

3.3.1 Data collection instrument

The nature of this study dictates that no research instrument was required for the collection of data. The researcher sourced wellness programme membership data directly from the identified wellness programme database. The use of secondary data was deemed more appropriate for the study as it aimed to quantify the influence of active wellness programme participation on brand loyalty. This approach ensured the objectivity of the study. The researcher had, through extensive discussions with the business executive responsible for the wellness programme, received explicit consent to access and use the membership data.

The relevant data was extracted from the wellness programme computer database and downloaded into an excel spreadsheet for coding and subsequent analysis. It is critical to stress that extracting the relevant data in a usable format is far more difficult than it might have seemed at the initial onset. The identified wellness programme had been in existence for more than a decade. Over this time, the wellness programme had seen significant changes to a number of programme variables. The mechanisms for measuring engagement had adapted over time to remain relevant to a changing consumer landscape and business requirements. The programme points had changed to shift member focus to key activities aimed at driving defined outcomes for the programme. Product integration had been incorporated into the overall value proposition, which had added substantial weight to the attractiveness of the programme. The partner network had also seen a number of changes to cater for a more demanding consumer, but also to bolster the programme. Finally, the incentive structures had been adapted to provide the appropriate motivation for members to actively participate. As a result of these changes and adaptions to the programme, coding the data to ensure it was consistent and meaningful for the purpose of the research became a considerable challenge.

However, the fundamental aspects of the programme had remained consistent over time. The programme had consistently driven behaviour change in terms of engagement activities. These activities had always focused on making the member more aware of their physical and financial wellbeing. The status levels had never been affected providing consistency for members in their progression through the programme to access incentives and rewards. The consistency of the programme fundamentals provided a solid foundation for the research.

It was also important to consider the size of the programme and how it had grown over the past decade. The programme had a current membership base of one hundred and forty thousand members. This was a substantial amount of data that constituted the basis for the research. Focus was given to the portion of the membership base that had demonstrated active participation in the programme. This was determined by utilising the member status level as a proxy for active participation.

3.3.2 Target population and sampling

3.3.2.1 Target population

It is important to carefully select and identify the target population to be studied ensuring the size of the population is appropriate for the study (Creswell, 2014). The target population constitutes the specific batch of cases to be studied (Neuman, 2012). Careful consideration must be given to the manner in which you will gain access to the identified target population (Bryman, 2012).

This study investigated the identified open market wellness programme currently operating in the South African life insurance sector. The wellness programme membership base constituted approximately 130 000 members. The membership base was representative of the South African upper income segment of the population. The membership base was widely distributed across South Africa. Members were all adult members between the ages of 18 and 65 years. There was a relatively even split in respect to gender with 55% male and 45% female representation. The wellness programme was segmented into five status tiers. Specific focus was given to the highest status tier group that represented active participation members and comprised approximately 5 400 members.

The target population must be appropriate to the research study. In the research study investigating brand loyalty in the retail sector, Cunningham (1956) focused on the Chicago metropolitan. This area represented a large and diverse population that was representative of the appropriate segment in the United States. The study benefits from this approach as a regional panel could be investigated with greater certainty. In Liu’s (2007) study, a specific loyalty programme was selected to investigate the long-term impact of loyalty programmes on consumer purchase behaviour and loyalty. This approach facilitated access to the entire membership base that provided a comprehensive target population to conduct the research.

The significant quantity of the data allowed for complete objectivity and generalisability of the outcomes. Similar to the Cunningham (1956) study, the study by Meyer-Waarden (2008) used a target population of a specific town in France as representation of the entire country’s population. The study aimed to measure the influence of loyalty programme membership on customer purchase behaviour. The identified town used in the study had approximately 165 000 inhabitants. This target population ensured that the study was representative of the greater population of France and that the outcomes could be widely generalisable.

This study made use of an identified wellness programme that constituted the second largest open wellness programme in South Africa. This target population was approximately 140 000 members, which ensured the population was representative of the wider population in South Africa within the income segment. Therefore, it aimed to also enable the outcomes to be generalised across different populations and wellness programmes within similar segments and markets.

3.3.2.2 Sample and sampling method

Selecting an appropriate sample for the research study is an all-important step in the research process. The sample selected from the target population must be representative to allow findings to be generalised across the broader population and thereby meaningful from a research outcome perspective (Bryman, 2012). The sample selected is dictated by having a clear understanding of what is necessary to be observed versus what is irrelevant to the research study (Babbie, 2014). It is only the selected sample of the population that will be analysed in the research after having gone through a sampling process to identify the specific sample group (Leedy et al., 2013). In quantitative research, there are a number of methods for selecting the appropriate sample group, which include probability sampling, random sampling, simple random sampling, systematic sampling, stratified random sampling and multi-stage cluster sampling.

Based on the specific intention and dynamics of the study, a stratified systematic sample method was employed to investigate the research problem. Through stratifying, the identified sample population is split according to specific criterion based on available data to establish various strata (Bryman, 2012). The use of stratified sampling allows the researcher to influence and manage the size of each stratum (Neuman, 2012). Through this process of grouping the target population into different strata, it guarantees the representativeness of the sample providing for more reliable outcomes (Neuman, 2012). Similarly, Babbie (2014) contends that through stratified sampling a greater degree of representativeness is achieved through decreasing the probable sample error.

According to Neuman (2012, p.157) “systematic sampling is simple random sampling with a shortcut for random selection”. Through the use of systematic sampling, sample units are selected directly from the sample frame thereby negating the reliance on random sampling (Bryman, 2012). Critically, to avoid inserting bias into the sample, the process must ensure that there is no inherent ordering of the sample target population (Bryman, 2012). The process to be followed when employing systematic sampling dictates a random start to data selection and then each subsequent data point is selected based on a fraction (Creswell, 2014). The fraction used in this process is determined by the number of units in the data set and the number of units that are required for the research sample (Creswell, 2014). Focus was given to the top status tier of the identified wellness programme as this represented members who actively participated in the wellness programme. Therefore, it was deemed plausible to select a stratified systematic sampling method to effectively measure brand loyalty in this case study environment. This sampling method also ensured generalisability of outcomes, which was a critical objective of the study.

Cunningham (1956) selected a specific sample from the target population that fulfilled all the purchase requirements for the research objectives. This selection of a specific sample of 66 families was necessary to ensure that all items identified for the research were purchased, providing reliability to the study. After calculating the correlation coefficients, it was confirmed that the specific sample group was representative of the greater retail segment target population. In the Liu (2007) study, although a random sample was used, it was imperative that this sample met two specific measurement criteria. This ensured that there was sufficient meaningful data for every consumer in the sample. Meyer-Waarden (2008) used a defined sample of 2150 consumers who were deemed to be active consumers, based on the data from the panel. This ensured the sample was representative of the greater population. This study extracted a sample of members from the five tier statuses for the purpose of analysing the research problem statement. Through this approach, specific insights could be drawn, based on these criteria across the entire wellness programme membership base. The sample size also ensured that the research was representative of the entire wellness programme and the outcomes had a strong ability to be generalised across other wellness programmes in the same industry.

3.3.3 Ethical procedures and considerations

All research must be conducted in an ethical and responsible manner, giving the appropriate amount of consideration to research participants. Following the recommendations from Kumar (2011), careful consideration must be given in respect to ensuring there is no likelihood of harm associated to the respondents for their participation. Should there exist potential harm that may befall a respondent, it is critical to reduce this potential harm to a minimum risk that does not exceed the potential harm ordinarily encountered in everyday life. Added to this, it is imperative that the research approach does not breach the confidentiality of research participants or utilise the information gathered in any way that can be deemed unethical. The right to privacy sits at the foundation of any research leveraging human research subjects and it is paramount to protect this right to privacy by ensuring the anonymity of research participants (Leedy et al., 2013). Ultimately, any transgressions against the right to privacy are not acceptable under any circumstances (Bryman, 2012).

The researcher is currently employed and working in the South African life insurance industry. The changing landscape of wellness programmes and their influence on consumer behaviour offers an important area of growth for a life insurance company. However, the assumed benefits associated with the introduction of a wellness programme need to be thoroughly investigated to determine the degree of these benefits to the business. A wellness programme has a significant cost attached to it and it is important to understand the potential return on investment that can be achieved by influencing long-term consumer behaviour change. Therefore, the research study investigated the benefit of a wellness programme for the insurance company. This had significant managerial implications for the company. It might also have provided insight into the deployment of wellness programmes in other life insurance industries, displaying similar market dynamics, across the globe.

This study utilised secondary data extracted directly from the wellness programme member database. As such, there was no necessity to engage directly with research participants. However, careful consideration was given to the scope of member data and the manner in which data was sourced. All personal information pertaining to individual members was concealed through the utilisation of a coding approach, making it impossible for readers of the research study to decipher the true identity of the research participants. Extensive engagement has been carried out with the company executive responsible for the wellness programme to negotiate appropriate access to member data while ensuring the confidentiality of critical business competitive information and member information. All information sourced from the company was securely stored electronically, with the necessary security access protocols and backed up appropriately.

3.3.4 Data collection and storage procedure

Typically, data is generated through the observations and interviews with research participants (Creswell, 2014). Essentially, data must be gathered to enable the researcher to answer the research question (Bryman, 2012). Data collection is the end result of determining how data will be collected, stored and analysed (Babbie, 2014). There exist a number of methods for collecting data, which include participant observation, non-participant observation, interviews, focus group discussions and documents or secondary data collection. Within interviews, the researcher can select face-to-face, mailed data collection, on-line data collection or telephonic data collection.

This study utilised the analysis of secondary/documented data comprised of member data from the wellness programme database to investigate the research problem. Secondary data analysis entailed the analysis of data where the researcher was not involved in the collection of the specific data and where the data collection was not primarily done to facilitate the study (Bryman, 2012). Typically, secondary data is past tense and has already been collected pertaining to a specific time or event (Leedy et al., 2013). Secondary data enabled the re-analysis of a specific data set that had been collected at an earlier time to infer different outcomes (Babbie, 2014). This study quantified the influence of active member participation in a wellness programme on brand loyalty and therefore it made sense to analyse existing member data collected by the wellness programme. Through this approach, objectivity of the research could be assured.

This study leveraged off studies that followed a similar approach to the collection of data. Cunningham (1956) sourced the historical purchase data directly from the Chicago Tribune for a three-year period. This detailed data enabled a concise analysis of the research problem. The secondary nature of the data also ensured complete objectivity. The three-year timeframe enabled greater analysis of consumer trends. The Liu (2007) study sourced sample data directly from the identified loyalty programme. This data covered purchase data over a two-year period, which was appropriate for a longitudinal study. It alleviated the self-selection bias that may sometimes occur when measuring consumer purchase behaviour.

For the Meyer-Waarden (2008) study, secondary data in relation to purchases of consumers in the sample group were analysed over a 156-week period. Again, this approach provided for objectivity in respect to data collection. The length of time over which the data was collected and the sample size led to greater generalisability and reliability of research outcomes. This study took a similar approach to the studies highlighted above by sourcing data directly from the identified wellness programme member database over a long time period, which demonstrated reliability and generalisability of outcomes.

The data was sourced directly from the wellness programme member database. The data was downloaded and consolidated into a single spreadsheet. This spreadsheet was saved in the cloud via Google Drive and contained the necessary security passwords to ensure restricted access to the data. A backup of the data was stored on the company's server protected by the relevant corporate security protocols. This dual strategy of data security ensured the confidentiality of member data.

