

Gordon Institute of Business Science

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Engaging with the Engaged – Issues around the topic of Customer Engagement.

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of

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Abstract

This research project explores a number of issues related to the topic of Total Customer Engagement Value, specifically looking to ascertain whether encouraging engagement amongst consumers can be costly to a firm, whether Word of Mouth activity distributed through high engagement channels may be relatively ineffective, whether the acquirement and utilisation of information from these channels can damage an organisation and whether the rewarding of customers for engagement behaviours can lead to resentment on behalf of their lower engaged counterparts.

A quantitative study was undertaken wherein the following was measured amongst consumers of Internet Service Providers: Total Customer Engagement Value, Personal Values, the level of technological-savviness of individuals who seek out information from respondents, the stated likelihood of switching to an alternative service provider, measurements related to service expectations, and perceptions related to the preferential treatment of other customers.

The study did find that there are a number of potential issues regarding the asserted benefits of customer engagement. It was illustrated that in some instances lesser-engaged customers may be more desirable to a firm. Word of Mouth may remain isolated to a group of similar individuals, and thus limit the supposed effectiveness of the spread of information via social media. Focussing on Highly-Engaged individuals as a source of information was also shown to be potentially dangerous, as they differed in four of their personal values.

Key Words: Total Customer Engagement Value, Customer Lifetime Value, Customer Referral Value, Customer Knowledge Value, Customer Information Value, Word of Mouth, Personal Values, Service Expectations.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

| | 29 January 2014 |
|------------------------------|-----------------|
| Signed: Daniel Arthur Harris | Date |

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TABLE OF CONTENTS

| <u>1.</u> | CHAPTER 1 - INTRODUCTION TO RESEARCH PROBLEM | 1 |
|-----------|---|----|
| 1.1 | Introduction | 1 |
| 1.2 | BACKGROUND | 2 |
| 1.3 | RESEARCH PROBLEM AND OBJECTIVES | 3 |
| 1.4 | RESEARCH SCOPE | 6 |
| <u>2.</u> | CHAPTER 2 - LITERATURE REVIEW | 7 |
| 2.1 | Introduction | 7 |
| 2.2 | MARKETING METRICS | 7 |
| 2.3 | THE POWER OF CUSTOMER-CENTRIC MEASUREMENTS | 8 |
| 2.4 | TOTAL CUSTOMER ENGAGEMENT VALUE | 8 |
| 2.5 | THE RISE OF CUSTOMER ENGAGEMENT | 14 |
| 2.6 | THE ISSUES AROUND CUSTOMER ENGAGEMENT | 14 |
| 2.7 | VALUES AND WHY THEY ARE RELEVANT FOR THIS STUDY | 16 |
| 2.8 | UNDERSTANDING AND MEASURING VALUES | 17 |
| 2.9 | VALUES AND CUSTOMER ENGAGEMENT | 19 |
| 2.10 | O CONCLUSION | 20 |
| <u>3.</u> | CHAPTER 3 - PROPOSITIONS AND RESEARCH QUESTIONS | 21 |
| 3.1 | Proposition 1 | 21 |
| 3.2 | Proposition 2 | 21 |
| 3.3 | PROPOSITIONS 3 AND 4 | 22 |
| 3.4 | Proposition 5 | 22 |
| 3.5 | RESTATED QUESTIONS | 23 |
| 3.6 | Hypotheses | 23 |
| <u>4.</u> | CHAPTER 4 - RESEARCH METHODOLOGY | 27 |
| 4.1 | Introduction | 27 |
| 4.2 | RESEARCH DESIGN | 27 |
| 4.3 | UNIVERSE AND SAMPLING | 28 |
| 4.4 | DATA COLLECTION | 33 |
| 4.5 | THE DATA COLLECTION INSTRUMENT | 34 |
| 4.6 | STATISTICAL DATA ANALYSIS | 36 |
| 4.7 | LIMITATIONS | 37 |
| 4.8 | CHAPTER CONCLUSION | 38 |
| <u>5.</u> | CHAPTER 5 - RESULTS | 39 |
| 5.1 | Introduction | 39 |
| 5.2 | STATISTICAL RESULTS | 39 |
| 5.3 | CEV Scale | 51 |
| 5.4 | Нуротнеѕеѕ | 56 |
| 5.5 | HYPOTHESES SUMMARY TABLE | 69 |
| 5.6 | CHAPTER CONCLUSION | 71 |

| <u>6.</u> | CHAPTER 6 - DISCUSSION OF RESULTS | 72 |
|-----------|-----------------------------------|-----|
| 6.1 | Introduction | 72 |
| 6.2 | Hypotheses | 73 |
| <u>7.</u> | CHAPTER 7 - CONCLUSION | 85 |
| 7.1 | Introduction | 85 |
| 7.2 | KEY FINDINGS | 85 |
| 7.3 | MANAGEMENT IMPLICATIONS | 87 |
| 7.4 | LIMITATIONS OF THE STUDY | 89 |
| 7.5 | SUGGESTIONS FOR FUTURE RESEARCH | 90 |
| 7.6 | Conclusion | 90 |
| <u>8.</u> | REFERENCES | 91 |
| <u>9.</u> | APPENDICES | 101 |
| 9.1 | QUESTIONNAIRE AND RESPONSES | 101 |
| 9.2 | LETTER OF INFORMED CONSENT | 140 |

LIST OF TABLES

| Table 1 – Schwartz's 10 values | 18 |
|--|----|
| Table 3 - Engagement Count | |
| Table 4 - Engagement Count | 33 |
| Table 5 - Continuous Descriptive Outputs | 40 |
| Table 6 - Facebook Related Stats | 42 |
| Table 7 - Twitter Stats | 44 |
| Table 8 - ISP and Product Knowledge Stats | 45 |
| Table 9 - Blogging Stats | 46 |
| Table 10 - Values Stats | |
| Table 11 - CEV Scale Items | 51 |
| Table 12 - CEV Scale Item Reliability (Cronbach's Alpha) | 51 |
| Table 13 - Corrected Item Total Correlation Score | 52 |
| Table 14 - CEV Scale Item Correlation Matrix | 53 |
| Table 15 - CEV KMO & Bartlett's Test Score | |
| Table 16 - CEV Factor Analysis Component Matrix | |
| Table 17 - CEV Factor Analysis Total Variance Explained | |
| Table 18 - CEV Scale | |
| Table 19 - Engagement Count | |
| Table 20 - Correlation Summary Values and CEV | 57 |
| Table 21 - Correlation CEV and TechSavvy | 61 |
| Table 22 - Correlation CEV and Likelihood of Switching ISPsISPs | 62 |
| Table 23 - Correlations CEV and Service Expectations | |
| Table 24 – Independent Sample T-Test Count Results | |
| Table 25 – Independent Sample T-Test Results | |
| Table 26 – Independent Samples Tech-Savvy Levene's Test | |
| Table 27 – Independent Sample SM Levene's Test | |
| Table 28 – Independent Samples NOT Fair Tech-Savvy Levene's Test | |
| Table 29 - Independent Samples NOT Fair SM Levene's Test | |
| Table 31 - Summary of Hypotheses | 69 |

LIST OF FIGURES

| Figure 1 - Values Map | | 19 |
|--------------------------------------|--------------------------------------|----|
| Figure 3 - Initial Responses | Figure 4 - Distribution of Responses | 30 |
| Figure 5 - Distribution of Intermitt | ent Responses | 31 |
| Figure 6 - Responses (24-31 Oct) | Figure 7 - Distribution of Responses | 32 |
| Figure 8 - Internet Access Locatior | 1 | 41 |
| Figure 9 - ISP Account count | | 41 |
| Figure 10 - Facebook Account Cou | nt | 42 |
| Figure 11 - Twitter Data | | 43 |
| Figure 12 - Ability to Evaluate ISPs | 3 | 44 |
| Figure 13 - Blog Count | | 46 |
| Figure 14 - Consumer Complaint S | ites Use | 47 |
| Figure 15 - Use of Complaint Sites | by Engagement Level | 48 |
| Figure 16 – Feelings Around Prefe | rential Treatment | 49 |



1. Chapter 1 – Introduction to Research Problem

1.1 Introduction

The objective of this research is to explore a number of pertinent issues related to the topic of Customer Engagement Value. Specifically, this study looks to detail some of the dangers around focussing too heavily or exclusively on Highly-Engaged customers, some issues around the rewarding of Highly-Engaged individuals, some of the limitations on relying on Highly-Engaged individuals as a means to spread Word of Mouth communication and finally some cases where encouraging or actively trying to increase engagement may be detrimental to the health of an organisation.

Libai (2011) stated that there is a growing interest within the marketing community around the topic of Customer Engagement. He also stated that there is a need to explore a number of issues within the customer engagement framework, such as whether highly engaged customers are at all representative of the needs and tastes of the overall market, whether they will actually assist in creating the right value for the firm, and whether their word-of-mouth will actually reach beyond their own group (Libai, 2011).

This study aims to contribute to the literature around Customer Engagement by looking at some of these issues. One of the core objectives of this study is to ascertain whether there is a significant difference between customers who rank as Lowly-Engaged in comparison to those who rank as Highly-Engaged. This is achieved through the analysis of these two individuals group's values.



1.2 Background

Numerous academics and executives now believe that marketing has a strategic role to play within a firms' success as a contributing factor to shareholder value (Akroush, 2012). However, there is agreement amongst most organisations that there is a need for accountability from marketing (Clark & Ambler, 2011) and that managers need to be able to justify the expenditures of marketing to the firm (Petersen, McAlister, Reibstein, Winer, Kumar & Atkinson, 2009) and to demonstrate, on an ongoing basis, the profitability of their marketing activities (Terblanche, Gerber, Erasmus & Schmidt, 2013).

Marketing metrics are proposed as a tool to accomplish the above, justifying firm expenditures and accountability for the marketing function (Petersen, McAlister, Reibstein, Winer, Kumar & Atkinson, 2009). Customer metrics are measurements focussed on the region of customer value, that is the overall value of customers' relationships with the firm, in economic terms (Verhoef & Lemon, 2013). Firms assuming a customer-centric focus tend to perform better than those that do not (Verhoef & Lemon, 2013), as they are able to identify and focus their efforts on high value customers, which are less costly to serve (Abbasimehr, Setak & Soroor, 2013), and that such a focus serves as encouragement for firms to focus on long-term as opposed to short-term profitability (Li, 2010).

Within the scope of customer metrics, over the last few years, Customer Engagement has arisen as a topic of significant interest to both managers and consultants within a wide array of companies and industries worldwide (Sashi, 2012). Customer Engagement is unique as a metric in that it measures the purchasing activities of an individual as well as their behavioural manifestations that add value to the firm (Kumar, Aksoy, Donkers, Venkatesan, Wiesel & Tillmanns, 2010), many of which were not possible a decade ago (Gummerus, Liljander, Weman & Pihlström, 2012).



The Customer Engagement Value framework is made up of four components. The first component is that of Customer Lifetime Value, which can be defined as "the present value of all future profits obtained from a customer base over his or her life of relationship with a firm" (Gupta, Hanssens, Hardie, Kahn, Kumar, Lin, Ravishanker & Sriram, pp. 141, 2006). CLV is useful in that allows firms to predict future profits from a customer based on past behaviour (Chen & Fan, 2013). While CLV measures the purchase activities of the firms' customers, the other three measure their behavioural manifestations. These behaviourial aspects of Customer Engagement have largely been made possible through the rise in adoption of the Internet and Social Media, which has opened up new ways for firms to engage with their customer base (Malthouse, Haenlein, Skiera, Wege & Zhang, 2013).

The second component of CEV is that of Customer Referral Value. This refers to those customers acquired by the firm via the means of incentivised referral programs (Garnefeld, Eggert, Helm & Tax, 2013). The third component of CEV is that of Customer Influencer Value, which refers to the influence, be it negative or positive, positive, of customers on other existing or potential customers via activities such as Word Of Mouth, information sharing, interaction and assistance (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010). The significant difference between CRV and CIV is that CIV is not incentivised by the firm. Finally, the last component of CEV is Customer Knowledge Value, which refers to feedback from customers to the firm, which may lead to ideas for improvements and innovations (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010).