3.3.5 Data processing and analysis

To arrive at outcomes that are generalisable, the data collected must be subjected to a range of data analysis procedures that form the foundation to data processing (Kumar, 2011), while at the same time, the manner in which data is processed must be relevant to the objectives of the research study (Kumar, 2011).

Once data has been collected this data must be coded, which requires the arrangement of data into a computer readable format that allows for statistical analysis (Neuman, 2012). The use of sophisticated computer programmes have made the coding of data much more efficient (Leedy et al., 2013). Essentially, coding is the process whereby raw data is transformed into standardised data for more meaningful analysis (Babbie, 2014). Membership data extracted from the wellness programme was exported into a spreadsheet that contained the relevant columns to enable data analysis.

When entering data into a computer, a majority of relevant programmes require data in a grid format in order to facilitate its statistical analysis (Neuman, 2012). The grid is made up of columns, that represent specific variables, and rows, that represent a single data point (Neuman, 2012). An Excel spreadsheet is a two dimensional table that allows for the input and manipulation of data through the use of simple calculations (Leedy et al., 2013). When data can be extracted directly from a database, it forgoes the need to capture the data directly thereby reducing data entry errors (Bryman, 2012). The research study extracted data directly from the member data base and exported it into an Excel spreadsheet which allowed for easy data manipulation while at the same time, reducing data entry errors.

Kumar (2011) contends that it is important to ensure that the data does not suffer from inconsistencies or incompleteness. This process of cleaning the data is referred to as editing. Through the editing process, the data is scrutinised with the objective of reducing any incomplete or misclassified information. A method for cleaning data requires the re-coding of a small sample of the data set to assess if any coding errors can be identified, and if not, then it is presumed safe to move forward with data analysis (Neuman, 2012). However, the cleaning of data is facilitated by the software programmes utilised for research analysis today where frequency tests and cross-tabulations are done to ensure that the data is clean and ready for analysis (Bryman, 2012). Based on this, this study made use of appropriate computer software to ensure the data was clean before conducting the relevant data analysis.

Data analysis requires the application of statistical techniques to the data set and may include a number of elements to ensure reliable outcomes (Bryman, 2012). According to Leedy et al. (2013), in quantitative research, the emphasis is on deductive reasoning where the process is initiated by the posing of specific hypotheses and concluding with the drawing of logical conclusions. This type of research aims to identify patterns in the data that solve the research questions. Effectively, the data analysis stage provides for the careful examination of empirical information to make deductive conclusions (Neuman, 2012).

The data was exported into SPSS (originally, Statistical Package for the Social Sciences and now called Statistical Product and Service Solutions) software. The data analysis was conducted using SPSS and SPSS Amos version 22.

Descriptive statistics, such as frequency distribution, mean, and standard deviation were used to summarise data. The mean was used to summarise metric data while frequencies were used to summarise data for categorical variables, such as Industry.

Pearson's correlation analysis, which is a measure of the strength of a relationship between two variables, was applied. Pearson correlation coefficients is said to be weak if between 0 and 0.29, moderate if between 0.3 and 0.49, and strong if between 0.5 and 1

(Cohen 1988). The sign of the correlation coefficient shows the direction of the relationship. A positive correlation means that as one variable increases, the other variable increases as well, while a negative correlation coefficient implies that as one variable increases, the other one decreases and vice versa. A p-value of the Pearson's Correlation less than 0.05 implies that the relationships is significant while a p-value greater than 0.05 is an indication of an insignificant relationship. Pearson's correlation was conducted to assess the association among variables such as tier status and brand loyalty.

The research study used path analysis as the preferred analysis method and this was conducted to assess causal relationship among variables. This was used to determine both the direct and indirect impact of various variables on brand loyalty. By applying path analysis, indirect effects are detected – which does not occur when applying simple regression analysis.

3.3.6 Description of respondents

The study analysed membership data extracted directly from the identified wellness programme. The identified wellness programme was the second biggest open market wellness programme in South Africa. The membership base was representative of the upper income segment of South Africa. The wellness programme consists of five status tiers and focus was given to members of the top status tier as this represented active participation. All personal data remained strictly confidential, as the research study only focused on the participation variables and other objective variables.

3.4 Research reliability and validity measures

Fundamental to the quantitative research approach are the principles of reliability and validity, which are necessary to ensure the research outcomes exhibit replicability and generalisability (Wahyuni, 2012).

According to Bryman (2012, p.169), "reliability refers to the consistency of a measure of a concept". Effectively, the consistency of a measuring instrument to produce and reproduce a consistent result of the outcome of measurement of a specific data set defines reliability in research (Leedy et al., 2013). Similarly, Babbie (2014) provides that reliability is the strength of a selected measurement technique to reproduce the same results when applied repeatedly to the same data sets. The data that was used for the research study was extracted directly from the wellness programme membership databases. As a result, the data was unaffected by the researcher and should deliver a high degree of reliability.

The capacity of the chosen research instrument to measure what it was designed to measure defines validity in research (Kumar, 2011). According to Leedy et al. (2013, p.89), “the validity of a measurement instrument is the extent to which the instrument measures what is intended to measure”. Validity provides context as to what was to be studied, why it was selected as a study area and how the research data was selected (Bryman, 2012). There are four main methods for measuring validity, which include measurement/construct validity, internal validity, external validity and ecological validity in quantitative research.

Measurement validity, also called construct validity, requires relevant hypotheses to be garnered from the associated theory addressing the research concept (Bryman, 2012). Research that attempts to measure human characteristics where it is not possible to observe directly the specific characteristic but is assumed to exist as a result of behavioural patterns is the essence of measurement validity (Leedy et al., 2013). According to Neuman (2012, p.123) “at its core, measurement validity refers to how well the conceptual and operational definitions mesh with each other”.

Internal validity aims to confirm the degree to which the causal relationship between variables is logical and rational (Bryman, 2012). Through the internal validity that measures the degree to which the research design and associated data produced permits accurate cause-and-effect and other relationship conclusions to be reached (Leedy et al., 2013). Neuman (2012) cautions that it is critical that only the independent variable has the ability to influence the dependent variable otherwise internal validity becomes questionable. The study isolates key variables in the data analysis to ensure the validity of outcomes.

Another critical aspect of research is external validity, which defines the extent of generalisability of study results to a greater population (Bryman, 2012). The more certain the external validity is, the greater the confidence that the results of the study can apply to situations beyond the actual study sample and can be generalised or applied to other contexts (Leedy et al., 2013). Failure to provide sufficient external validity will result in the research having little value as the results may only hold true for the specific research population and cannot be generalised beyond the study (Neuman, 2012). Insurance companies across the globe offer similar products in the provision of financial solutions. They also face similar challenges in respect to competition and distribution of products and services. Hence it is believed that the results of the proposed study would have a high degree of generalisability.

The purpose of social science research is to garner greater understanding of various aspects of people's normal lives in their natural social settings, which is what ecological validity aims to ensure (Bryman, 2012). By achieving ecological validity, the research is deemed to be authentic and trustworthy (Neuman, 2012). Ecological validity dictates that the results must be able to be confirmed or corroborated by other researchers (Kumar, 2011). Through the extraction of data directly from the wellness programme member database over a long time-frame, the ecological validity was ensured for the research study.

3.5 Research limitations

The study investigated a single case site to establish its findings pertaining to the research question. Although the data sample was representative for the South African upper income segment, it did not take into consideration other dynamics that might exist in jurisdictions around the world. The quantitative approach to the research did not provide for an in-depth understanding of the emotional reasoning behind outcomes of the study, as would be the case with a qualitative approach.

CHAPTER 4: RESEARCH RESULTS

The time frame defined below allows for the appropriate analysis of existing literature relevant to the research topic. The nature of the research data allows for an efficient data collection process, as the data is readily available.

4.1 General

A total of 78 285 members were analysed. Of the 78 285 members, the gender distribution is summarised in Figure 1.

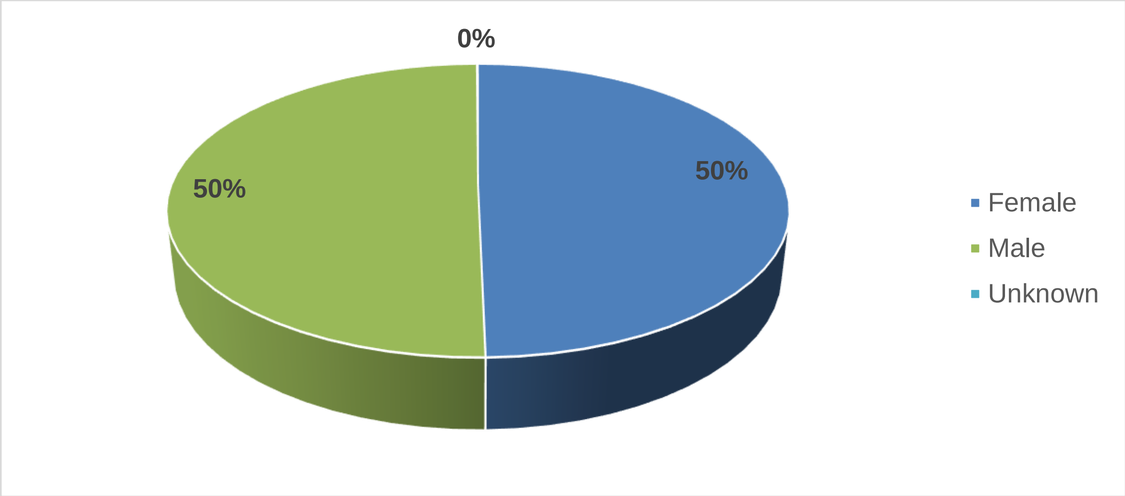

Figure 2: Gender

The research showed an equal split of male and female members in the sample, with less than 1% of the sample having not specified their gender.

Figure 2 shows the role of the members in the sample.

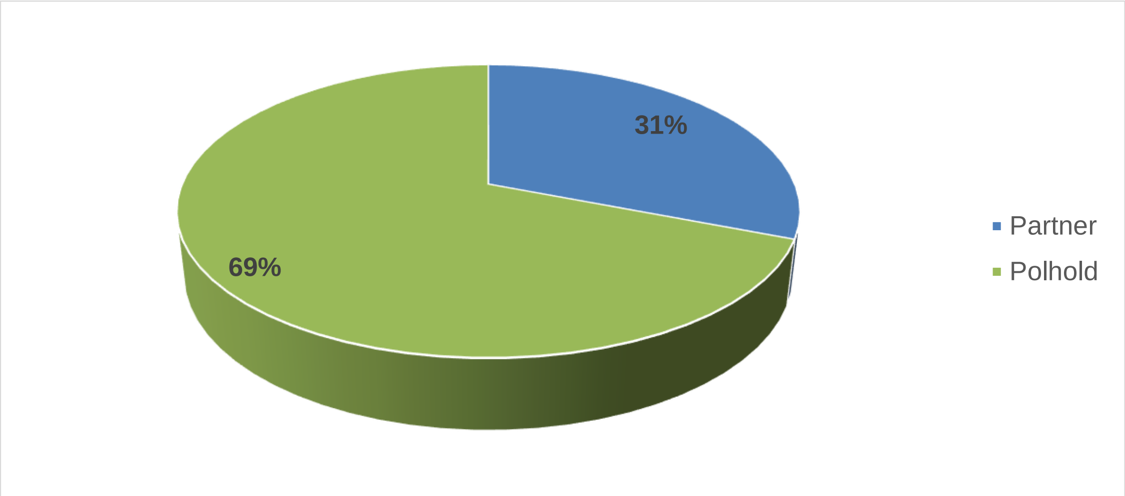

Figure 3: Role

The chart below shows results on whether the members in the database had Family membership or Single Membership.

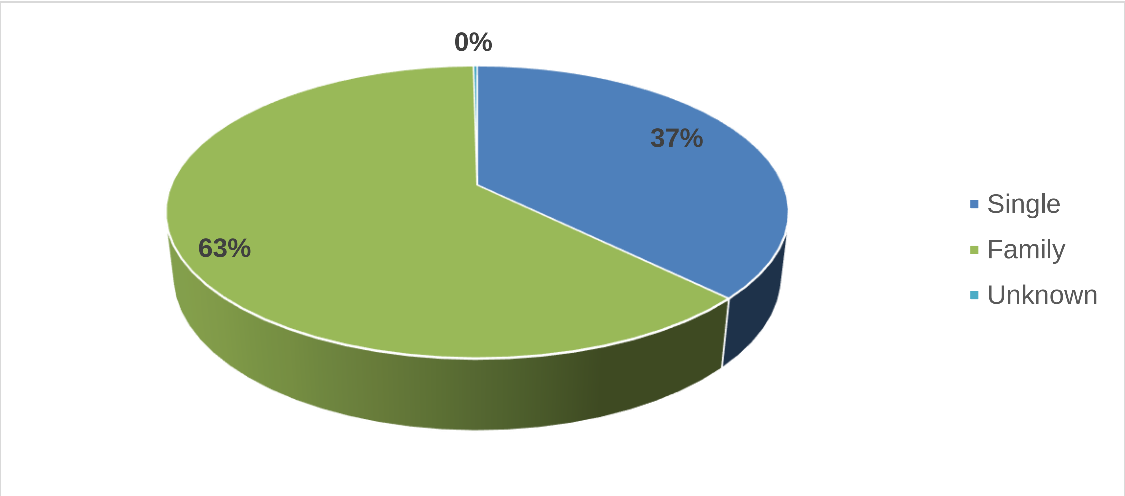

Figure 4: Family Composition

Close to two thirds of the members (63%) had a family membership while the other 37% had a single membership.

The age distribution of the members is summarised in the Table 1.

Table 1: Age

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Age (years)	78285	20.00	97.00	44.38	11.835

The members were, on average 44.38 ± 11.835 years old with a range of (20.00, 97.00).

The tier status of the members in the analysis sample is summarised in the bar chart below.

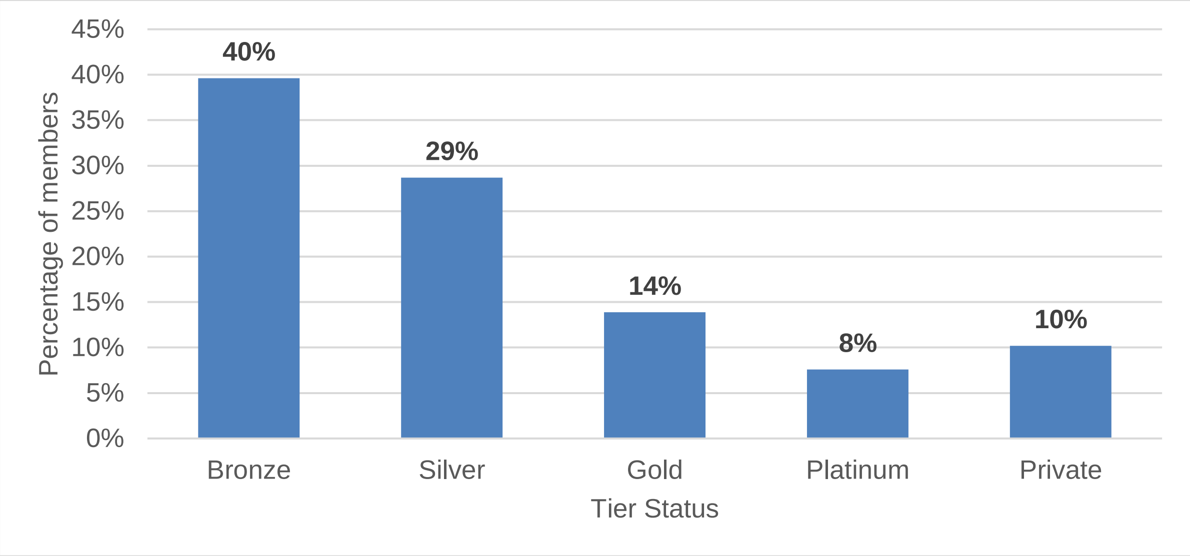

Figure 5: Tier Status

It can be noted that 40% of the members were in bronze status, 29% in the silver, 14% Gold, 8% platinum and the other 10% were private status.

Descriptive statistics on age and brand loyalty variables are shown below.

Table 2: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
TOTAL POINTS	78346	.0	1650.0	373.546	248.844
BE HEALTHIER	78346	.0	700.0	84.156	70.865
BE SAFE	78346	.0	380.0	43.910	53.139
BE ON TOP OF FINANCES	78346	.0	410.0	53.232	70.339
HAVING COVER POINTS	78346	.0	980.0	188.557	125.595
Total No. of Products	78346	.0	6.0	1.845	1.210
Multiply Partner Spend	78346	.0	365948.9	17838.985	20062.012
Length of membership time (in months)	78346	.00	193.00	69.609	42.869

The members in the sample had an average of 373.546 ± 248.844 points with an average be healthier score of 84.156 ± 70.865, be safe (43.910 ± 53.139), be on top of finances (53.232 ± 70.339), having cover points (188.557 ± 125.595). Each member had on average two products and with a Multiply Partner Spend of R17 838.985 ± 20 062.012. On average, the members had been on the programme for 69.609 ± 42.869 months.

4.2 Correlation among variables

Table 3: Correlation analysis

	1.	2.	3.	4.	5.	6.
1.Be Healthier	1					
2.Be Safe	.635**	1				
3.Be on Top of Finances	.603**	.703**	1			
4.Having Cover Points	.285**	.342**	.381**	1		
5.Tier Status	.681**	.714**	.786**	.659**	1	
6.Brand Loyalty	.256**	.224**	.240**	.223**	.309**	1

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

The results show that there is positive and significant correlation between tier status and each of Be Healthier ($r = 0.681$, $p < 0.01$), Be Safe ($r = 0.309$, $p < 0.01$), Be on Top of Finances ($r = 0.314$, $p < 0.01$), and Having Cover Points ($r = 0.202$, $p < 0.01$) since the correlation coefficients were positive and the p-values were less than 0.05. Tier status was also positively correlated to Brand Loyalty ($r = 0.309$, $p < 0.01$).

4.3 Hypothesis testing

Path analysis was conducted to assess the hypotheses. The model is as shown below. Brand Loyalty was computed as; Multiply partner spend x length of membership = brand loyalty.

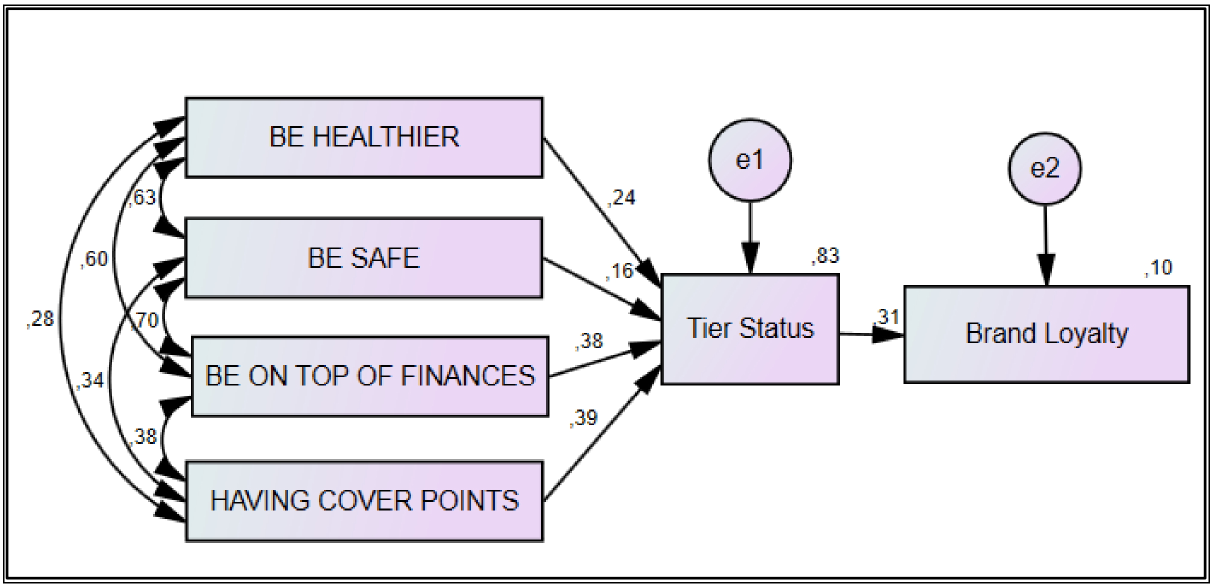

Figure 6: Path analysis model – Standardised weights

The Squared Multiple Correlations values for all dependent variables are summarised in the table below.

Table 4: Squared Multiple Correlations

	Estimate
Tier Status	,835
Brand loyalty	,095

The Squared Multiple Correlations show that be safe, be on top of finances, be healthier, and having cover points predicts 83.5% of tier status while tier status explains 9.5% of brand loyalty.

The results in the path analysis diagram are also presented in Table 2 showing both the unstandardised and standardised regression weights.

Table 5: Regression Weights:

			Estimate	Standardised Estimate	S.E.	C.R.	P
Tier Status	<---	Be Safe	,004	,162	,000	73,236	***
Tier Status	<---	Be on Top of Finances	,007	,380	,000	174,872	***
Tier Status	<---	Be Healthier	,004	,238	,000	121,284	***
Tier Status	<---	Having Cover Points	,004	,391	,000	247,355	***
Brand Loyalty	<---	Tier Status	479 660,80	,309	5279,478	90,854	***

Notes: ***, p-value is less than 0.001

Results pertaining to hypothesis 1 (H1): Engagement in physical health and activity measurement and improvement drives member points and status level.

H0: There is no relationship between physical health and activity measurement and member points and status.

H1: Engagement in physical health and activity measurement and improvement drives member points and status level.

The results from path analysis shows that the relationship between Tier Status and Be Healthier (B = 0.004, β = 0.238, t=121.0234, p-value < 0.001) is positive since the standardised coefficient for Be Healthier (0.004) is greater than zero and it is also significant given the p-value is less than 0.05. This implies that H1 is supported. Thus, the null hypothesis is rejected in favour of the alternative hypothesis. It is concluded that Engagement in physical health and activity measurement and improvement drives member points and status level.

Results pertaining to hypothesis 2 (H2): Engagement in safety tracking and risk reduction behaviour drives member points and status level

H0: There is no relationship between safety tracking and risk reduction behaviour and member points and status.

H2: Engagement in safety tracking and risk reduction behaviour drives member points and status level.

The results from path analysis shows that the relationship between Tier Status and Be Safe Score ($B = 0.004$, $\beta = 0.162$, $t=73.236$, p-value < 0.001) is positive since the standardised coefficient for Be Safe is greater than zero and is also significant since the p-value is less than 0.05. This implies that H2 is supported. Thus, the null hypothesis is rejected in favour of the alternative hypothesis. It is concluded that engagement in safety tracking and risk reduction behaviour drives member points and status level.

Results pertaining to hypothesis 3 (H3): Engagement in financial position analysis and improvement drives member points and status level.