1.3 Research Problem and Objectives

Gupta & Zeithaml (2006) stated that there was a crucial need to understand the relationship that exists between customer metrics and profitability. The reasons they put forward for this are that an understanding of the relationship that exists between the two provides a fundamental means for measurement of, qualifying and explaining the necessity for various marketing expenditures of the firm.

It is clear that Customer Engagement is being hailed as an incredibly powerful metric and that numerous organisations are looking on the whole to increase engagement amongst their customers. Customer Engagement is viewed as a strategic essential that enables firms to establish and sustain competitive advantage, as well as a tool to



predict future performance of a business (Brodie, Ilic, Juric & Hollebeek, 2013). It is a metric that allows firms to identify and focus on high-value customers (Abbasimehr, Setak & Soroor, 2013), and to acquire information about their preferences, characteristics and needs (Weng & Huang, 2012).

For these reasons organisations are continuously striving to increase customer engagement with their brands and in fact many executives not only view customer engagement as a strategic imperative that is a requirement for future growth, but also view low customer engagement as a detrimental threat to the health of the organisation Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010).

However, there are a number of potential issues and risks associated with the customer engagement framework. Libai (2011) pointed out that of a firms' overall customer base, only a small fraction of those actually measure as Highly-Engaged individuals, while the remaining majority are less engaged. The rise of such platforms as social media has given organisations direct access to these Highly-Engaged individuals. However, due to the fact that these individuals make up such a small portion of the firms' customer base – there are a number of risks present.

The first issue, within the context of Customer Lifetime Value, is that in some instances there highly-engaged or more loyal individuals may in fact be more costly to serve than lowly engaged individuals, due to the fact that they may be more likely to seek out information related to the prices of products, and hence may be more likely to defer from an organisation.

The second issue, within the context of Customer Referral Value, focuses on the dangers of rewarding customers for behaviour, which may ultimately result in feeling of unfair treatment from those customers not rewarded (Frow, Payne, Wilkinson & Young, (2011). Hinz, Schulze & Takac (2012) also stated that within the context of referral programs there is an issue around the perceived neutrality of the communication.

The third issue, within the context of Customer Information Value, is concerned with the claimed power of Word of Mouth to spread communication via high-engagement channels frequented by Highly-Engaged individuals to the remaining majority of the firms customer base. It has been stated that the rise and continued growth of Social



Networks has driven organisations to engage in Word of Mouth communications with their customers (Cvijikj & Michahelles, 2013), and that customers who spread positive Word Of Mouth might actually be the firm's most powerful salespeople (Kumar, Pozza & Ganesh, 2013). However, despite it's strong popularity, viral marketing on social networks has not been as successful as anticipated (Cvijikj & Michahelles, 2013). Libai (2011) believes that Word of Mouth communication may in fact remain isolated to a group of similar individuals. Because High-Engagement individuals make up such a small fraction of a firms customer base, utilising Word of Mouth communication might fail to reach the mass of a firms customers.

Finally, the last concern, within the context of Customer Knowledge Value, concerns exploring the safety of utilising information garnered through High-Engagement channels. There have been some incredibly strong statements made in the academic realm concerning how Social Media and Highly-Engaged individuals now provided firms with an abundant source of knowledge that they may use when making decisions. One such statement is that of Djelassi & Decoopman (2013), who believes that the fundamental role of the customer in relation to the organisation has changed from that of a purchaser of products to a partner and a co-creator of value. The concern lies, again in the fact that Highly-Engaged individuals make up a small minority of the firms customer base. If they are fundamental differences between the two engagement groups, then firms risk gathering information and making decisions that are misrepresentative of the needs of their overall customer base. The implications of this are severe.

In order to ascertain whether these two groups are significantly different, this study looks at the Personal Values construct. Values are selected due to the fact that they may have an impact on how consumers' perceive or respond to sales promotion activities (Weng & Run, 2013), and they may serve as one of the most powerful influences on, and predictors of, consumer behaviour (Vincent & Selvarani, 2013).



1.4 Research Scope

The research will focus on the customers of a specific product category, in this case that of Internet Service Providers in South Africa. The components of Customer Engagement will be measured, however due to the lack of access to information around companies customers, CLV will not be included in the study.



2. CHAPTER 2 - LITERATURE REVIEW

2.1 Introduction

This chapter will outline the literature relevant to this study, which is focussed primarily around the topic of Customer Engagement. Through the discussion of the literature this chapter aims to detail and explore the theoretical foundations of the customer engagement framework and some of it's associated activities. This will be followed by a discussion around the asserted merits of customer engagement alongside a number of potential challenges to the framework. These challenges will form the foundations for the research questions and ultimately the hypotheses detailed in the subsequent chapter.

2.2 Marketing Metrics

Mark, Lemon, Vandenbosch, Bulla & Maruotti (2013) stated that an increase in the use of marketing metrics leads to an increase in firm profitability. Furthermore, Mintz & Currim (2013) stated that an increase in the use of marketing metrics resulted in better perception of the performance of the marketing-mix.

One of the crucial decisions facing organisations and marketers today is thus around the selection of which marketing metrics to utilise. Verhoef & Lemon (2013) stated that while firms, as a means of measurement of success, still tend to utilise and focus on product-centric measurements such as market share, there are a number of problems with such measurements. Firstly, as these authors point out, the firm may incorrectly optimise these measurements. Furthermore, product-centric measurements tend to only focus on one product category, which may not provide a holistic means of measurement as consumers may purchase numerous products from differing categories.

Mitchell (2008) stated that one of the shortcomings of marketers is that they tended to have a seller-centric focus, whereby they measure success in terms of how effective they have been in changing the attitudes or behaviours of their targets. This objective however, as Mitchell (2008) points out, is flawed it does not address the measurement



of how aligned one is to the needs and priorities of their customer base. The result of such a focus is that marketers do not know if their marketing activities are, from the perspective of the buyer, adding or destroying value. Mitchel (2008) stated that rather than addressing how successful their activities have been in altering the attitudes and behaviours of consumers, marketers should focus on alignment of their activities to those desired by their customers.

In order to overcome the shortcoming addressed above, both Mitchel (2008) and Verhoef & Lemon (2013) suggested the use of customer-centric measurements.

2.3 The power of customer-centric measurements

Customer metrics are measurements focussed on the region of customer value, that is the overall value of customers' relationships with the firm, in economic terms (Verhoef & Lemon, 2013). Firms assuming a customer-centric focus tend to perform better than those that do not (Verhoef & Lemon, 2013), as they are able to identify and focus their efforts on high value customers, which are less costly to serve (Abbasimehr, Setak & Soroor, 2013), and that such a focus serves as encouragement for firms to focus on long-term as opposed to short-term profitability (Li, 2010).

Customer-centric measurements, such as retention and Word Of Mouth, were previously considered and measured on a separate fragmentary basis - until Van Doorn et. al (2010) combined the numerous disparate measurements into one cohesive framework, namely - Customer Engagement.

2.4 Total Customer Engagement Value

Over the past number of years customer engagement has materialized as a subject of significant interest to managers, consultants and companies worldwide (Sashi, 2012). Customer engagement acknowledges a number of firm-related behaviours performed by consumers, many of which did not exist a decade ago (Gummerus, Liljander, Weman & Pihlström, 2012). Total Customer Engagement Value (CEV) was proposed as a means to assess customer value on both their transactions with a firm and through the myriad of ways in which customers further interact with and create value



for a firm, the intent being the avoidance of either overvaluing or undervaluing customers (Kumar, Aksoy, Donkers, Venkatesan, Wiesel & Tillmanns, 2010).

The above authors elaborated by explaining that customers create value for firms through their purchasing activities as well as through their behavioural manifestations, which can be positive and/or negative, and derived from either extrinsic or intrinsic motivations. Customer Engagement behaviour can take many forms, such as blogging, engaging in Word-Of-Mouth activity and helping other customers (Wirtz, Ambtman, Bloemer, Horváth, Ramaseshan, Klundert, Canli & Kandampully, 2013).

Customer engagement value is thus driven both by the intensity and nature of customer engagement, in regards to the firm and it's product and service offerings. The authors describe Customer Engagement as a measurement consisting of four core elements. The following four subsections outline these elements as explained by Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, (2010) accompanied by a challenge or issue within each domain.

2.4.1 CLV - Customer Lifetime Value

CLV is "generally defined as the present value of all future profits obtained from a customer base over his or her life of relationship with a firm" (Gupta, Hanssens, Hardie, Kahn, Kumar, Lin, Ravishanker & Sriram, pp. 141, 2006). It serves as a tool which enables the prediction by firms of future profits that may be obtained from a customer based on their historical behavioural (Chen & Fan, 2013), and prompts "firms to learn more about the patterns of individuals or groups of customers" (Chang, Chang & Li, pp. 1062, 2012). CLV is the primary building block of customer-centred valuation for a firm, and is a metric that can be utilised to both manage and grow customers (Gupta, 2009).

Customer Lifetime Value is deemed preferable to other customer centric measurements due to the fact that they do not provide significant insight into future purchase behaviour of customers (Kumar, Chattaraman, Neghina, Skiera, Aksoy, Buoye & Hensler, 2013).

One of the reasons for the adoption of the Customer Lifetime Value metric is due to a significant shift in the perspective of the valuation of the customer as a once-off



purchaser to a long-term valuation – the result of which is a strong focus on customer loyalty. Loyalty is said to reflect the absolute highest state that exists within the relationship between buyer and seller (Stading & Johnson, 2012).

The enhancement of customer loyalty has received a significant amount of focus and attention from academics, managers and consultants due to the fact that loyal customers are reported as having higher retention rates, committing a higher share of their categorical spending to the firm, and having a higher probability of recommending other customers to the firm (Keiningham, Cooil, Aksoy, Andreassen & Weiner, 2007). It is also far less costly to focus on the retention of customers, as opposed to the costs involved in the continuous acquisition of new customers (Bowden-Everson, Dagger & Elliott, 2013). Firms utilise loyalty reward programs as a strategic mechanism to assist in the attraction and retention of customers (Noble, Esmark & Noble, 2013).

Haenlein & Libai (2013) argue that firms who focus their efforts on the acquisition of customers exhibiting higher levels of CLV can accelerate adoption not only amongst those specific individuals, but also amongst other similarly high-ranking CLV individuals. The authors state that this is due to the fact that people's social networks usually tend to be composed of individuals similar to themselves.

While focussing on CLV has, for a number of firms, resulted in significant increases in revenue, without any change in the volume of marketing spend (for example Kumar, Venkatesan, Bohling & Beckman, 2008), CLV is limited in that it fundamentally only focuses on actual purchase behaviour (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, (2010), while failing to recognise the significance of behavioural value-generating activities.

The significance of Customer Lifetime Value and customer loyalty is strongly articulated above, however while enhancing customer loyalty may seem like a logical objective for any organisation, Kumar & Reinartz (2012) pointed out that in certain scenarios loyal customers might prove to in fact be more costly to a firm. The authors explained that in comparison to a less loyal customer, a loyal customer may be more likely to continuously seek out the best prices and deals for a product.



2.4.2 CRV - Customer Referral Value

Customer referral behaviour occurs through the firms' intentional acquisition of new customers via official incentivised referral programs (Garnefeld, Eggert, Helm & Tax, 2013). Referral Behaviour is measured through Customer Referral Value (CRV), which incorporates measurement of the actual successful referrals of customers as well as the ability of customers to acquire profitable new customers for the firm (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010).