H0: There is no relationship between financial position analysis and improvement and member points and status level

H3: Engagement in financial position analysis and improvement drives member points and status level.

It can be noted from the regression weights table that the relationship between Tier Status and the Be on Top of Finances Score ($B = 0.007$, $\beta = 0.380$, $t=174.872$, p-value < 0.001) is positive since the standardised coefficient for Be on Top of Finances was greater than zero and is also significant since the p-value is less than 0.05. This implies that H3 is supported. Thus, the null hypothesis is rejected in favour of the alternative hypothesis. It is concluded that engagement in financial position analysis and improvement drives member points and status level.

Results pertaining to hypothesis 4 (H4): Ownership of the company policies and investments drives member points and status level.

H0: There is no relationship between ownership of the company policies and investments and member points and status.

H4: Ownership of the company policies and investments drives member points and status level.

The results from path analysis shows that the relationship between Tier Status and Having Cover Points ($B = 0.004$, $\beta = 0.391$, $t=247.355$, $p\text{-value} < 0.001$) is positive since the standardised coefficient for Having Cover Points (0.004) is greater than zero and is also significant since the p-value is less than 0.05. This implies that H4 is supported. Thus, the null hypothesis is rejected in favour of the alternative hypothesis. It is concluded that Ownership of the company policies and investments drives member points and status level.

Results pertaining to hypothesis 5 (H5): Tier status defines the degree of active participation which in turn drives brand loyalty

H0: There is no relationship between tie status and brand loyalty

H5: Tier status defines the degree of active participation which in turn, drives brand loyalty

It can be noted that relationship between Brand Loyalty and Tier Status ($B = 4790660.80$, $\beta = 0.309$, $t=90.854$, $p\text{-value} < 0.01$) is positive since the standardised coefficient for Tier Status (479 660.80) is greater than zero and is also significant since the p-value is less than 0.05. This implies that H5 is supported. Thus, the null hypothesis is rejected in favour of the alternative hypothesis. It is concluded that tier status defines the degree of active participation which in turn, drives brand loyalty.

Table 6: Summary of Hypotheses

Hypothesis		Outcome
H1	Engagement in physical health and activity measurement and improvement drives member points and status level	Supported
H2	Engagement in safety tracking and risk reduction behaviour drives member points and status level	Supported
H3	Engagement in financial position analysis and improvement drives member points and status level	Supported
H4	Ownership of the company policies and investments drives member points and status level	Supported
H5	Tier status defines the degree of active participation which in turn, drives brand loyalty.	Supported

The model fit indices are shown below.

Table 7: Absolute Fit Indexes

Absolute Fit Indices	Acceptable Value	Value	Outcome
GFI	>0.9	0. 998	Acceptable
AGFI	>0.9	0.988	Acceptable
RMSEA	<0.08	0.041	Acceptable
NFI	>0.9	0.992	Acceptable
NNFI (TLI)	>0.9	0.998	Acceptable
CFI	>0.9	0.998	Acceptable

All the model indexes were within acceptable limits. This indicates that the path analysis model was a good fit for the data. This means that the results are reliable.

Does the mean be healthier score differ by tier status?

To assess this question, one-way analysis of variance (ANOVA) was conducted to compare the mean ratings of BE Healthier by tier status. The results are shown below.

Table 8: ANOVA

Descriptives							
BE HEALTHIER							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
BRONZE	31053	35.77	40.587	35.314	36.217	.0	298.0
SILVER	22483	80.73	62.201	79.917	81.543	.0	400.0
GOLD	10867	121.69	64.928	120.470	122.911	.0	700.0
PLATINUM	5949	162.96	43.686	161.852	164.072	.0	400.0
PRIVATE	7994	172.10	37.250	171.279	172.913	.0	380.0
Total	78346	84.16	70.865	83.660	84.652	.0	700.0

ANOVA					
BE HEALTHIER					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	187055486.955	4	46763871.739	17751.075	.000
Within Groups	206383473.785	78341	2634.425		
Total	393438960.740	78345			

Table 9: Multiple Comparisons

Multiple Comparisons					
Dependent Variable: BE HEALTHIER					
LSD					
(I) Tier Status	(J) Tier Status	Mean Difference (I-J)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
BRONZE	SILVER	-44.965*	.000	-45.846	-44.084
	GOLD	-85.925*	.000	-87.046	-84.804
	PLATINUM	-127.197*	.000	-128.620	-125.773
	PRIVATE	-136.331*	.000	-137.592	-135.069
SILVER	BRONZE	44.965*	.000	44.084	45.846
	GOLD	-40.960*	.000	-42.136	-39.785
	PLATINUM	-82.232*	.000	-83.699	-80.765
	PRIVATE	-91.366*	.000	-92.676	-90.056
GOLD	BRONZE	85.925*	.000	84.804	87.046
	SILVER	40.960*	.000	39.785	42.136
	PLATINUM	-41.272*	.000	-42.894	-39.649

	PRIVATE	-50.406*	.000	-51.888	-48.923
PLATINUM	BRONZE	127.197*	.000	125.773	128.620
	SILVER	82.232*	.000	80.765	83.699
	GOLD	41.272*	.000	39.649	42.894
	PRIVATE	-9.134*	.000	-10.856	-7.411
PRIVATE	BRONZE	136.331*	.000	135.069	137.592
	SILVER	91.366*	.000	90.056	92.676
	GOLD	50.406*	.000	48.923	51.888
	PLATINUM	9.134*	.000	7.411	10.856
*. The mean difference is significant at the 0.05 level.					

The results show that the be healthier score differs significantly by tier status (p-value = 0.000). It can be noted that the member in the bronze tier had an average of 35.77 points, followed by those in the Silver tier (mean = 80.73), then gold tier (mean = 121.69), Platinum tier (mean = 162.96) and the highest were in the private tier (mean = 172.10). The pairwise comparisons shows that each tier had a significantly higher score compared to the previous tier. This is shown by p-values less than 0.05.

The mean scores per tier are plotted in the chart below. The results show the increasing trend in the mean score by an increasing tier level.

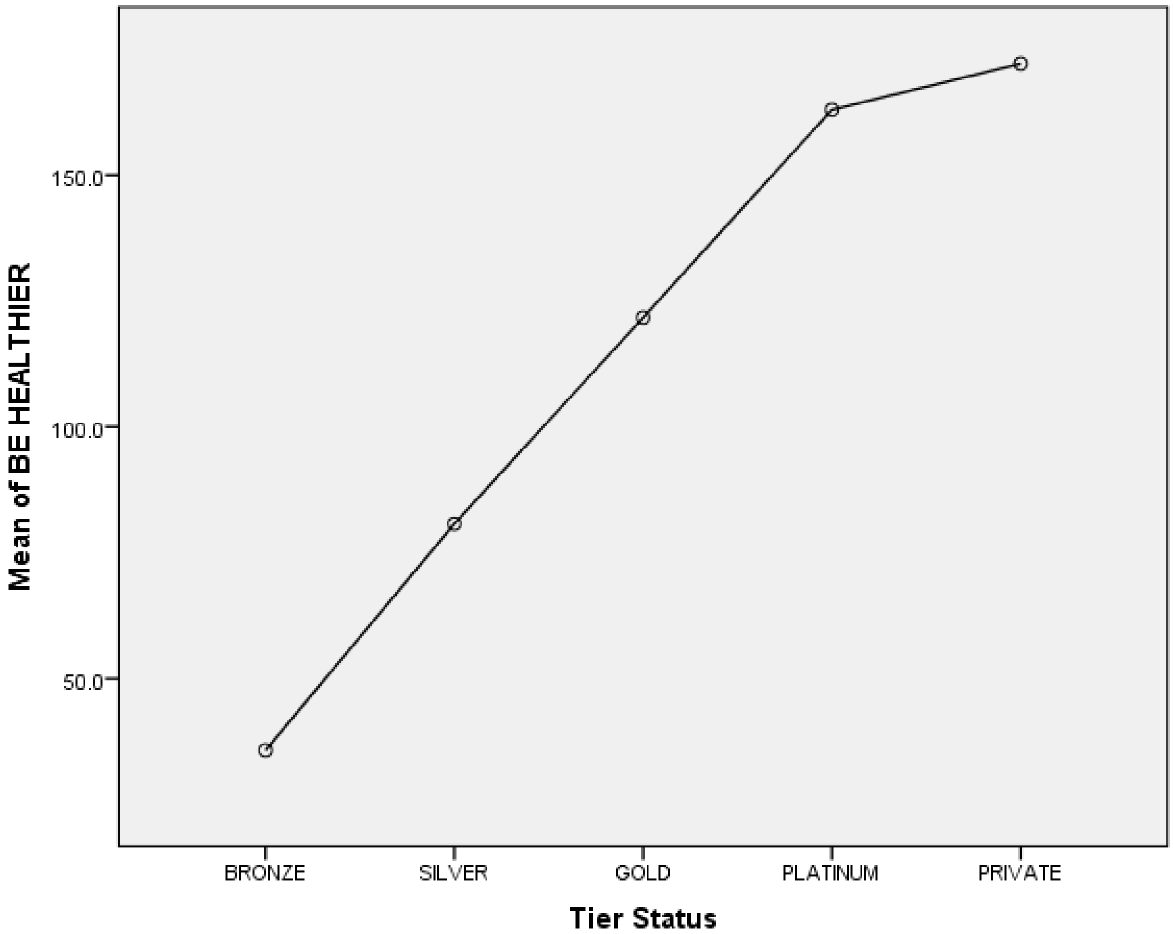

Figure 7: Mean scores per tier

4.4 Does the mean be Safe score differ by tier status?

To assess this question, one-way ANOVA was also conducted to compare the mean ratings of Be Safe by tier status. The results are shown below.

Table 10: ANOVA

Descriptives							
BE SAFE							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
BRONZE	31053	7.07	21.004	6.834	7.301	.0	260.0
SILVER	22483	37.95	45.299	37.362	38.546	.0	260.0
GOLD	10867	75.73	49.679	74.795	76.663	.0	380.0
PLATINUM	5949	109.61	36.330	108.692	110.538	.0	260.0
PRIVATE	7994	111.63	36.144	110.833	112.418	.0	339.0
Total	78346	43.91	53.139	43.538	44.282	.0	380.0

ANOVA					
BE SAFE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	116288635.276	4	29072158.819	21702.995	.000
Within Groups	104941367.638	78341	1339.546		
Total	221230002.915	78345			

Table 11: Multiple Comparisons

Multiple Comparisons					
Dependent Variable: BE SAFE					
LSD					
(I) Tier Status	(J) Tier Status	Mean Difference (I-J)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
BRONZE	SILVER	-30.887*	.000	-31.515	-30.258
	GOLD	-68.661*	.000	-69.461	-67.862
	PLATINUM	-102.548*	.000	-103.563	-101.532
	PRIVATE	-104.558*	.000	-105.458	-103.658

SILVER	BRONZE	30.887*	.000	30.258	31.515
	GOLD	-37.775*	.000	-38.613	-36.937
	PLATINUM	-71.661*	.000	-72.707	-70.615
	PRIVATE	-73.671*	.000	-74.606	-72.737
GOLD	BRONZE	68.661*	.000	67.862	69.461
	SILVER	37.775*	.000	36.937	38.613
	PLATINUM	-33.886*	.000	-35.043	-32.729
	PRIVATE	-35.896*	.000	-36.954	-34.839
PLATINUM	BRONZE	102.548*	.000	101.532	103.563
	SILVER	71.661*	.000	70.615	72.707
	GOLD	33.886*	.000	32.729	35.043
	PRIVATE	-2.010*	.001	-3.239	-.782
PRIVATE	BRONZE	104.558*	.000	103.658	105.458
	SILVER	73.671*	.000	72.737	74.606
	GOLD	35.896*	.000	34.839	36.954
	PLATINUM	2.010*	.001	.782	3.239

*. The mean difference is significant at the 0.05 level.