While referral programs have been used for a significant period of time, their use has recently been greatly accelerated through the rise of the Internet (Wirtz, Orsingher, Chew & Tambyah, 2013). Evidence suggests that customer acquired through referral activities are in fact more valuable than customers influenced by traditional advertising messages (Hinz, Schulze, & Takac, 2012), and that they exhibit higher levels of retention (Uncles, East & Lomax, 2013). Hinz, Schulze & Takac (2012) raise the concern that while there is a belief that referral programs are highly effective, there is a risk that if the receiver/s of an incentivised Word Of Mouth message know or believe that the message is an incentivised one, this may cause conflict with the supposed neutrality and independence of Word Of Mouth.

Another potential concern around incentivised referral programs pertains to the perceptions of fairness and favouritism. This may transpire when customers are rewarded for incentivising sign-ups from other customers, and thus receive preferential treatment from the organisations. Customers who do not receive the same preferential treatment and observe that they have, to some degree been excluded, may experience feelings of dissent (Frow, Payne, Wilkinson & Young, (2011).

Nguyen & Klaus (2013) found that so long as differential treatment was not noticed by consumers it tended not to be a problem. Furthermore these authors stated that consumers were likely to compare deals with colleagues, friends and family in determining whether they have been treated fairly. These authors also stated that customers tend to accept that favouring more valuable customers is a common practise in business, and to a large degree don't mind it.



2.4.3 CIV - Customer Influencer Value

Customer influencer behaviour occurs via the positive or negative influence of customers on other existing or potential customers through activities such as Word Of Mouth, information sharing, interaction and assistance (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010). The significant difference between customer influence and customer referral behaviour is that with customer influence there exists no formal incentivised referral programme. Customer influencer behaviour is measured through Customer Influencer Value (CIV).

It is worth nothing that CIV, unlike the two aforementioned components, can be either positive or negative, as consumers' may engage in, for example, negative Word Of Mouth (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010).

Word-of-mouth communication has been shown to have a substantial influence on individuals and their choices in terms of product selection (Walsh & Elsner, 2011), as well as on their perception of the quality and value of a service (Sweeney, Soutar & Mazzarol, 2012). Kumar, Pozza & Ganesh (2013) stated that customers who spread positive WOM might potentially serve as the firm's best salespeople. Keller (2007) went so far as to state that Word of Mouth has become the most effective and important communication channel available to an organisation, largely due to a decrease in the credibility of official marketing messages.

Cvijikj & Michahelles (2013) stated that the rise and continuing growth of Social Networks has enticed numerous organisations to engage in Word of Mouth Activity with customers. However, these authors pointed out that despite their significant popularity, viral marketing on social networks has not been as successful as anticipated.

Perhaps there is a reason that it is has not been that successful. Libai (2011) questioned the power of Word of Mouth as it pertain to customer engagement, and he posits that it may remain isolated to a small group of individuals and not cascade through the majority of a firm's customer base. In the case of Highly-Engaged individuals, Libai (2011) pointed out that amongst the individuals who tend to visit community websites, only about 1% measure up as truly engaged.



2.4.4 CKV - Customer Knowledge Value

Customer knowledge development refers to feedback provided by customers to the firm, which may lead to ideas for improvements and innovations. This information gained from customers can be utilised by firms as an organisational asset, with the intention of achieving a competitive advantage (El-Helaly, Ebeid & El-Membawey, 2013). The emergence of social media was one of the key enablers of such behaviour, offering companies an opportunity to listen to and learn from their customers (Malthouse, Haenlein, Skiera, Wege & Zhang, 2013). Through user feedback on websites or via the active monitoring of social media content such as Facebook pages, companies now have an increased ability to learn about customers needs (Cvijikj & Michahelles, 2013).

Within this context customers may undertake the role of either co-developers of the product/service or simply information providers. Customer knowledge behaviour is measured as Customer Knowledge Value (CKV). CKV can be useful to firms, as it essentially allows customers to be involved in various aspects of new product development and/or service and quality improvement efforts (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010).

Cambra-Fierro, Melero-Polo & Vázquez-Carrasco (2013) stated that the data generated through engagement processes could, when managed effectively, generate insights and a better overall understanding of customer needs. This may enable firms to become more efficient, offering lower prices, which may ultimately lead to soaring levels of customer satisfaction and improved business performance (Van Doorn et al., 2010).

Djelassi & Decoopman (2013) went so far as to suggest that the role or function of the customer has actually transformed from that of a purchaser of the products of a company to a partner of the company, and a co-creator of value. These authors suggested that companies open up their processes and their business models to, what they call, the crowd, so as to gain access to their knowledge and innovation.

In the same manner that Libai (2011) raised concerns around the utilisation of Highly-Engaged individuals as a means to spread information, he also raised concern with



utilising them as a means to collect information. As these individuals tend to make up a very small minority of an organisation's customer base, Libai (2011) asked whether they can effectively and accurately represent the needs of the overall customer base, and whether they help co-create the correct value.

2.5 The rise of customer engagement

It is quite clear that Customer Engagement Value is on the whole being hailed as an incredibly powerful metric and customer engagement as a desirable state amongst customers. "Organisations are increasingly seeking consumer engagement and participation with their brands" as "CE is suggested to generate enhanced organisational performance" (Hollebeek, pp. 17, 2013). Customer Engagement is seen within many organisations as a strategic imperative that enables them to improve corporate performance through the growth of sales, increases in profitability and an overall increased competitive advantage (Brodie, Hollebeek, Jurić, & Ilić, 2011). Numerous executives not only believe that high customer engagement is a requirement for future growth, but that in fact, low engagement is detrimental to success (Kumar, Aksoy, Donkers, Venkatesen, Wiesel & Tillmanns, 2010).

The following section will outline some concerns around Customer Engagement and point out some instances where perhaps, low engagement is not detrimental to success, and in fact, conversely, high engagement is.

2.6 The issues around customer engagement

As discussed earlier in this chapter, Kumar & Reinartz (2012) stated that loyal customer might, counter to common logic, be more costly to serve in comparison to less loyal customers. Their reasoning for this was that these customers are liable to be further inclined to seek out better prices for a firm's product. This raises the concern that these customers may be more prone to defect and switch to an alternative firm.

Libai (2011) also raised the point that Highly-Engaged customers tend to make up a very small minority of a firms overall customer base. This fact, coupled with the question around whether Word-of-Mouth activity may tend to remain within similar



groups, brings into the question the purported value of communicating via mediums that Highly-Engaged individuals frequent with the hope that information will miraculously spread through the majority of the customer base.

Another issue of concern relates to the rewarding of Highly-engaged customers. This behaviour may lead to perceptions of unfair treatment by lesser-engaged individuals (Nguyen & Simkin, 2013). This fact, coupled with Libai's (2011) assertion that Highly-Engaged individuals make up a small fraction of the customer base, means that organisations may potentially alienate the majority of their customer base through rewarding a small minority of them. There is however a possibility that this risk may be mitigated by Libai's (2011) note that Word of Mouth activity tends to stay within a similar group of individuals, so perhaps there is reduced risk of Lowly-Engaged individuals discovering or becoming aware of this preferential treatment.

Weng & Huang (2012) stated that the relatively recent phenomenon of engaged customers clearly provides a huge opportunity for organisations to acquire information about the preferences, characteristics and needs of their customers. Additionally, through involving customers in the design process firms may be able to identify and remove potential problems customers may have with a product or service, before the actual production begins (Pant & Raj, 2013). While these statements may seem to illustrate how engaging with Highly-Engaged customers presents a huge opportunity to firms, it also presents a significant risk.

The rise of social media and other such channels means organisations now have access to a vast collection of information about Highly-Engaged customers. The concern is whether this minority group of individuals, can effectively serve as a representation of the majority of the organisation's customer base (Libai, 2011). If there are significant differences between the two groups, then acting on such information may yield detrimental results. Petersen, McAlister, Reibstein, Winer, Kumar & Atkinson (2009) stated that when an organization is able to identify the drivers of customer value, one can maximize customer profits. It is quite logical then to state that if the organisation inaccurately identifies these drivers through misinformation, they may damage customer profits.



It is thus essential to establish whether significant differences exist between Highly-Engaged and Lowly-Engaged individuals.

2.7 Values and why they are relevant for this study

One particularly important way in which these customers may potentially differ is in respect to their values. "Values have formed the foundation for preeminent theories of action as well as decades of research" (Longest, Hitlin, & Vaisey, 2013, pp. 1499). Recent research has confirmed that values play a significant role, at both the individual and the cultural level, in predicting numerous phenomena (Uçanok, & Karabatı, 2013).

Values are believed to influence the perceptions, attitudes and ultimately the behaviours of individuals (Kayabaşı, Mucan & Tanyeri, 2012), which is why they are relevant to this study. Understanding consumer values helps identify the needs and desires of consumers, which marketers aim to address (Ma & Lee, 2012). Values have also been linked to a number of social issues, including individual's temperament to philanthropic or altruistic actions, environmental stances and conduct, decisions and attitudes related to ethics, and registration for organ donation (Lee, Soutar & Sneddon, 2010).

It has been extensively recognized that personal values can function as the grounds for behavioural choices in consumption behaviour (Cai & Shannon, 2012) and that they may also have an impact on how consumers' perceive or respond to sales promotion activities (Weng & Run, 2013), further underlying their importance as a consumer differentiator for the current study. In fact, Vincent & Selvarani (2013) state that values may serve as one of the most powerful influences on, and predictors of, consumer behaviour. It is for these reasons that it is essential to establish whether the values of highly engaged individuals differ from those of lowly engaged individuals.

The implications of a significant difference in the values present amongst highly engaged individuals compared to lowly is quite profound. As truly highly-engaged individuals make up on average about 1% of an organisation's customer base, but yet are the most accessible to an organisation due to channels such as social media, companies risk making decisions which are based on information that is misrepresentative of their overall customer base (Libai, 2011).



2.8 Understanding and measuring values

Defining values is difficult (Longest, Hitlin & Vaisey, 2013) and there are a number of different ways that have been proposed to do so (Kaže, 2010). Cai & Shannon (2012, pp. 293) quote Rokeach's 1973 definition of a value, by defining it as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence". Rather than being born with certain values, individuals tend to acquire them through socialisation and exposure (Kaže, 2010).

One of the founding scholars of values, Schwartz, believed that values functioned as cognitive exemplifications of the three types of existing universal needs, which are found in every society in the world (Cai & Shannon, 2012) – namely:

- "(1) needs arising from the biological structure of humans;
- (2) needs to manage social connections and networks; and
- (3) needs to maintain a group and social institutions." (Cai & Shannon, 2012, pp. 293).

Schwartz's Value Theory is comprised of 10 basic values, which are each defined by their individual underlying goals as described in the table below (Lee, Soutar & Sneddon, 2010, pp. 2):



Table 1 - Schwartz's 10 values

TABLE 1: Schwartz's 10 value types and the 45 associated individual level values items Value-Type Definitions Value Items For Each Value Type Power: Social status and prestige, control or Social power, authority, wealth dominance over people and resources. Achievement: Personal success through Successful, capable, ambitious, influential demonstrating competence according to social standards. Hedonism: Pleasure and sensuous Pleasure, enjoying life, self-indulgent gratification for oneself Daring, a varied life, an exciting life Stimulation: Excitement, novelty, and challenge in life Self-direction: Independent thought and Creativity, curious, freedom, independent, choosing own goals action-choosing, creating, exploring Universalism: Understanding, appreciation, Equality, a world at peace, social justice, tolerance, and protection for the welfare of all broadminded, wisdom people and for nature Protecting the environment, a world of beauty, unity with nature Helpful, honest, forgiving, loyal, responsible Benevolence: Preservation and enhancement of the welfare of people with whom one is in frequent personal contact Tradition: Respect, commitment, and Humble, devout, accepting my portion in life, acceptance of the customs and ideas that respect for tradition, moderate traditional culture or religion provide Conformity: Restraint of actions. Politeness, obedient, honouring parents and inclinations, and impulses likely to upset or elders, self-discipline harm others and violate social expectations or norms Security: Safety, harmony, and stability of National security, social order, clean, family society, of relationships, and of self security, reciprocation of favours Note. Adapted from Lee et al. (2008)

These ten universal values are structured into four categories of higher-order values, which are:

"

- (1) openness to change (self-direction, stimulation, hedonism);
- (2) conservation (conformity, security, tradition);
- (3) self-enhancement (achievement, power); and
- (4) self-transcendence (benevolence, universalism)." (Cai & Shannon, 2012, pp. 293)



2.9 Values and Customer Engagement

There is no existing research that directly relates personal values to the topic of customer engagement value, and how the values of Highly-Engaged individuals may differ in relation to their Lowly-Engaged counterparts.