The results show that the Be Safe score differs significantly by tier status (p-value = 0.000). It can be noted that the member in the bronze tier had an average of 7.07 points, followed by those in the Silver tier (mean = 37.95), then gold tier (mean = 75.73), Platinum tier (mean = 109.61) and the highest were in the private tier (mean = 111.63). The pairwise comparisons shows that each tier had a significantly higher score compared to the previous tier. This is shown by p-values less than 0.05.

The mean scores per tier are plotted in the chart below. The results show the increasing trend in the mean score by an increasing tier level.

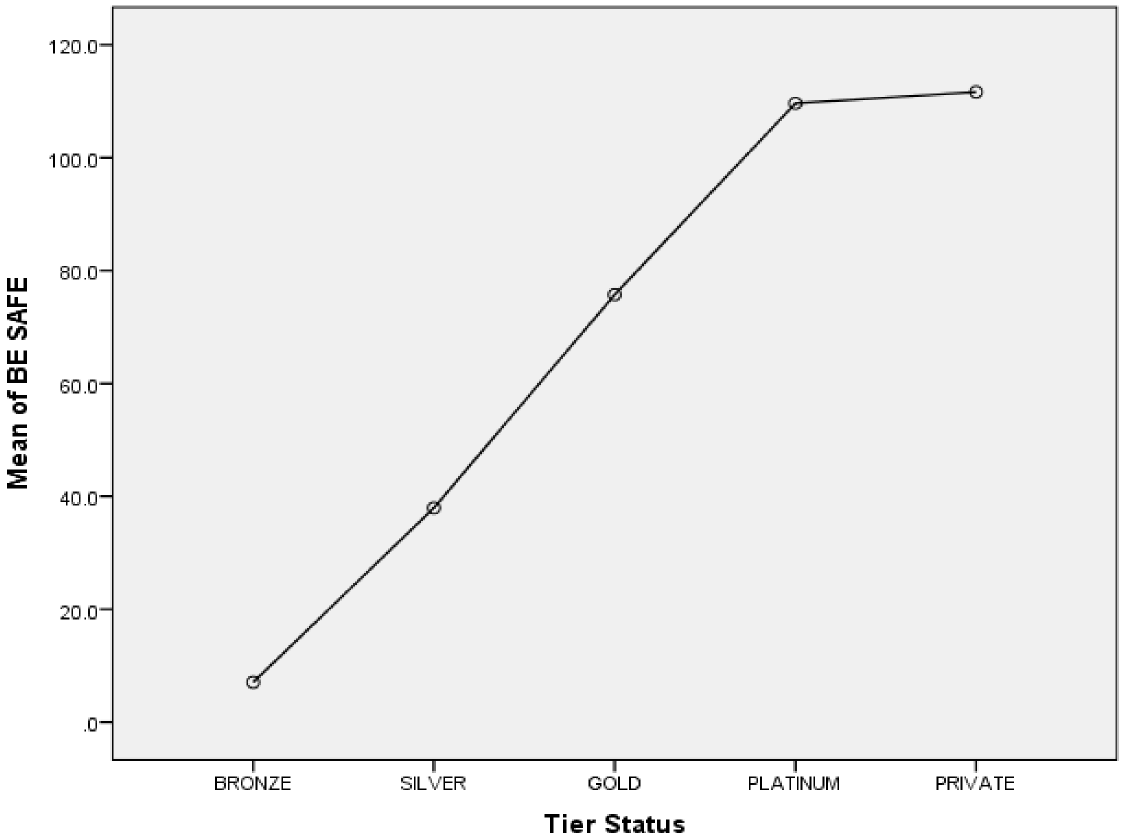

Figure 8: Mean scores per tier

4.5 Does the 'Be on top of Finances' score differ by tier status?

To assess this question, one-way ANOVA was also conducted to compare the mean ratings of BE on Top of Finances by tier status. The results are shown below.

Table 12: ANOVA

Descriptives							
BE ON TOP OF FINANCES							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
BRONZE	31053	4.20	17.954	3.997	4.396	.0	340.0
SILVER	22483	37.26	51.006	36.592	37.926	.0	290.0
GOLD	10867	94.93	64.158	93.728	96.141	.0	410.0
PLATINUM	5949	151.26	47.617	150.052	152.473	.0	400.0
PRIVATE	7994	159.00	43.338	158.047	159.947	.0	400.0
Total	78346	53.23	70.339	52.740	53.725	.0	410.0

ANOVA					
BE ON TOP OF FINANCES					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	245892596.368	4	61473149.092	33980.406	.000
Within Groups	141724848.790	78341	1809.076		
Total	387617445.159	78345			

Table 13: Multiple Comparisons

Multiple Comparisons					
Dependent Variable: BE ON TOP OF FINANCES					
LSD					
(I) Tier Status	(J) Tier Status	Mean Difference (I-J)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
BRONZE	SILVER	-33.062*	.000	-33.792	-32.332
	GOLD	-90.738*	.000	-91.667	-89.808
	PLATINUM	-147.066*	.000	-148.246	-145.886
	PRIVATE	-154.800*	.000	-155.846	-153.755

SILVER	BRONZE	33.062*	.000	32.332	33.792
	GOLD	-57.675*	.000	-58.649	-56.701
	PLATINUM	-114.004*	.000	-115.219	-112.788
	PRIVATE	-121.738*	.000	-122.824	-120.652
GOLD	BRONZE	90.738*	.000	89.808	91.667
	SILVER	57.675*	.000	56.701	58.649
	PLATINUM	-56.328*	.000	-57.673	-54.984
	PRIVATE	-64.063*	.000	-65.291	-62.834
PLATINUM	BRONZE	147.066*	.000	145.886	148.246
	SILVER	114.004*	.000	112.788	115.219
	GOLD	56.328*	.000	54.984	57.673
	PRIVATE	-7.734*	.000	-9.162	-6.307
PRIVATE	BRONZE	154.800*	.000	153.755	155.846
	SILVER	121.738*	.000	120.652	122.824
	GOLD	64.063*	.000	62.834	65.291
	PLATINUM	7.734*	.000	6.307	9.162

*. The mean difference is significant at the 0.05 level.

The results show that the Be on Top of Finances score differs significantly by tier status (p-value = 0.000). It can be noted that the member in the bronze tier had an average of 4.20 points, followed by those in the Silver tier (mean = 37.26), then gold tier (mean = 94.93), Platinum tier (mean = 151.26) and the highest were in the private tier (mean = 151.26). The pairwise comparisons shows that each tier had a significantly higher score compared to the previous tier. This is shown by p-values less than 0.05.

The mean scores per tier are plotted in the chart below. The results show the increasing trend in the mean score by an increasing tier level.

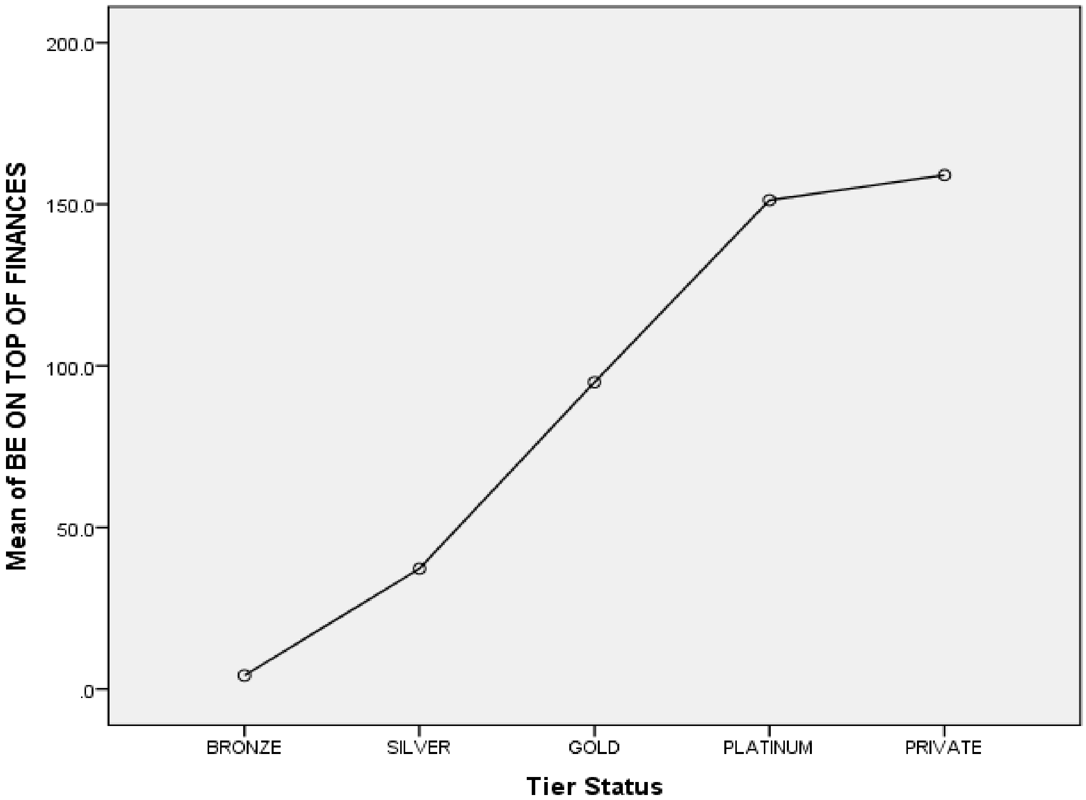

Figure 9: Mean scores per tier

4.6 Does the Having Cover Points score differ by tier status?

To assess this question, one-way ANOVA was also conducted to compare the mean ratings for Having Cover Points by tier status. The results are shown below.

Table 14: ANOVA

Descriptives							
HAVING COVER POINTS							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
BRONZE	31053	98.11	76.846	97.257	98.966	.0	720.0
SILVER	22483	205.05	102.854	203.704	206.393	.0	680.0
GOLD	10867	237.83	107.466	235.805	239.846	.0	740.0
PLATINUM	5949	281.54	96.151	279.093	283.981	.0	760.0
PRIVATE	7994	357.35	92.529	355.318	359.375	.0	980.0
Total	78346	188.56	125.595	187.678	189.437	.0	980.0

ANOVA					
HAVING COVER POINTS					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	565698339.841	4	141424584.960	16533.390	.000
Within Groups	670119270.305	78341	8553.877		
Total	1235817610.146	78345			

Table 15: Multiple Comparisons

Multiple Comparisons					
Dependent Variable: HAVING COVER POINTS					
LSD					
(I) Tier Status	(J) Tier Status	Mean Difference (I-J)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
BRONZE	SILVER	-106.937*	.000	-108.525	-105.350
	GOLD	-139.714*	.000	-141.734	-137.693
	PLATINUM	-183.426*	.000	-185.991	-180.860
	PRIVATE	-259.235*	.000	-261.509	-256.962

SILVER	BRONZE	106.937*	.000	105.350	108.525
	GOLD	-32.777*	.000	-34.894	-30.659
	PLATINUM	-76.488*	.000	-79.131	-73.845
	PRIVATE	-152.298*	.000	-154.658	-149.937
GOLD	BRONZE	139.714*	.000	137.693	141.734
	SILVER	32.777*	.000	30.659	34.894
	PLATINUM	-43.712*	.000	-46.635	-40.788
	PRIVATE	-119.521*	.000	-122.192	-116.850
PLATINUM	BRONZE	183.426*	.000	180.860	185.991
	SILVER	76.488*	.000	73.845	79.131
	GOLD	43.712*	.000	40.788	46.635
	PRIVATE	-75.810*	.000	-78.913	-72.706
PRIVATE	BRONZE	259.235*	.000	256.962	261.509
	SILVER	152.298*	.000	149.937	154.658
	GOLD	119.521*	.000	116.850	122.192
	PLATINUM	75.810*	.000	72.706	78.913

*. The mean difference is significant at the 0.05 level.