What is worth noting is that the four categories of values have a relationship with and impact upon each other. Longest, Hitlin & Vaisey (2013) stated that the prioritization of a single value by an individual should result in the deprioritizing of another one. Thus any difference present in the values of Highly-Engaged individuals, should theoretically impact another value and ultimately result in the difference of more than one value between the two groups.

Figure 1 below (Cieciuch, Schwartz, & Vecchione, 2013, pp. 5), illustrates the relationship between these four categories of variables. Values that are adjacent to each other share common goals and values that lie opposite each other have divergent goals (Menesini, Nocentini, & Camodeca, 2013).

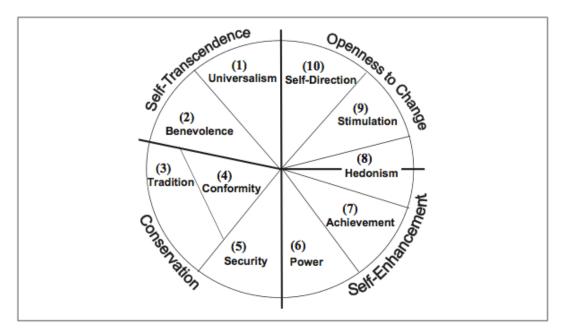


Figure 1 - Values Map



In the case of High-Engagement individuals, one may be inclined for example to assume that they score higher on the Openness to Change and Self-Transcendence categories. It is thus deducible, that if this is the case, their corresponding scores for Conservation and Self-Enhancement would be lower, and Lowly-Engaged individuals would have relatively inverted scores.

Longest, Hitlin & Vaisey (2013) stated that factors such as gender, age, religion and socioeconomic status all have an influence on values. Thus if any of these factors have an influence on Engagement level, there is a high likelihood that there will be a corresponding difference in values between the groups.

2.10 Conclusion

This chapter presented through literature, a description of the customer engagement framework. Its theoretical foundations were explored, along with the potential it offers to organisations. In contrast to this potential, a number of concerns were raised. The following chapter will draw research questions and hypotheses from the discussion that occurred in this chapter.



3. CHAPTER 3 - PROPOSITIONS AND RESEARCH QUESTIONS

3.1 Proposition 1

As demonstrated in the above sections, there is much research that endorses the benefits to firms of using highly engaged customers as a source of valuable information. However, as pointed out by Libai (2011) it is essential to ascertain whether the personal values of lowly engaged customers are significantly different to those of highly engaged customers, which make up a smaller percentage of the firm's customer base. If differences exist, then firms must take heed and be wary when designing promotional activities, new products, etcetera; or they may very well miss the mark.

The first proposition of this study is thus that there is a difference between the values of lowly engaged customers and highly engaged customers.

3.2 Proposition 2

Libai (2011) also makes note of the fact that the effects of customer engagement behaviours, such as WOM, might have little to no impact on the majority of the customer base, and may in fact remain isolated to a community of highly engaged individuals. Thus, there is a risk that firms who attempt to convey information through engaged individuals and the associated channels, might not reach the majority of their customer base.

The second proposition is thus that the information conveyed by WOM and other activities of highly engaged individuals may not reach low and medium engaged individuals.



3.3 Propositions 3 and 4

Kumar & Reinartz (2012) point out that while loyal customers may tend to be perceived as being more profitable, a loyal customer might actually be an individual who costs more to the firm as they are continuously seeking out the best price on a product. This same logic can be applied to Customer Engagement, whereby it might be counterproductive for firms to try and encourage their customers to become more engaged. The reason for this is that doing so potentially leads these customers to engage with websites and forums through which they are exposed to information about competing product offerings, as well as other customers' complaints regarding the firm – and the firm may thus risk losing these customers. At the very least, highly engaged customers might, due to their increased knowledge around other product offerings, have a higher expectation of service quality.

The third proposition thus states that certain low-engaged customers might be more valuable to a firm than highly engaged customers, due to their lack of knowledge around alternative product offerings, the acquisition of which might cause them to switch to an alternative product/service provider. The fourth proposition states that highly engaged customers might have higher service expectations than lowly engaged customers.

3.4 Proposition 5

It is also worth noting, as a further concern around the issue of targeting highly engaged customers, that the preferential treatment of certain customers, based on their perceived value to the firm, may lead to resentment or perceptions of unfairness by other customers (Nguyen & Simkin, 2013).

The fifth proposition thus states that lowly engaged customers might form negative opinions about firms due to the preferential treatment of highly engaged customers.



3.5 Restated Questions

- 1. Are the ten values of highly engaged customers different to those of lowly engaged customers?
- 2. Does WOM activity of highly engaged customers reach lowly engaged customers?
- 3. Are lowly engaged individuals less likely to switch to alternative products or firms?
- 4. Do high engagement customers have higher levels of service expectations than low engagement customers?
- 5. Does the preferential treatment of high value customers by firms lead to resentment by low engagement customers?

3.6 Hypotheses

3.6.1 Hypothesis 1-1

H_A: $r_{Value\text{-}Conformity, CEV} ≠ 0$

 H_0 : $r_{Value-Conformity, CEV} = 0$

3.6.2 Hypothesis 1-2

H_A: r_{Value-Self-Direction, CEV} ≠ 0

 H_0 : $r_{Value-Self-Direction, CEV} = 0$



3.6.3 Hypothesis 1-3

H_A: $r_{Value-Power, CEV} \neq 0$

 H_0 : $r_{Value-Power, CEV} = 0$

3.6.4 Hypothesis 1-4

H_A: *r*_{Value-Hedonism, CEV} ≠ 0

 H_0 : $r_{Value-Hedonism}$, CEV = 0

3.6.5 Hypothesis 1-5

H_A: *r*_{Value-Tradition, CEV} ≠ 0

 H_0 : $r_{Value-Tradition, CEV} = 0$

3.6.6 Hypothesis 1-6

H_A: *r*_{Value-Benevolence, CEV} ≠ 0

 H_0 : $r_{Value-Benevolence}$, CEV = 0

3.6.7 Hypothesis 1-7

H_A: r_{Value-Achievement, CEV} ≠ 0

 H_0 : $r_{Value-Achievement. CEV} = 0$

3.6.8 Hypothesis 1-8

 H_A : $r_{Value-Stimulation, CEV} \neq 0$

 H_0 : $r_{Value-Stimulation}$, CEV = 0



3.6.9 Hypothesis 1-9

H_A: $r_{Value\text{-Security, CEV}} \neq 0$

 H_0 : $r_{Value-Security, CEV} = 0$

3.6.10 Hypothesis 1-10

H_A: $r_{Value-Universalism, CEV} ≠ 0$

 H_0 : $r_{Value-Universalism, CEV} = 0$

3.6.11 Hypothesis 2

 H_A : $r_{Tech-Savvy,CEV} > 0$

H₀: r_{Tech-Savvv,CEV} ≤ 0

3.6.12 Hypothesis 3

 H_A : $r_{Likelihood-Switching,CEV} > 0$

 H_0 : $r_{Likelihood-Switching,CEV} \le 0$

3.6.13 Hypothesis 4-1

 H_A : $r_{Service-Expectations-Speed,CEV} > 0$

 H_0 : $r_{Service-Expectations-Speed,CEV} \le 0$

3.6.14 Hypothesis 4-2

 H_A : $r_{Service-Expectations-Downtime,CEV} > 0$

 H_0 : $r_{Service-Expectations-Downtime,CEV} \le 0$



3.6.15 Hypothesis 4-3

 H_A : $r_{Service-Expectations-Reporting-An-Issue,CEV} > 0$

 H_0 : $r_{Service-Expectations-Reporting-An-Issue, CEV} \le 0$

3.6.16 Hypothesis 5

 H_A : $\mu_{Lowly-Engaged-Perception-Preferential-Treatment} > \mu$

 H_0 : $\mu_{Lowly\text{-Engaged-Perception-Preferential-Treatment}} \le \mu$

3.6.17 Hypothesis 6

 H_A : $\mu_{Lowly-Engaged-Resent-Preferential-Treatment} > \mu$

 $H_0\text{: }\mu_{Lowly\text{-}Engaged\text{-}Resent\text{-}Preferential\text{-}Treatment} \ \leq \ \mu$



4. CHAPTER 4 - RESEARCH METHODOLOGY

4.1 Introduction

This chapter will focus on detailing the research design that was undertaken by the researcher for this study and outlines the research methodology, the data collection instrument, the sampling plan as well as the data collection method and process.

4.2 Research Design

This research design describes the plan to be followed in order to test the hypotheses (Tustin, Lightelm, Martins & Van Wyk, 2005), which were proposed in the previous section of this paper. A quantitative study was undertaken, wherein data was collected from a number of individuals for the purpose of extrapolation.

4.2.1 Research design type

A descriptive cross-sectional design was utilised in conducting this research study. Descriptive research is employed in order to accurately describe people, events or situations (Saunders & Lewis, 2012). Cross-sectional refers to the fact that the study is not examining data from participants over a lengthened period of time, but rather looking at a 'snapshot' of what is occurring (Saunders & Lewis, 2012). In the case of this study, respondents are described in terms of their level of total customer engagement, their values, their sources of information, service expectations, their feelings regarding preferential treatment of highly engaged individuals and their likelihood of switching to another service provider.



4.2.2 Information sources

For the purpose of this study primary data was collected, as there was inadequate availability of secondary data. In order to collect the required primary data, a survey was administered in the form of a questionnaire. A survey is an ideal instrument for this particular study as it is a cost-effective means to collect data from a large number of people (Saunders & Lewis, 2012).

4.3 Universe and sampling

4.3.1 Population

The population of this study essentially consists of all individuals in the world who consumer Internet Service Providers' services. From another perspective, it can be seen as the collection of all Internet Service Provider companies' clients. Customers of ISPs represent the sampling units. The survey was conducted in South Africa.

4.3.2 Sampling method

A none-probability quota sampling method was used to reach highly engaged consumers via online forums. A quota sample is a non-probability sampling technique that guarantees the chosen sample has a number of characteristics (Saunders & Lewis, 2012). In this case a quota sample was appropriate to target individuals who make use of Internet Service Providers. Individuals were to be selected based on the number of posts they have made on the forums. A convenience sample was used to collect information from low engagement consumers.

The researcher decided to focus on individuals who frequent online South African forums (such as mybroadband.co.za) and who are customers of Internet Service Providers in South Africa. Internet Service Providers were selected because the researcher believed that there was likelihood that lowly engaged customers have very limited knowledge about ISPs. Online forums were selected because they serve as a channel of communication for specific topics related to Internet offerings, and thus



were perceived as an effective means of accessing individuals who are knowledgeable and "highly engaged" in regards to Internet Service Providers. In order to reach low to mid engagement consumers, questionnaires were distributed to friends, family and colleagues at the Gordon Institute of Business Science.

At the end of the initial attempt to acquire responses for the study, it became evident that there was an insufficient number of respondents who measured as Highly-Engaged. This correlates with the assertion made by Libai (2011) that Highly-Engaged individuals make a minority of the general customer base. The researcher thus decided to perform another quota sample method by personally contacting individuals who worked in Internet Service Providers, IT companies and the IT departments of certain companies.

4.3.3 Data collection process

The online surveys were designed via Surveymonkey.com – an online survey tool, and individuals on the forums were contacted and requested to complete the surveys. Concurrent to this, the survey was also e-mailed to individuals where requested. In order to reach lowly-engaged customers, the author individually approached friends, family and fellow students.