The results show that the Having Cover Points score differs significantly by tier status (p-value = 0.000). It can be noted that the member in the bronze tier had an average of 98.110 points, followed by those in the Silver tier (mean = 205.05), then gold tier (mean =237.83), Platinum tier (mean = 281.54) and the highest were in the private tier (mean = 357.35). The pairwise comparisons shows that each tier had a significantly higher score compared to the previous tier. This is shown by p-values less than 0.05.

The mean scores per tier are plotted in the chart below. The results show the increasing trend in the mean score by an increasing tier level.

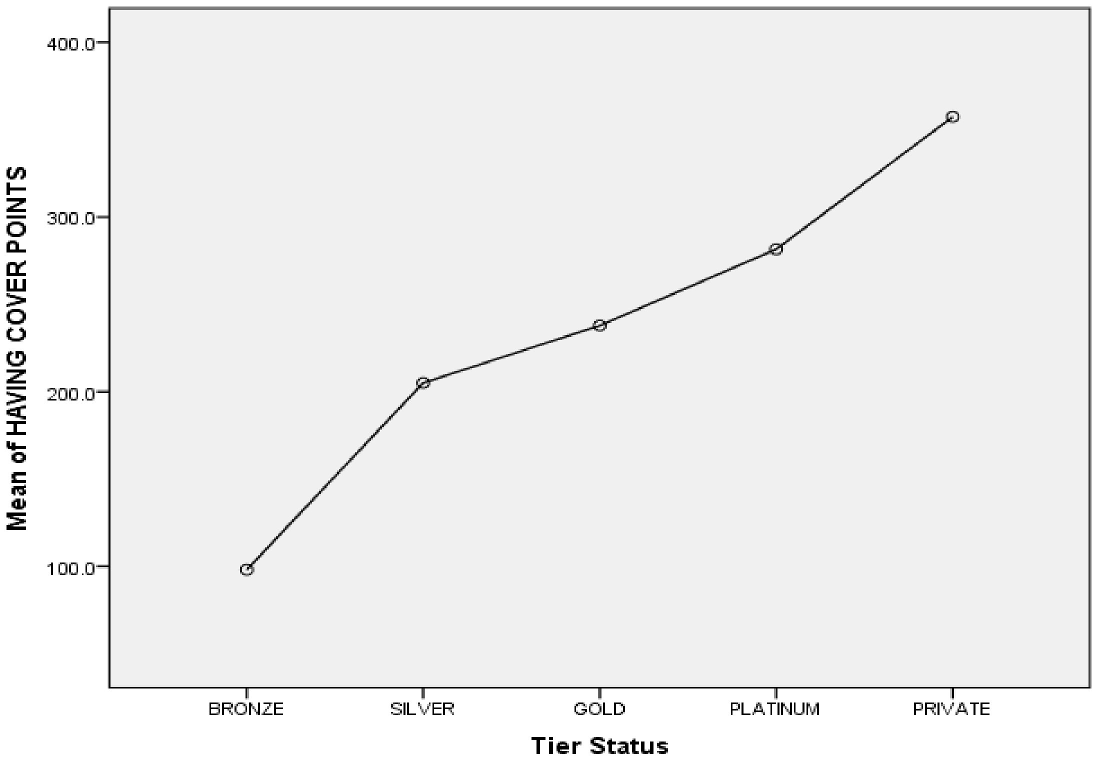

Figure 10: Mean scores by tier

4.7 Does the Brand Loyalty Score differ by tier status?

To assess this question, one-way ANOVA was also conducted to compare the mean ratings for Brand Loyalty by tier status. The results are shown below.

Table 16: ANOVA

Descriptives							
Brand Loyalty							
	N	Mean	Std. Deviation	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
BRONZE	31053	944484.158	1355660.766	929405.450	959562.866	.000	32473955.50
SILVER	22483	1143505.037	1656590.041	1121849.977	1165160.097	.000	25905838.14
GOLD	10867	1296004.868	1938146.065	1259560.691	1332449.044	.000	27411632.40
PLATINUM	5949	1640828.678	2208307.309	1584701.398	1696955.959	.000	23381967.60
PRIVATE	7994	3397913.906	3465313.103	3321938.283	3473889.529	.000	35639938.20
Total	78346	1353564.812	2035791.934	1339309.405	1367820.220	.000	35639938.20

ANOVA					
Brand Loyalty					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	40125438820514560	4	10031359705128640.000	2761.580	.000
Within Groups	284571402411861696	78341	3632470895340.393		
Total	324696841232376190	78345			

Table 17: Multiple comparisons

Multiple Comparisons					
Dependent Variable: Brand Loyalty					
LSD					
(I) Tier Status	(J) Tier Status	Mean Difference (I-J)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
BRONZE	SILVER	-199020.879*	.000	-231732.328	-166309.430
	GOLD	-351520.710*	.000	-393155.824	-309885.596
	PLATINUM	-696344.521*	.000	-749212.726	-643476.315
	PRIVATE	-2453429.749*	.000	-2500280.409	-2406579.088

SILVER	BRONZE	199020.879*	.000	166309.430	231732.328
	GOLD	-152499.830*	.000	-196143.543	-108856.118
	PLATINUM	-497323.641*	.000	-551787.740	-442859.542
	PRIVATE	-2254408.869*	.000	-2303053.246	-2205764.493
GOLD	BRONZE	351520.710*	.000	309885.596	393155.824
	SILVER	152499.830*	.000	108856.118	196143.543
	PLATINUM	-344823.811*	.000	-405071.482	-284576.139
	PRIVATE	-2101909.039*	.000	-2156951.923	-2046866.154
PLATINUM	BRONZE	696344.521*	.000	643476.315	749212.726
	SILVER	497323.641*	.000	442859.542	551787.740
	GOLD	344823.811*	.000	284576.139	405071.482
	PRIVATE	-1757085.228*	.000	-1821048.370	-1693122.086
PRIVATE	BRONZE	2453429.749*	.000	2406579.088	2500280.409
	SILVER	2254408.869*	.000	2205764.493	2303053.246
	GOLD	2101909.039*	.000	2046866.154	2156951.923
	PLATINUM	1757085.228*	.000	1693122.086	1821048.370

*. The mean difference is significant at the 0.05 level.

The results show that the Brand Loyalty score differs significantly by tier status (p-value = 0.000). It can be noted that the member in the BRONZE tier had an average of 944 484.158 points, followed by those in the Silver tier (mean = 1 143 505.037), then gold tier (mean =1 296 004.868), Platinum tier (mean = 1 640 828.678) and the highest were in the private tier (mean = 3 397 913.906). The pairwise comparisons shows that each tier had a significantly higher score compared to the previous tier. This is shown by p-values less than 0.05.

The mean scores per tier are plotted in the chart below. The results show the increasing trend in the mean score by an increasing tier level.

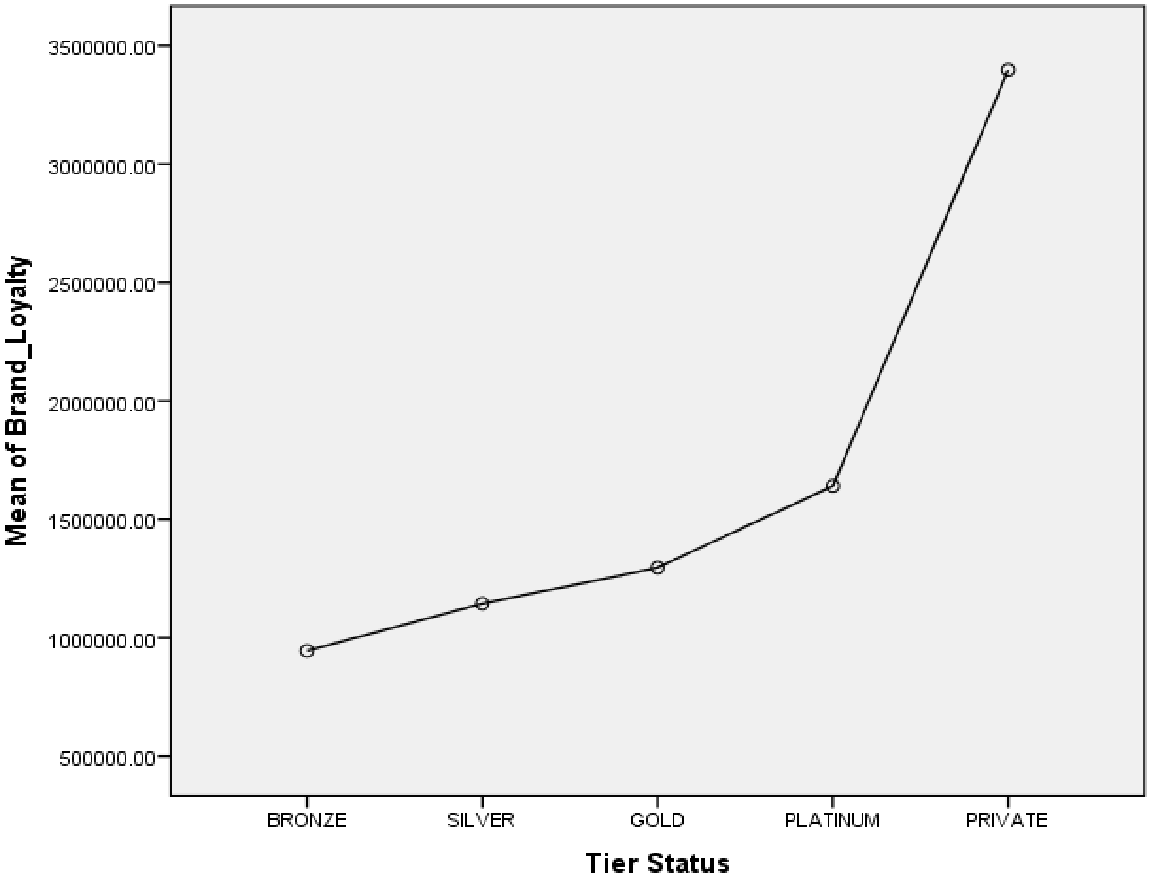

Figure 11: Mean scores by tier

CHAPTER 5: RESEARCH DISCUSSION

5.1 Introduction

This chapter interprets the research results presented in the previous chapter against the research hypotheses posed in the literature review. It begins with a discussion of the research problem and associated sub-problems. Following from this, there are further discussions around the influence of the different tier statuses and what it may mean for the wellness programme. Finally, there is discussion of the demographical findings that provide context to the case study wellness programme.

5.2 Discussion of the research problem

The purpose of the research was to evaluate the influence of active participation by members of a wellness programme on brand loyalty within the context of the South African life insurance industry. For the life insurance companies that have established and implemented a wellness programme, the primary objectives are to create more appropriate member behaviour with respect to key health variables, financial variables and brand loyalty. Creating an engaging wellness programme requires significant investment. The return on this substantial investment is borne out by the fact that it costs five times more to attract a new customer than it does to maintain a loyal customer (Reichheld & Sasser, 1990).

The Momentum Multiply wellness programme was used as a case study for the research and member data from 2018 was analysed to interrogate the research problem. The key variables tested included four participation categories, namely, Be Healthier, Be Safer, Be on Top of Your Finances and Have Cover. Tier status is a consolidated measure of the members' level of participation in the wellness programme. Their relationship between the various participation categories and the member tier status was tested. Following this, the relationship between Tier Status and Brand Loyalty was tested. Given the data provided by the Multiply wellness programme, the Brand Loyalty variable was constructed by multiplying a member's total spend in the Multiply partner network by the total length of membership to provide an appropriate proxy for Brand Loyalty. The total member spend in the Multiply partner network relates to action loyalty. According to Oliver (1999), action loyalty is achieved when consumers display an innate preference towards a brand and act upon this intention through making repurchases consistently. Through the consistent repurchase and use of the rewards and incentives, customers develop an attitude of commitment (Deighton, Henderson & Neslin, 1994; Assael, 1998). Eventually, customers become committed to a brand. Following the findings of Jones and Sasser (1995), it is determined that only long-term loyalty demonstrates true brand loyalty as consumers displaying this commitment will negate buying alternative brands even if there are superior options available through these alternatives. Therefore, considering the total length of membership by members is an important aspect. Ultimately, brand loyalty is a the deeply held commitment by the customer to consistently repurchase a specific brand in the future irrespective of the influence of alternative brand initiatives aimed at trying to convince customers to change (Oliver, 1999).

The relationships between the different variables was tested by utilising Pearson’s correlation analysis, which is a measure of the strength of a relationship between two variables. Through this approach, it is possible to determine if there is a positive or negative correlation between the different variables. Positive correlation determines that as one variable increases there is an associated increase in another variable, whereas negative correlation determines the variables move in opposite directions from one another.

The first step in the process was to test how the participation category variables related to the member tier status. The results from the analysis show that there is a positive and significant correlation between each of the participation categories and tier status. This was determined based on the correlation coefficients being positive and the p-value being less than 0.05 for each variable tested. When considering member participation across the various participation categories, the research showed that members engage in the Have Cover points category the most, followed by the Be Healthier, Be on Top of Your Finances and Be Safe.

The Have Cover category requires a very passive approach to engagement. This category only requires the member to purchase products from the insurance company, which is generally facilitated by a financial adviser and is once-off in nature. The second most engagement was seen in the Be Healthy category which requires a very active approach to engagement on a consistent basis to earn points. This category requires members to engage in fitness and health activities that require time, effort and investment. There is then a marked drop off in engagement in the other two points categories, Be on Top of Your Finances and Be Safe, both of which require a relatively active approach to engagement.

It is important to note that the design of the wellness programme provides for a very even spread of available points across the four points categories. Therefore, in order for a member to earn a high tier status requires engagement in the programme across all four points categories. This does not seem to be achieved when looking at the member engagement statistics.

Following from this, the relationship between Tier Status and Brand Loyalty was tested. The research showed a positive and significant correlation between Tier Status and Brand Loyalty. A summary of the correlation coefficients is presented below in Table 18.

Table 18: Correlation Analysis

	1.	**2.**	**3.**	**4.**	**5.**	**6.**
1.Be Healthier	1					
2.Be Safe	.635**	1				
3.Be on Top of Finances	.603**	.703**	1			
4.Having Cover Points	.285**	.342**	.381**	1		
5.Tier Status	.681**	.714**	.786**	.659**	1	
6.Brand Loyalty	.256**	.224**	.240**	.223**	.309**	1

The research relied on path analysis to assess the causal relationship among the variables. This method was used to determine both the direct and indirect impact of various variables on Brand Loyalty. By applying path analysis, indirect effects are detected – which does not occur when applying simple regression analysis.

Validity of the model was tested through goodness of fit testing as proposed by SEM modelling. Testing of the model was carried out through various statistical measures including the chi-square, Root Mean Square Error of Approximation (RMSEA), Standardised Root Mean Square Residual (SRMSR) and Bentler's Comparative Fit Index

(CFI). All the model indexes were within acceptable limits. This indicates that the path analysis model was a good fit for the data. This means that the results are reliable.

The results show that brand loyalty is influenced to some degree through active participation in the wellness programme. Through engagement in the programme, members earn a tier status. This tier status determines the level of rewards and incentives they can access through the Multiply partner network. The research showed that through the Squared Multiple Correlations that tier status explains 9.5% of brand loyalty. This would suggest that there is definitely an impact on brand loyalty, however it is not as significant as would be envisaged by the programme owners. When considering this holistic programme overview, it may seem as if the investment in the wellness programme by the life insurance company does not offer a meaningful return on investment, but this may be misleading.

The research went further to investigate how the different tier status levels drive engagement and impact brand loyalty. There are five tier status levels. Members begin on Bronze status when entering the programme and through engagement in the four points categories move to Silver status then Gold status then Platinum status and finally, Private Club status. The research showed that there was a significant increase in engagement across all points categories as members moved through the different tier statuses. Private Club members displayed the most engagement across all points categories.

In respect to the Have Cover category, Private Club members earned just over three times as many points as Bronze members. When considering the Be Healthier category, Private Club members earn 4,8 times as many points as Bronze members. In the Be on Top of Your Finances categories, Private Club members earn 37,2 times the number of points as Bronze members do in the category. Finally, Private Club members earn 15,8 times as many points Bronze members earn in the Be Safe category. This trend is extended when considering the influence of tier status on brand loyalty. Private club members are 3,5 times more brand loyal than Bronze members.

From the research, it becomes clear that there is an influence of active participation on brand loyalty associated to the loyalty programme. It is also abundantly evident that the greater the engagement in the wellness programme by the member, the greater the brand loyalty the member displays.

5.3 Sub-problems

5.3.1 Sub-problem 1

The first sub-problem was to investigate the various components of a corporate wellness programme with the intention of understanding how the programme was structured and how it aimed to change certain member behaviour.

For a portion of corporate enterprises, employees are provided free access to a wellness programme as part of their corporate benefit packages (Callaway, Bosworth & Thole, 2014). This implies that there is a natural hurdle to membership due to the fact that the individual must be employed by a specific company. Individuals consistently under-estimate their health status and the associated health risks (Slutzky, 2008).

A typical corporate wellness programme provides a set of basic health assessments and a range of health tracking and analysis tools. The health assessments focus on passive health assessments and active assessments. The Health Risk Assessment is a lifestyle questionnaire and specific biometric assessments which include blood pressure, glucose, cholesterol screening, together with a body mass index analysis (Berry, Mirabito & Baun, 2010). The Health Risk Assessment provides the member with insight as to the benefits of making certain healthy lifestyle changes and maintaining meaningful behaviour change (Bowden, Fry, Powell, Rosene & Shewanown, 2010). Added to the passive health assessments is the requirement to improve fitness through physical activity. Caspersen, Powell and Christenson (1985 pg. 126) define physical activity as “any bodily movement produced by skeletal muscles that results in energy expenditure”. Physical activity is most accurately measured in the number of kilocalories burned. This essentially means the member is required to exercise regularly to improve overall fitness.

The next component of a corporate wellness programme is a range of health tracking and analysis tools. These tools take the form of technology platforms that record, track and analyse physical health and activity data. These tools are provided as a mechanism for allowing the member to gauge their progress made towards improving their physical health and wellbeing.

Participation in the corporate wellness programme is promoted and motivated by the final component of the programme, the incentives and rewards. Incentives play a critical role in maintaining engagement in the programme and entice new members to join the programme (Callaway et al., 2014). The rewards and incentives take the form of discounts on consumer brands and lifestyle experiences. Through achieving certain health goals, the member gains access to different levels of incentives and rewards.

5.3.2 Sub-problem 2

The second sub-problem was to define the various antecedents of loyalty programmes and the mechanisms employed by these programmes to influence customer behaviour.

A loyalty programme has, as its primary objective, to create a win-win partnership between the customer and the brand, where the customer receives certain benefits that are either monetary or non-monetary based on the degree of loyalty displayed towards the brand (Sharp & Sharp, 1997). The mechanism of driving engagement in a loyalty programme is significantly simpler, less onerous and considerably less taxing than that of a corporate wellness programme. Loyalty programmes reward customers for the purchases, either in the past through delayed rewards, or in the current through immediate rewards (Yi & Jeon, 2003). Therefore, the only requirement for a member to participate in a loyalty programme is to change, adapt or enhance their purchasing behaviour. Loyalty programmes provide additional benefits to customers through the provision of incentives that may constitute monetary or non-monetary rewards based on the volume of sales generated (Stauss et al., 2005).

5.3.3 Sub-problem 3

The third sub-problem was to identify the antecedents of an insurance-based wellness programme in the context of the South African life insurance industry, the purpose of such a programme, the components that determine active member participation and mechanisms used to influence member behaviour.

An insurance-based wellness programme focuses on three primary categories of member participation. These are physical health and activity, personal wellness and financial wellness. The objective of changing, modifying and enhancing member behaviour across these three categories is to reduce member risk for the insurance company, increase loyalty and drive improved profitability.

The insurance-based wellness programme is a complex design that requires active participation from members. Through active participation in the programme and by achieving specified objectives, members are able to progress up through the different tiers or statuses. A member's progression is based on the accumulation of points associated with the engagement and completion of various activities within the programme. Hence a member's points and status provide a proxy measure for the member's level of engagement in the programme (Patel, Lambert, da Silva, Greyling, Nossel, Noach, Derman & Gaziano, 2010). This structure is purposeful and leverages off human beings' profound and innate desire for elevated status (Dreze & Nunes, 2009; Heffetz & Frank, 2011).

Through membership of the wellness programme, members are eligible for certain incentives and rewards. The degree of incentives and rewards is based on the members level of participation in the programme. Incentives can be classified into two categories. Participation incentives provide rewards for merely participating in the wellness programme, while attainment incentives provide rewards for achieving certain goals or targets associated to improving health and physical activity (Schimdt, Voigt & Wikler, 2010). Incentives are essentially delivered in the form of discounts across a wide range of products and services. These products and services are focused in three categories, personal finance, physical wellness and lifestyle. The provision of the incentives and rewards are aimed at enhancing the members' lifestyle that provides for both the utilitarian and hedonic aspirations of members to be fulfilled (Dorotic, Bijmolt, & Verhoef, 2012). However, incentives can only achieve a degree of the total motivation required to effect permanent behavioural change, a degree of internal motivation is required by the member (Bowden et al., 2010).

5.3.4 Sub-problem 4

The fourth sub-problem was to identify the antecedents influencing brand loyalty and the outcomes of enhanced brand loyalty.

According to Aaker (1991), the profitability of a company is directly influenced by the degree of brand loyalty it attracts. There exists a strong relationship between brand loyalty and brand equity which proposes that loyalty has the potential to drive price premia and market share for a brand (Yoo, Donthu & Lee, 2000). Brand loyalty does not just happen. Companies have to make considerable investments across their full value chains to establish, develop and build brand loyalty amongst consumers. Building real, sustained brand loyalty should include both preferences towards the brand and consistent repurchase behaviours. Both these factors must reflect consistently in a consumer's decision making and evaluation process, and sustained commitment to the brand (Bloemer & Kasper, 1995).

In the context of this research report, focus was given to member commitment to the brand and the members' propensity to spend more with the brand through the programme partner network. Following the findings of Jones and Sasser (1995), it is determined that only long-term loyalty demonstrates true brand loyalty as consumers displaying this commitment will negate buying alternative brands even if there are superior options available through these alternatives.