Shortly after initiating the research process, it became apparent that contacting individuals via the forums was problematic, as it was seen a form of spamming, prohibited by the rules of the forum. The researcher decided to contact as many colleagues, friends and family members as possible so as to increase the size of the sample.

4.3.4 Sample Size

The central limit theorem states that normal distributions are generated from a minimum of 30 responses, and thus a minimum of 30 responses is required for a decent sample size (Weiers, 2011). As this study is looking at two distinct groupings of individuals (highly-engaged and lowly-engaged), it was decided by the researcher that



a minimum sample size of 30 for each was to be collected, bringing the total number to 60.

4.3.5 Initial Responses & Data Distribution

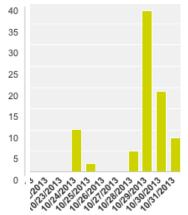


Figure 2 - Initial Responses

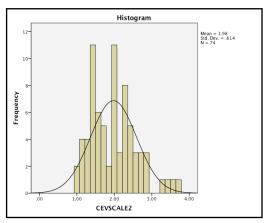


Figure 3 - Distribution of Responses

On the 24th of October 2013 the researcher contacted approximately 120 individuals via e-mail, phone and social media requesting them to complete the survey. Those who consented to complete the instrument were sent a link to the survey with the accompanying letter of consent. Between the 24th of October 2013 and the 31st of October 2013 82 individuals responded.

4.3.6 Initial Breakdown of Responses in terms of Engagement

Table 2 - Engagement Count

| CEVSCALE2 (Binned) | | | | | | |
|--------------------|-----------------|------|-------|--------------|--|--|
| | Group | Freq | % | Cumulative % | | |
| Valid | Low Engagement | 45 | 60.8 | 60.8 | | |
| | High Engagement | 29 | 39.2 | 100.0 | | |
| Total | | 74 | 100.0 | | | |

Upon analysis of the respondents, it became evident that the responses were insufficient for the study. Of the 82 who responded, only 74 fully completed the survey. As can be seen from Table 3, there were an inadequate number of individuals who fell



into the category of highly engaged, as the minimum number of responses for a decent sample size is 30 (Weiers, 2011) and there were only 29.

4.3.7 Intermittent Responses

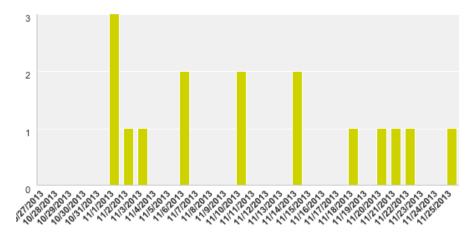
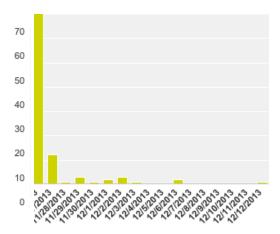


Figure 4 - Distribution of Intermittent Responses

Between 11/01/13 and 11/25/13 there were 16 additional online questionnaires completed. While the author considered it highly likely that there were now enough respondents who technically measured as highly-engaged, Graph 4-2 illustrates that of the initial 29 Highly engaged individuals, most of them fell on the lower side of the spectrum of high-engagement.



4.3.8 Sample Boosting Additional Data Collection



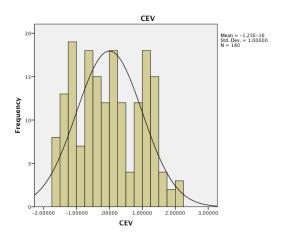


Figure 5 - Responses (24-31 Oct)

Figure 6 - Distribution of Responses

On the 26th of November 2013 the researcher took action to boost the sample with the intent of acquiring individuals who fell in the higher end of the engagement spectrum. The researcher spoke to a number of classmates, friends and business colleagues and inquired whether they would pass an e-mail onto individuals who worked in IT departments and the technology sector. The researcher also spoke to an individual who manages the online forum for a computer related magazine known as New Age Gamer. The forum manager agreed to post a link to the survey with the accompanying letter of consent onto the forum. Additionally, the researcher made telephonic contact with a number of Internet Service Providers, including two of which he is a client of. The researcher spoke to the managers at these institutions, enquiring whether they pass the survey around to their respective employees. Finally, a number of individuals working in the IT departments at the Gordon Institute of Business Science, Connemara Consulting, First National Bank and Firestring were contacted along with a colleague at Dimension Data.

In total the researcher directly contacted an additional 50 individuals. Between the 26th of November and the 12th of December 2013 there were a further 96 responses, bringing the total number of responses to 194, of which 180 were valid (the other 14 did not complete the questionnaires).



Table 3 - Engagement Count

| AVE-CEV (Binned) | | | | | | | |
|------------------|-----------------|-----------|-------|--------------|--|--|--|
| | Group | Frequency | % | Cumulative % | | | |
| Valid | Low Engagement | 99 | 55.0 | 55.0 | | | |
| | High Engagement | 81 | 45.0 | 100.0 | | | |
| | Total | 180 | 100.0 | | | | |

From Table 4 it is evident that Highly Engaged individuals were now more satisfactorily represented than prior to the boosting of the sample. Furthermore from Graph 4-5, it is apparent that there is more sufficient representation of individuals who fall into the higher end of the engagement spectrum.

4.4 Data Collection

4.4.1 Constructs

Data relating to the following constructs were collected through the measurement instrument.

- i. Total Customer Engagement Value: which is comprised of Customer Lifetime Value, Customer Referral Value, Customer Influence Value and Customer Knowledge Value. As it was not possible for the researcher to access information on individuals CLV scores, it was excluded from the study. Furthermore, Customer Influence Value and Referral Value were not separated in the sense that the researcher did not differentiate between whether the influence was compensated for or not; as such behaviour is not prevalent amongst Internet Service Providers in South Africa.
- The ten values constructs Conformity, Self-Direction, Power, Hedonism,
 Tradition, Benevolence, Achievement, Stimulation, Security and
 Universalism.



- iii. The level of engagement (or technological savviness) of individuals who inquire about information related to Internet Service Providers from respondents.
- iv. The likelihood of switching Internet Service Providers within the next three years.
- v. Measurements related to service expectations.
- vi. Perceptions related to preferential treatment of higher-engaged individuals.

4.5 The Data Collection Instrument

The researcher constructed a questionnaire for the purpose of this study. The following subsections will detail the layout of the survey instrument that was hosted on Surveymonkey.com. A copy of the questionnaire can also be found in the Appendix.

4.5.1 Section 1 [Questions 1 – 10]

The first section of the questionnaire asked questions related to where the respondents access the Internet from and their social media usage patterns as pertains to Facebook and Twitter – enquiring as to whether they have accounts on these social networks, how many people they follow, how often they post and how many people follow them.

4.5.2 Section 2 [Questions 11 - 20]

The second section of the questionnaire starts off by enquiring whether respondents have an Internet Account with a local ISP. Questions 12 to 16 relate to the measurement of the Total Customer Engagement construct, with 12 – 14 relating to Customer Knowledge Value, and 15 & 16 relating to Customer Influence Value. Questions 12 and 13 asked respondents to list on a 5-point scale how knowledgeable they consider themselves to be about local ISPs, and their product offerings. Question 14 asks respondents whether they feel they are able to evaluate Internet Service



Providers and their product offerings. Questions 15 and 16 ask respondents to state how often other individuals seek out their advice regarding Internet Service Providers, and their respective product offerings. Question 17 asks respondents to rate the technological savviness, which is used in this instance as a measurement of engagement as it pertains to ISPs, of the people that seek their advice. Questions 18 & 19 enquire as to how often respondents themselves seek information from others regarding Internet Service Providers and their offerings. Question 20 enquires as to the likelihood of respondents switching Internet Service Provider's within the next three years.

4.5.3 Section 3 [Questions 21 – 30]

Questions 21 and 22 relate to the Total Customer Engagement metric, measuring the Customer Knowledge Value component and ask respondents to detail how regularly they actively seek out or read up on information related to Internet connectivity and Internet Service Provider's offerings. Question 23 asks the question "if a trustworthy person alerted you to a new superior product offering from an Internet Service Provider, would you pursue it further?". Questions 24 & 25 enquire about how likely, in response to receiving slow Internet speeds, the respondent is to complain to their ISP and to others. Questions 26 & 27 ask the same thing, but related to substandard service as opposed to slow speeds. Questions 28, 29 and 30 asks respondents to explain their service expectations as they relate to the speed of their Internet Connection, receiving uninterrupted Internet without downtime and the Internet Service Providers response to reporting a complaint.

4.5.4 Section 4 [Questions 31 – 40]

Questions 31 and 32 enquire as to whether respondents Blog, and if yes, how often. Question 33 enquires as to whether respondents make use of consumer complaint sites, and Questions 34 & 35 ask if they do make use of such sites, do they use them for complaining and do they use them for getting references on potential suppliers? Question 36 asks whether respondents read user comments on websites. Questions 37 – 40 all relate to the perceived preferential treatment of higher engaged individuals. Question 37 and 38 ask whether respondents feel that people who are more active on



social media or people who are more technologically savvy can get better deals out of Internet Service Providers. Questions 39 & 40 enquire whether respondents feel that it is not fair that such people can get better deals.

4.5.5 Section 5 [Questions 41 - 50]

This section is concerned with the measurement of Personal Values.

There are a number of measurement tools that can be used to measure values, including Rokeach's Value Survey, Kahle's List of Values, Mitchell's Values and Lifestyles, and Schwartz's Value Scales (Lee, Soutar & Louviere, 2007). Cai & Shannon (2012) propose the use of the Schwartz Value Survey (SVS). They state that the SVS scale is recognized for its validity and reliability, which has been demonstrated through more than 200 samples in 60 countries. It is also well supported empirically (Lee, Soutar & Sneddon, 2010), was designed such that it is applicable both to Western and non-Western cultures (Kayabaşı, Mucan & Tanyeri, 2012) and has been the most used most commonly utilised value scale in the past decade (Ma & Lee, 2012).

This section measures the Values scales for each of the ten personal value items. Each question in this section describes an individual, and for each question respondents are asked to indicate whether "that person is very much like you, like you, somewhat like you, not like you or not at all like you."

4.6 Statistical Data Analysis

Before running any statistical tests, all data entries were checked for completeness. As mentioned earlier, of the 194 respondents, 14 did not complete the survey and were thus removed from the sample. Following this the 7 questions that were used to measure Total Customer Engagement were checked for validity and reliability.

The following tests were used in the study:



4.6.1 Correlation Tests

For Hypotheses 1-1 to 1-10, which measure to determine whether a relationship exists between each of the ten values constructs and the Customer Engagement Value of an individual, as well as for Hypothesis 2, Hypothesis 3 and Hypothesis 4, a Pearson's Correlation test was used. Correlation analysis portrays both the direction and the strength of the linear relationship that exists between two variables, and Pearson correlation does so for continuous variables (Pallant, 2004).

4.6.2 Independent-Sample T-tests

For Hypothesis 5 and Hypothesis 6, an independent-sample t-test was used. An independent-sample t-test is used in the case of comparing two different groups of people (Pallant, 2004), in this case Low-Engagement individuals compared to the entire overall sample group.

4.7 Limitations

- The researcher elected not to collect demographic information such as Age or Gender for the sample.
- In measuring the Total Customer Engagement of participants, as this is a relatively new field of analysis there was no predefined survey instrument for the researcher to adapt to this study. Furthermore, the researcher was not able to access information related to Customer Lifetime Value or Customer Referral Value. In future studies one might consider using a product category where Brand Ambassadors or paid sponsors are commonly used, allowing for the measurement of Customer Referral Value.
- A number of the scales that were used in the study should perhaps have been more granular, in turn allowing for more accurate measurement of the variables.
 Continuous variables, such as "How many followers do you have on Twitter?" should perhaps have allowed participants to enter in the exact number as



opposed to selecting a range. This would however have most likely made answering the questionnaire more burdensome, as individuals would conceivably have had to look up these answers.