Fundamental to a powerful brand is its ability to deliver an enticing value proposition that enthuses commitment from a customer (Yue Pan et al., 2012). Commitment is a necessary attitude for loyalty to occur and is evident when attachment or identification with a product exists (Bloemer & De Ruyterk, 1998). The insurance-based wellness programme leverages these findings in the programme design to ensure strong commitment from members who actively engage. Brand loyalty is the deeply held commitment by the customer to consistently repurchase a specific brand in the future, irrespective of the influence of alternative brand initiatives aimed at trying to convince customers to change (Oliver, 1999). When measuring brand loyalty, it is pertinent to distinguish between affective loyalty and action loyalty (Chi, Yeh & Yang, 2009). When repurchase intention exists due to the amassing of satisfactory experiences of past purchases, then affective brand loyalty is achieved (Chi et al., 2009).

5.4 Discussion pertaining to Hypotheses

5.4.1 Hypothesis 1 – Engagement in physical health measurement and improvement of physical health status drives member points and status.

The results from path analysis shows that the relationship between Tier Status and Be Healthier (B = 0.004, β = 0.238, t=121.0234, p-value < 0.001) is positive since the standardised coefficient for Be Healthier (0.004) is greater than zero and is also significant since the p-value is less than 0.05. This implies that H1 is supported. However, the engagement levels increased significantly for members that had achieved a higher tier status. The research showed that this category of points is the second most important category for members when determining their level of engagement. It can be concluded that engagement in physical health measurement and improvement drives member tier status.

5.4.2 Hypothesis 2 – Engagement in safety tracking and risk reduction behaviour drives member points and status level

The results from path analysis shows that the relationship between Tier Status and Be Safe Score (B = 0.004, β = 0.162, t=73.236, p-value < 0.001) is positive since the standardised coefficient for Be Safe is greater than zero and is also significant since the p-value is less than 0.05. This implies that H2 is supported. When considering the various tier statuses, again there was a marked increase in engagement as the members' tier status improved. However, the research showed that this category of points shows the lowest levels of engagement out of the four categories. Nevertheless, it can be concluded that engagement in safety tracking and risk reduction behaviour drives member points and status level.

5.4.3 Hypothesis 3 – Engagement in financial position analysis and improvement drives member points and status level.

It can be noted from the regression weights table that the relationship between Tier Status and the Be on Top of Finances Score (B = 0.007, β = 0.380, t=174.872, p-value < 0.001) is positive since the standardised coefficient for Be on Top of Finances was greater than zero and is also significant since the p-value is less than 0.05. This implies that H3 is supported. The Be on Top of Your Finances category shows the third most engagement by members. The trend in relation to increased engagement with the increase in tier status is evident for this category. It can be concluded that engagement in financial position analysis and improvement drives member points and status level.

5.4.4 Hypothesis 4 – Ownership of the company policies and investments drives member points and status level.

The results from path analysis shows that the relationship between Tier Status and Having Cover Points (B = 0.004, β = 0.391, t=247.355, p-value < 0.001) is positive since the standardised coefficient for Having Cover Points (0.004) is greater than zero and is also significant since the p-value is less than 0.05. This implies that H4 is supported. This category of points requires the least amount of effort and is the most passive of all four points categories. It is also the points category with the most engagement. Private Club members are again the most engaged in this points category. It can be concluded that Ownership of the company policies and investments drives member points and status level.

5.4.5 Hypothesis 5 – Tier status defines the degree of active participation which in turn, drives brand loyalty

It can be noted that relationship between Brand Loyalty and Tier Status (B = 4790660.80, β = 0.309, t=90.854, p-value < 0.01) is positive since the standardised coefficient for Tier Status (479 660.80) is greater than zero and is also significant since the p-value is less than 0.05. This implies that H5 is supported. The research considered brand loyalty as a function of member spend in the Multiply partner network times length of membership. It can be concluded that tier status does drive brand loyalty for the brand.

5.5 Demographic data

The membership sample that was analysed comprised of a total of 78 285 members, of which 50% were male and 50% female. The wellness programme offers family membership and single membership, where family memberships comprised 63% and single memberships comprised 37% of the membership base. The mean average age of members was 44.35 with a standard deviation of 11.84 years. This shows that the majority of members feel between the ages of 32,51 years and 56,19 years. This supports the assumption that the majority of members are economically active.

Members have, on average, been with the wellness programme for a period of five years and eight months with a standard deviation of three years and five months. Of the total membership base measured, 40% of members are on Bronze status, 29% of members are on Silver status, 14% of members are on Gold status, 8% of members are on Platinum status and 10% of members are on the top tier status, Private Club.

5.6 Conclusion

The main research problem was investigated and the influence of active participation in the wellness programme on brand loyalty was determined. A discussion on the four sub-problems was done. Thereafter, each of the five hypotheses were examined. The findings showed that there is an influence of active participation in a wellness programme on brand loyalty. In addition to this finding, the research went further to investigate the influence of each of the member tier status has on the different variables. Through this investigation, significant differences were uncovered in relation to the level of active participation by members on the five status tiers. It also highlighted significant differences in the influence of participation on brand loyalty across the five status tiers. It was found that incentivising participation in the wellness programme does drive increased brand loyalty. The chapter is concluded with confirmation of the supported hypotheses detailed in Table 19 below. This table provides a summary of the research hypotheses that were accepted – none were rejected.

Table 19: Summary of Hypotheses

Hypothesis		Outcome
H1	Engagement in physical health and activity measurement and improvement drives member points and status level	Supported
H2	Engagement in safety tracking and risk reduction behaviour drives member points and status level	Supported
H3	Engagement in financial position analysis and improvement drives member points and status level	Supported
H4	Ownership of the company policies and investments drives member points and status level	Supported
H5	Tier status defines the degree of active participation which in turn, drives brand loyalty.	Supported

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter provides a summary of the conclusions of the research study. This is followed by recommendations based on the findings of the research. Finally, the report is concluded with suggestions of areas for further research.

6.2 Conclusions of the study

This research report set out to determine the degree of influence active participation in a wellness programme has on brand loyalty for the life insurance company that owns and managers the wellness programme.

Life insurance companies in South Africa compete in a very competitive market environment where products and solutions are largely commoditised. The structure of the distribution models employed by the insurance companies has created a disconnected relationship between the end consumer and the life insurance company. Momentum, a leading life insurance company in South Africa has created the Multiply Wellness programme with the objective of enhancing member behaviour across a range of key health and lifestyle areas. This behaviour change is motivated by the provision of a set of deep and meaningful incentives and rewards. The outcomes that are being targeted for the investment in the wellness programme are reduced member risk, lower claims, enhanced loyalty and increased profitability.

Wellness programmes are complex structures that require significant investment to establish, maintain and evolve to consistently drive relevant member behaviour that results in desired outcomes for both the member and the insurance company. Fundamental to the efficient operation of the wellness programme is active participation by members. Without active participation by members the wellness programme would not deliver on its strategic outcomes and certainly not deliver the required return on investment.

Members are required to engage with the Multiply wellness programme across four distinct categories. Three of these categories, namely Be Healthy, Be Safe and Be on top of Your finances are deemed to be active categories where a member is required to exert a considerable degree of effort to actively engage and earn points. The last category, Have Cover, is a passive category where a member merely needs to purchase a product to earn points. The data showed that there was a marked difference in the participation levels by members across the four categories.

The structure of the programme provides a member tier status which is a consolidated measure of the level of active participation by each member. There exist five tier statuses ranging from Bronze, Silver, Gold, Platinum and Private Club. Across the membership base of 78 285 there was a wide range of participation levels. The participation was not consistent across the four participation categories. This should be of some concern to the insurance company as there may be key member outcomes that are being negated through the low levels of participation in certain categories. Nevertheless, it was found that active participation in the various points categories was a driver of tier status.

The participation by members in the programme is motivated by the access to a portfolio of incentives and rewards. These incentives and rewards are in the form of strong, deep and meaningful discounts across a wide portfolio of lifestyle partners and in-house products. The scope of the discounts is dependent on the member tier status with the discounts increasing with the improvement in tier status. Brand loyalty in the context of the study was a variable constructed from member spend in the partner network and length of membership. The data revealed a direct, albeit limited, correlation between active participation in the wellness programme and brand loyalty.

However, the study went further to investigate the influence members in the different tier statuses had on tier status and ultimately, on brand loyalty. Participation of members increased drastically as members moved up the tier statuses. Overall, the research showed that Private Club members earned 4.8 times as many points as opposed to Bronze tier status members. Therefore, it can be inferred that the wellness programme structure does promote the necessary behaviour change in varying degrees across the membership base. Following this, the research showed that Private Club members who were more active had a 3.5 times greater influence on brand loyalty as opposed to members on lower tier statuses.

Brands that are able to achieve a high degree of brand loyalty from consumers create a strategic advantage through establishing a unique competitive advantage that delivers protection against the array of advances of competitors and provides high levels of direct control over their marketing programmes (Gounaris & Stathakopolous, 2004). Brand loyalty is unique to each brand, which makes it exceedingly difficult to replicate by competitors (Delgado-Ballester et al., 2005).

Through the employment of the Multiply wellness programme, the Momentum life insurance company has successfully enhanced brand loyalty of the membership base.

6.3 Recommendations

The recommendations that follow could be relevant to organisations and marketers that want to drive enhanced brand loyalty through the implementation of a wellness programme. The results of the research can offer important insights into the member behaviour and associated outcomes of a wellness programme.

The establishment of a wellness programme requires significant investment. The outcomes of the wellness programme must be valuable enough to ensure an appropriate return on investment. It can be seen that through active participation in the wellness programme members are more brand loyal. Therefore, focus should be given to ensuring that a greater percentage of members actively participate in the programme on a consistent basis. The case study provided a combination of active and passive participation categories. There existed a wide range of participation in the four categories which suggests that the type of participation required should be carefully considered to ensure maximum participation across the membership base.

The incentive and reward structures were a motivating factor for members. However, these incentives and rewards were insufficient to compel all members to actively participate in the programme. It is therefore recommended that, in future, more attention should be given to the types and scope of the rewards and incentives on offer. A different set of incentives and rewards could potentially drive greater participation by the membership base.

Finally, the mechanisms of engagement must be considered, given the changing nature of the customer journey and experience. The ease of participation is becoming ever more important and for a wellness programme to be successful, it must create an attractive customer journey for members. This will require continuous work and investment.

6.4 Suggestions for further research

The study was focused on a single case study in the South African insurance market. It was very comprehensive, based on the sample size of 78 285 members. The focus was specifically on the influence of active participation in the wellness programme on brand loyalty. Although the research supported this, there are some important areas of additional research that can provide additional important insights.

The investment required to implement the wellness programme is significant. It would be important to understand the level of member participation required and the associated positive outcomes across individual risk reduction, reduced claims and increased profitability to validate the investment in the wellness programme.

Further to this, research into the design and scope of the portfolio of incentives and rewards would be of value to determine the effect these have on motivating member engagement in the programme. Through the provision of incentives and rewards tailored to the member base, this can go a long way in ensuring the necessary engagement levels and outcomes.

Another area of additional research would be to fully understand the reasons behind participation in the wellness programme. This could inform the structure of the programme in the future.

Finally, it will be valuable to conduct the research of the outcomes of participation in the wellness programme over a prolonged period of time. This will have the benefit of determining important trends in the membership base and the benefits of the wellness programme for the insurance company.

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