- The sample collected might not be fully representative of the overall population. As mentioned earlier, the researcher found that in the first collection effort, Highly-Engaged individuals were underrepresented. The researcher thus boosted the sample by specifically targeting individuals working in fields related to the product category for the study, and thus a large portion of the sample is potentially made of very similar people.
- While there exist a number of measurement tools and scales for the purpose of measuring Values, the researcher was unable to gain access to all of them.

4.8 Chapter Conclusion

In this chapter the questionnaire that was distributed for the purpose of the study was outlined and explained. Thereafter the research methodology and the analysis of data that was undertaken for the report was detailed, outlining the process that the researcher undertook. The following chapter will discuss the results of the study.



5. CHAPTER 5 - RESULTS

5.1 Introduction

The previous chapter discussed and outlined the research methodology component of the study. This chapter will now review the sample obtained and describe the results of the research conducted. The first part of the chapter will outline the relevant information related to the sample, while the second part will present the data related to the reliability of the measurement variables and hypotheses as laid out earlier in Chapter 3, concluding in a comprehensive summary table with the various hypotheses results.

5.1.1 Absence of Demographic Data

It is worth noting that demographic information such as age and gender were not collected, as the study is looking to exam the differences across the engagement continuum, irrespective of such demographics. The following section describes some of the information collected through the survey, with the intent of gaining a deeper understanding of the data.

5.2 Statistical Results

The following items showcase the results of the categorical questions that were asked in the questionnaire. In instances where the outputs are categorical questions, a number of the statistical outputs, such as the mean and standard deviation scores, are inappropriate (Pallant, 2004), and will hence not be displayed. Rather, the frequency counts or relevant charts for the various questions will be exhibited.

Before describing the sample via relevant attributes, a table of all the continuous items from the study is displayed. In the section thereafter, when describing the sample, the relevant information from the continuous table will be repeated and discussed.



5.2.1 Continuous Descriptive Output Statistics

Table 4 - Continuous Descriptive Outputs

| Descriptive Statistics | | |
|---|-----------|-----------|
| | | Std. |
| | Mean | Deviation |
| | Statistic | Statistic |
| No. of friends on Facebook. | 2.6981 | .86240 |
| Frequency of posting on Facebook. | 2.0943 | 1.04816 |
| No of people followed on Twitter | 2.0309 | 1.32644 |
| Frequency of posting on Twitter. | 2.2286 | 1.33157 |
| No of followers on Twitter. | 2.4821 | 1.18536 |
| Knowledgable rating ISPs | 2.7500 | 1.23666 |
| Knowledgable rating Internet Product Offerings | 3.0111 | 1.01381 |
| Frequency others seeking advice ISPs. | 2.3222 | 1.13184 |
| Frequency others seeking advice Product Offerings | 2.3000 | 1.17659 |
| Tech Savviness of individuals who seek out advice. | 2.3750 | .85112 |
| Frequency of seeking out info about ISPs | 2.0222 | .64258 |
| Frequency seeking out info about Product Offerings | 2.0333 | .65927 |
| Likelihood switch ISPs in the next three years? | 2.9222 | 1.23928 |
| Frequency seeking out info on Internet connectivity. | 2.8056 | 1.16320 |
| Frequency seeking out info on ISP's product offerings | 2.5333 | 1.19309 |
| Likelihood pursuing after alerted to product offer. | 3.6611 | .81305 |
| Likelihood complain ISP about slow Internet speeds. | 3.5722 | 1.25529 |
| Likelihood complain others slow Internet speeds. | 3.9333 | 1.07069 |
| Likelihood complain ISP about substandard service. | 3.9444 | 1.10722 |
| Likelihood complain others substandard service. | 4.1000 | 1.01442 |
| Expectations - speed of Internet Connection | 3.1844 | .55544 |
| Expectations - Internet Downtime. | 3.2905 | .75287 |
| Expectations - reporting an issue/making complaint? | 2.9218 | .67418 |
| Frequency of blogging. | 1.8125 | 1.10427 |
| Frequency reading user comments on websites? | 3.5889 | 1.01271 |
| Values - Conformity | 3.0778 | 1.35141 |
| Values - Self Direction | 2.1222 | 1.13677 |
| Values - Power | 3.8667 | 1.28767 |
| Values - Hedonism | 2.7833 | 1.19250 |
| Values - Tradition | 3.6722 | 1.65732 |
| Values - Benevolence. | 2.2500 | 1.13293 |
| Values - Achievement | 2.5778 | 1.30301 |
| Values - Stimulation | 2.8500 | 1.28800 |
| Values - Security | 2.4278 | 1.24187 |
| Values - Universalism | 2.3222 | 1.26250 |



5.2.2 Outputs related to Internet Access

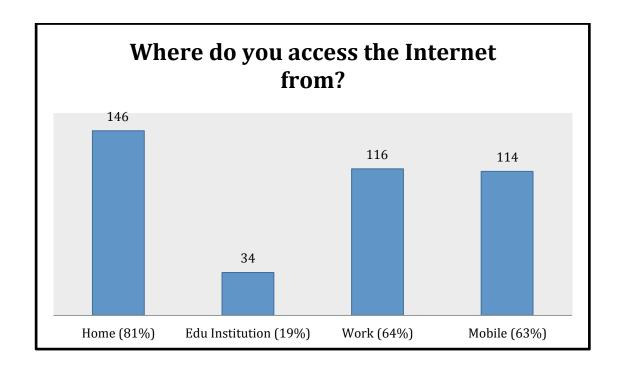


Figure 7 - Internet Access Location

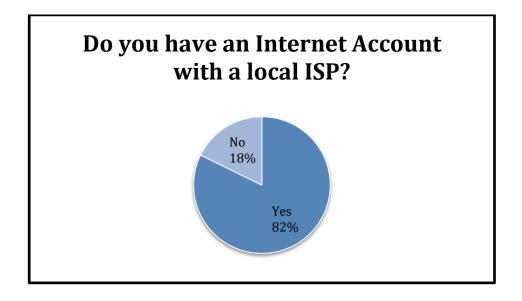


Figure 8 - ISP Account count



From Figure 9, it is evident that 146 (82%) have an Internet Account with a local Internet Service Providers. Figure eight shows the distribution of where respondents access the Internet. From this figure, it is evident that 145 (81%) of respondents access the Internet from home, meaning that 35 (19%) do not. 64% of respondents access the Internet from their work. It is also interesting to note that 63% of respondents access the Internet via a Mobile phone.

5.2.3 Outputs related to Social Media - Facebook

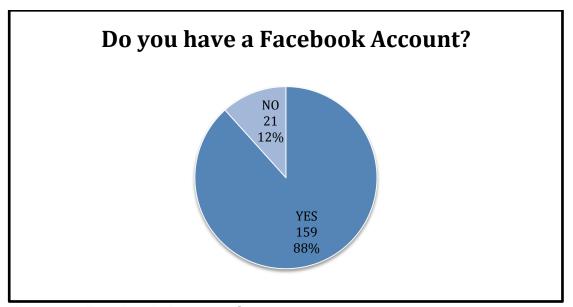


Figure 9 - Facebook Account Count

Table 5 - Facebook Related Stats

| | | Std. |
|-----------------------------------|-----------|-----------|
| | Mean | Deviation |
| | Statistic | Statistic |
| No. of friends on Facebook. | 2.6981 | .86240 |
| Frequency of posting on Facebook. | 2.0943 | 1.04816 |

From the above figure, it is evident that 159 of the 180 respondents (88.3%) have a Facebook account. In terms of the number of friends they have, the mean is 2.69, putting them between "1 - 300" and "301 - 600". In terms of how regularly they post on Facebook, the mean is just over 2, meaning they are posting slightly more regularly than the selection "Every couple of weeks".



5.2.4 Outputs related to Social Media - Twitter

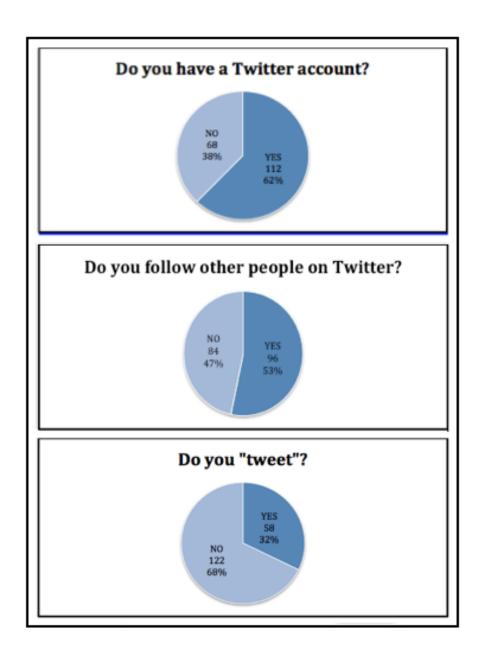


Figure 10 - Twitter Data



Table 6 - Twitter Stats

| | | Std. |
|----------------------------------|-----------|-----------|
| | Mean | Deviation |
| | Statistic | Statistic |
| No of people followed on Twitter | 2.0309 | 1.32644 |
| Frequency of posting on Twitter. | 2.2286 | 1.33157 |
| No of followers on Twitter. | 2.4821 | 1.18536 |

Of the 180 respondents, 112 (62.2%) have Twitter accounts, however only 96 (53.3%) actually follow anyone on Twitter. The mean score of 2.0309 indicates that on average people follow between 51 and 100 people. 58 (32.2%) of the respondents indicated that they do Tweet. The mean of 2.2286 for the question "If yes, how often" indicates that on average respondents tweet once every couple of weeks. The mean of 2.4 for the question "How many followers do you have on Twitter?" indicates that on average those respondents who have Twitter Accounts answer lies between "1-50" and "51 - 100" followers.

5.2.5 Outputs related to knowledge of Internet Service Providers and product knowledge.

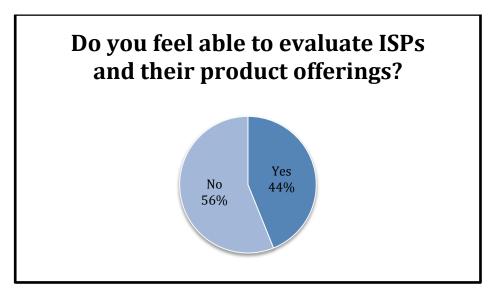


Figure 11 - Ability to Evaluate ISPs



Table 7 - ISP and Product Knowledge Stats

| Descriptive Statistics | | |
|--|-----------|-----------|
| | | Std. |
| | Mean | Deviation |
| | Statistic | Statistic |
| Knowledgable rating ISPs | 2.7500 | 1.23666 |
| Knowledgable rating Internet Product Offerings | 3.0111 | 1.01381 |
| Frequency of others seeking advice about ISPs. | 2.3222 | 1.13184 |
| Frequency others seeking advice about Product | | |
| Offerings | 2.3000 | 1.17659 |
| Tech Savviness of the individuals who seek out advice. | 2.3750 | .85112 |
| Frequency of seeking out information about ISPs | 2.0222 | .64258 |
| Frequency seeking out information about Product | | |
| Offerings | 2.0333 | .65927 |
| Likelihood switch ISPs in the next three years? | 2.9222 | 1.23928 |
| Frequency seeking out information on Internet | | |
| connectivity. | 2.8056 | 1.16320 |
| Frequency seeking out information on ISP's product | | |
| offerings. | 2.5333 | 1.19309 |
| Likelihood pursuing further after alerted to new | | |
| product offer. | 3.6611 | .81305 |

In relation to how knowledgeable respondents consider themselves to be regarding different ISPs in their country, the mean of 2.75 indicates that they on average consider themselves to know a little less than "the same as everyone else." Regarding how knowledgeable they consider themselves to be in terms of different Internet product offerings, the mean of 3.0111 indicates they on average consider themselves to know a little more than "the same as everyone else".

In terms of How Often Respondents Seek Out Information from others regarding ISP's and their Product Offerings, the mean score for ISP's measured at 2.8056, putting them just under "Relatively Often" while the mean score for Product Offerings measured at 2.5333, putting them between "It's Happened Once Or Twice" and "Relatively Often". For both questions, no-one responded with the Answer of 5 "Extremely Often".



In terms of the likelihood of switching ISPs in the next three years, the mean of 2.9222 indicates that on average they say "It is possible". In terms of pursuing an offering from an ISP after being alerted to it by a trustworthy person, on average people fall between "Maybe" and quite likely, with a mean score of 3.6611.

5.2.6 Outputs related to other online behaviour - Blogging

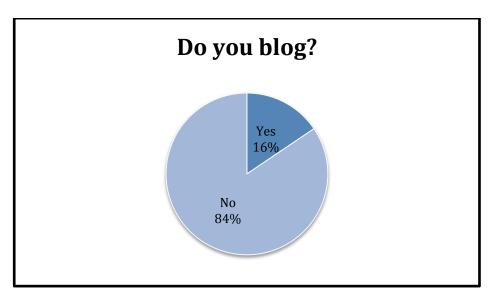


Figure 12 - Blog Count

Table 8 - Blogging Stats

| | | Std. |
|------------------------|-----------|-----------|
| | Mean | Deviation |
| | Statistic | Statistic |
| Frequency of blogging. | 1.8125 | 1.10427 |

Of the 180 respondents, only 28 (16%) of them blog. Of that 16% who blog, the Mean score of 1.8125 indicates that they do so slightly less than once a month.



5.2.7 Outputs related to other online behaviour – Consumer Complaint Sites

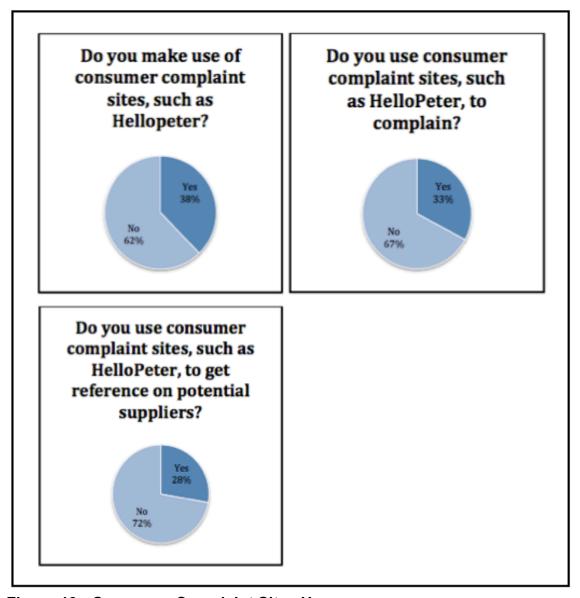


Figure 13 - Consumer Complaint Sites Use

From the above it is evident that of the 180 respondents, only 68 (38%) make use of Consumer Complain Sites, such as Hellopeter.com. Of those 68, only 33% make use of these types of sites to complain, while 28% make use of these sites to get references on potential suppliers.



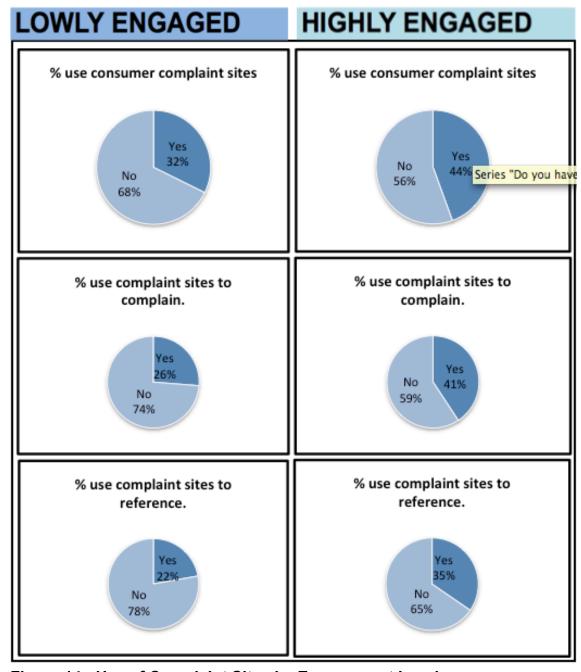


Figure 14 - Use of Complaint Sites by Engagement Level

Figure 15 outlines the usage patterns of complaint sites, broken down by the level of engagement. On the right of the table are the pi-charts for Highly-Engaged individuals, while on the left are Lowly-Engaged. 44% of Highly-Engaged individuals make use of consumer complaint sites, compared to 32% of Lower-Engaged individuals. 41% of Highly-Engaged individuals use consumer complaint sites to complain, while only 26% of Lowly-Engaged individuals do the same. Finally, 35% of Highly-Engaged individuals



use consumer complaint sites as a means to reference or lookup information on companies, while only 22% of Lowly-Engaged individuals do the same.

5.2.8 Outputs related to opinions regarding preferential treatment of highly-engaged individuals.

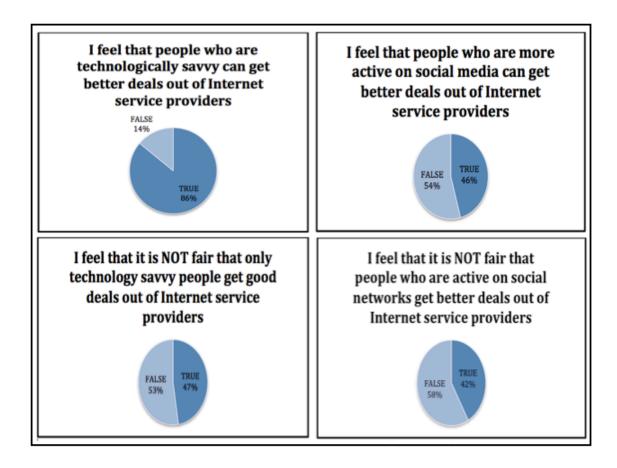


Figure 15 – Feelings Around Preferential Treatment

From the above Figure it is evident that, of the 180 respondents, 86% feel that technologically savvy individuals are able to get better deals out of Internet Service Providers, while only 46% of people feels that those individuals who are more active on social media are able to get better deals. 47% of respondents indicated that they feel it is unfair that only technologically-savvy people are able to acquire these deals, and 42% of respondents stated they feel the same about individuals who make use of social media more.



5.2.9 Outputs related to Values

Table 9 - Values Stats

| Descriptive Statistics | | |
|-------------------------|-----------|-----------|
| | | Std. |
| | Mean | Deviation |
| | Statistic | Statistic |
| Values - Conformity | 3.0778 | 1.35141 |
| Values - Self Direction | 2.1222 | 1.13677 |
| Values - Power | 3.8667 | 1.28767 |
| Values - Hedonism | 2.7833 | 1.19250 |
| Values - Tradition | 3.6722 | 1.65732 |
| Values - Benevolence. | 2.2500 | 1.13293 |
| Values - Achievement | 2.5778 | 1.30301 |
| Values - Stimulation | 2.8500 | 1.28800 |
| Values - Security | 2.4278 | 1.24187 |
| Values - Universalism | 2.3222 | 1.26250 |

From the above table, it is evident that of the ten values constructs, the most prominent value amongst the sample group is that of Power, followed by Tradition, Conformity and then Stimulation and Hedonism. The least prominent value present amongst the sample group is that of Self Direction, followed by Benevolence, Universality and then Security.



5.3 CEV Scale

Table 10 - CEV Scale Items

CEV ITEMS

How knowledgeable are you about ISPs in your country?

How knowledgable are you about different Internet product offerings?

How often, if ever, do other individuals seek your advice regarding ISPs?

How often, if ever, do people seek out your advice regarding Internet offerings?

How often do you actively seek out or read up on information on Internet connectivity.

How often, do you actively seek out or read up on information about ISP's product offerings.

Do you feel you are able to evaluate ISPs and their product offerings?

The 7 questions presented in the table above were used in the survey instruments as a means to measure the various components of Customer Engagement. Questions 3 and 4 relate to Customer Influence and Customer Referral, while the other 5 questions relate to Customer Knowledge Value.

5.3.1 Calculating a Total CEV Score – Reversing Q7.

In order to calculate the total CEV score, before adding the various scores from the seven questions, it was necessary to reverse the scores for Question 7, as the question was inversely coded from high to low score compared to the other scale items, which were coded from low to high.

5.3.2 Measuring CEV Scale Item Reliability - Cronbach's Alpha

Table 11 - CEV Scale Item Reliability (Cronbach's Alpha)

| Reliability Statistics | | |
|------------------------|--|------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .931 | .938 | 7 |



The second step involves checking the overall reliability of the items selected for the scale. Reliability refers to how free a scale is of random error (Pallant, 2004). In this instance, the researcher was looking to determine whether all of the questions used to measure Customer Engagement are in fact measuring the same fundamental characteristic, and hence measured reliability in terms of internal consistency (Pallant, 2004). This was achieved through measuring the Cronbach's Alpha of the overall scale. As the Cronbach's Alpha score is over 0.7 (0.931), the scale can be considered reliable for this sample (Pallant, 2004).

Table 12 - Corrected Item Total Correlation Score

| Item-Total Statistics | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 |
|--------------------------|------|------|------|------|------|------|------|
| Corrected | | | | | | | |
| Item-Total | | | | | | | |
| Correlation | .839 | .829 | .813 | .784 | .807 | .811 | .710 |
| Cronbach's | | | | | | | |
| Alpha if Item | | | | | | | |
| Deleted | .915 | .916 | .917 | .920 | .918 | .918 | .936 |

Following this step, the researcher analysed the Corrected Item-Total Correlation score, which illustrates the degree that each individual item within the scale correlates to the overall total scale (Pallant, 2004), If any of the items were below 0.7, the researcher would have had to consider the removal of those particular items – but seeing as they are all above 0.7 this was not necessary.

5.3.3 Measuring CEV Scale Item Validity – Factor Analysis

Validity is a means for determining the degree to which the findings are "really about what they appear to be about" (Saunders & Lewis, pp. 127, 2012). Construct validity, which is used here, encompasses testing the items within a scale to determine the extent to which they are collecting the data which is actually about what they intend to measure (Saunders & Lewis, 2012). In this instance, the seven questions displayed in Table 11 were used to measure the validity of the Customer Engagement construct. Construct validity determines whether they are all measurements of Customer Engagement.



In order to measure the construct validity, Factor Analysis was employed. The purpose of Factor Analysis is to take a number of variables and looks for a way to summarise the variables into a smaller number of factors (Pallant, 2004). In this study the purpose is to take the seven questions intended to measure Customer Engagement and ascertain whether they could be reduced to a single measurement scale – Customer Engagement Value.

Table 13 - CEV Scale Item Correlation Matrix

| Correlation Matrix | | | | | | | | |
|-----------------------|----|----|------|------|------|------|------|------|
| | | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 |
| Correlation | Q1 | | .835 | .738 | .685 | .647 | .704 | .750 |
| | Q2 | | | .674 | .688 | .681 | .708 | .679 |
| | Q3 | | | | .580 | .531 | .576 | .613 |
| | Q4 | | | | | .883 | .663 | .650 |
| | Q5 | | | | | | .639 | .634 |
| | Q6 | | | | | | | .832 |
| | Q7 | | | | | | | |

Looking at the Correlation Matrix table, as all the correlation coefficients are over the value of 0.3 we can consider using Factor Analysis (Pallant, 2004).

Table 14 - CEV KMO & Bartlett's Test Score

| KMO and Bartlett's Test | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .864 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1157.161 |
| | df | 21 |
| | Sig. | .000 |

The next step was to check the Kaiser-Meyer-Olkin Measure of Sampling Adequacy and ensure that it was equal to or higher than 0.6 and that the Bartlett's Test of Sphericity was Significant, i.e. the Sig Value was 0.05 or smaller. As the Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.8 and the Barlett's Test of Sphericity is



significant, the researcher was able to deduce that in this case Factor Analysis was appropriate (Pallant, 2004).

Table 15 - CEV Factor Analysis Component Matrix

| Component Matrixa | |
|---|----------------|
| | Component 1 |
| How knowledgeable are you about Internet Service | |
| Providers (ISPs) in your country? | .897 |
| How knowledgable are you about different Internet | |
| product offerings ? | .882 |
| How often, if ever, do you actively seek out or read up | |
| on information about Internet Service Provider's product | |
| offerings. | .863 |
| How often, if ever, do other individuals seek your advice | |
| regarding Internet Service Providers? | .861 |
| How often do you actively seek out or read up on | |
| information on Internet connectivity. | .857 |
| How often, if ever, do people seek out your advice | |
| regarding Internet offerings? | .838 |
| Do you feel you are able to evaluate Internet Service | |
| Providers and their product offerings? | .783 |
| Extraction Method: Principal Component Analysis. | |
| a 1 components extracted. | |

The final step in determining how many of the items to include in the final Customer Engagement Value measurement is to look at the Component Matrix, which shows the loadings of each item on the CEV component. As all items load rather strongly (i.e. they have values above 0.4), we can retain all of them for the CEV measurement.



Table 16 - CEV Factor Analysis Total Variance Explained

| Total Variance Explained | | | | | |
|--------------------------|------------------------|----------|------------|---|----------|
| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | |
| | | % of | Cumulative | | % of |
| | Total | Variance | % | Total | Variance |
| 1 | 5.119 | 73.122 | 73.122 | 5.119 | 73.122 |
| 2 | .634 | 9.055 | 82.178 | | |
| 3 | .504 | 7.204 | 89.382 | | |
| 4 | .312 | 4.460 | 93.841 | | |
| 5 | .191 | 2.734 | 96.575 | | |
| 6 | .133 | 1.906 | 98.481 | | |
| 7 | .106 | 1.519 | 100.000 | | |
| | | | | | |

From the above we can see that 73.122% of the variance is explained by the newly formed CEV component.

5.3.4 CEV Scale Item

Table 17 - CEV Scale

| | | CEV |
|------------------------|----------|------------|
| N | Valid | 180 |
| IN . | Missing | 0 |
| Mean | | .0000000 |
| Median | | 1114649 |
| Mode | | -1.61631 |
| Std. Deviation | | 1.00000000 |
| Skewness | | .162 |
| Std. Error of Skewness | | .181 |
| Kurtosis | | -1.038 |
| Std. Error of | Kurtosis | .360 |
| Range | | 3.84628 |



The above information demonstrates that all of the seven questions do in fact measure the same overall property of Customer Engagement, and thus enabled the researcher to tally the total scores in order to measure the overall Engagement level of each individual respondent. From the above we can see that there is slight positive skewness, and as the Kurtosis value is negative, we can see that the distribution is relatively flat (Pallant, 2004).

5.3.5 CEV Binning/Median Split

In order to group respondents by their level of engagement a process known as Visual Binning was undertaken, whereby a median split is performed on the group, forming the division between Low Engagement and High Engagement individuals.

Table 18 - Engagement Count

| CEV (E | Binned) | | | |
|--------|-----------------|-----------|-------|--------------|
| | Group | Frequency | % | Cumulative % |
| Valid | Low Engagement | 99 | 55.0 | 55.0 |
| | High Engagement | 81 | 45.0 | 100.0 |
| | Total | 180 | 100.0 | |

From the above we can see that 99 (55%) of individuals of the 180 registered as Low Engagement, while the remaining 81 (45%) register as highly engaged individuals.

5.4 Hypotheses

The previous section detailed a number of characteristics regarding the sample group. It also demonstrated that the seven questions used to measure Customer Engagement were appropriate and, thus allowed the researcher to use them in order to derive an overall score for respondents' level of engagement. Thereafter respondents were divided and labelled as either High-Engagement or Low-Engagement. The following section will outline the tests that were run for each of the 15 Hypotheses.



5.4.1 Hypothesis 1-1 to Hypothesis 1-10

Pearson's Correlation is used to test Hypothesis 1, with the intent of ascertaining which, if any of the 10 Values, have a significant statistical relationship with the level of a respondents Customer Engagement. The results for each will be drawn from the table below.

Table 19 - Correlation Summary Values and CEV

| Correlations | | | |
|---|---------------------------|-----------|--|
| | | CEV | |
| CEV | Pearson Correlation | 1 | |
| | Sig. (2-tailed) | | |
| Value - Conformity | Pearson Correlation | .027 | |
| | Sig. (2-tailed) | .716 | |
| Value - Self Direction | Pearson Correlation | 096 | |
| | Sig. (2-tailed) | .199 | |
| Value - Power | | - | |
| | Pearson Correlation | .149* | |
| | Sig. (2-tailed) | .045 | |
| Value - Hedonism | | - | |
| | Pearson Correlation | .184* | |
| | Sig. (2-tailed) | .014 | |
| Value - Tradition | Pearson Correlation | .048 | |
| | Sig. (2-tailed) | .525 | |
| Value - Benevolence | Pearson Correlation | .090 | |
| | Sig. (2-tailed) | .228 | |
| Value - Achievement | Pearson Correlation | 016 | |
| Sig. (2-tailed) .830 | | | |
| Value - Stimulation | | - | |
| | Pearson Correlation | .181* | |
| | Sig. (2-tailed) | .015 | |
| Value - Security | Pearson Correlation | .186* | |
| | Sig. (2-tailed) | .012 | |
| Value - Universalism | Pearson Correlation | 042 | |
| * 0 1 | Sig. (2-tailed) | .575 | |
| * Correlation is significant at the 0.05 level (2- | | | |
| tailed). ** Correlation is significant at the 0.01 level (2- | | | |
| | icant at the 0.01 level (| Z- | |
| tailed). | | | |

⁵⁷



5.4.2 Hypothesis 1-1

 H_A : $r_{Value-Conformity, CEV} \neq 0$

 H_0 : $r_{Value-Conformity, CEV} = 0$

From the above table it is evident that there is no significant correlation between the Conformity Value and Total Customer Engagement. The Alternate Hypothesis is thus rejected in favour of the Null Hypothesis.

5.4.3 Hypothesis 1-2

 H_A : $r_{Value-Self-Direction, CEV} \neq 0$

 H_0 : $r_{Value-Self-Direction}$, CEV = 0

From Table 20 it is evident that there is no significant correlation between the Self Direction Value and Total Customer Engagement. The Alternate Hypothesis is thus rejected in favour of the Null Hypothesis.

5.4.4 Hypothesis 1-3

H_A: r_{Value-Power, CEV} ≠ 0

 H_0 : $r_{Value-Power, CEV} = 0$

From Table 20 it is evident that there is a significant negative correlation between the Power Value and Total Customer Engagement. The Null Hypothesis is thus rejected in favour of the Alternate Hypothesis.

5.4.5 Hypothesis 1-4

 H_A : $r_{Value-Hedonism, CEV} \neq 0$

 H_0 : $r_{Value-Hedonism}$, CEV = 0



From Table 20 it is evident that there is a significant negative correlation between the Hedonism Value and Total Customer Engagement. The Null Hypothesis is thus rejected in favour of the Alternate Hypothesis.

5.4.6 Hypothesis 1-5

H_A: r_{Value-Tradition, CEV} ≠ 0

 H_0 : $r_{Value-Tradition, CEV} = 0$

From Table 20 it is evident that there is no significant correlation between the Tradition Value and Total Customer Engagement. The Alternate Hypothesis is thus rejected in favour of the Null Hypothesis.

5.4.7 Hypothesis 1-6

H_A: $r_{Value-Benevolence, CEV} ≠ 0$

 H_0 : $r_{Value-Benevolence}$, CEV = 0

From Table 20 it is evident that there is no significant correlation between the Benevolence Value and Total Customer Engagement. The Alternate Hypothesis is thus rejected in favour of the Null Hypothesis.

5.4.8 Hypothesis 1-7

 H_A : $r_{Value-Achievement, CEV} \neq 0$

 H_0 : $r_{Value-Achievement, CEV} = 0$

From Table 20 it is evident that there is no significant correlation between the Achievement Value and Total Customer Engagement. The Alternate Hypothesis is thus rejected in favour of the Null Hypothesis.



5.4.9 Hypothesis 1-8

 H_A : $r_{Value-Stimulation, CEV} \neq 0$

 H_0 : $r_{Value-Stimulation}$, CEV = 0

From Table 20 it is evident that there is a significant negative correlation between the Stimulation Value and Total Customer Engagement. The Null Hypothesis is thus rejected in favour of the Alternate Hypothesis.

5.4.10 Hypothesis 1-9

 H_A : $r_{Value-Security, CEV} \neq 0$

 H_0 : $r_{Value-Security. CEV} = 0$

From Table 20 it is evident that there is a significant positive correlation between the Security Value and Total Customer Engagement. The Null Hypothesis is thus rejected in favour of the Alternate Hypothesis.

5.4.11 Hypothesis 1-10

 H_A : $r_{Value-Universalism, CEV} \neq 0$

 H_0 : $r_{Value-Universalism, CEV} = 0$

From Table 20 it is evident that there is no significant correlation between the Universalism Value and Total Customer Engagement. The Alternate Hypothesis is thus rejected in favour of the Null Hypothesis.



5.4.12 Hypothesis 2

 H_A : $r_{Tech-Savvy,CEV} > 0$

 $H_0: r_{Tech-Savvy,CEV} \le 0$

In the case of Hypothesis 2, in order to ascertain whether there is a statistically significant positive relationship between Customer Engagement Value and the Technological-Savviness of the individuals who seek out information from them regarding the product category, a Pearson's Correlation is used.

Table 20 - Correlation CEV and TechSavvy

| Correlations | | | |
|--|-----------------|-----------|-----|
| | | TechSavvy | CEV |
| | Pearson | | |
| CEV | Correlation | .219* | 1 |
| | Sig. (2-tailed) | .013 | |
| * Correlation is significant at the 0.05 level (2-tailed). | | | |

From Table 21, it is clear that there is a significant positive statistical relationship between the Customer Engagement Value and the technological savviness of the individuals who seek out respondents advice regarding Internet Offerings. We thus reject the Null Hypothesis in favour of the Alternate Hypothesis.

5.4.13 Hypothesis 3

 H_A : $r_{Likelihood-Switching.CEV} > 0$

 H_0 : $r_{Likelihood-Switching,CEV} \le 0$

In order to ascertain whether there is a statistically significant positive relationship between Customer Engagement Value and an individual's Likelihood of Switching Internet Service Providers, a Pearson's Correlation is used.



Table 21 - Correlation CEV and Likelihood of Switching ISPs

| Correlations | | | |
|---|-----------------|-----|----------------|
| | | CEV | LikelyToSwitch |
| | Pearson | | |
| CEV | Correlation | 1 | .268** |
| | Sig. (2-tailed) | | .000 |
| ** Correlation is significant at the 0.01 level (2-tailed). | | | |

From the above we can see that there is a small significant positive correlation between the level of engagement of respondents and how likely they are to switch Internet Service Providers over the next 3 years. We thus reject the Null Hypothesis.

5.4.14 Hypotheses 4-1 to 4-3

For Hypothesis 4-1 to Hypothesis 4-3, in order to ascertain whether there is a positive statistically significant relationship between Customer Engagement Value and the level of Service Expectations of an individual, a Pearson's Correlation test was used. The following table details the results of the tests, along with the results of Pearson's Correlation analysis that was performed regarding respondent's likelihood of complaining alongside their corresponding Customer Engagement Value.



Table 22 - Correlations CEV and Service Expectations

| Correlations | | |
|---|------------------------|--------|
| CEV | Pearson Correlation | 1 |
| Likelihood complain to ISP about slow Internet | Pearson | - |
| speeds. | Correlation | .289** |
| Special. | Sig. (2-tailed) | .000 |
| Likelihood complain to others about slow Internet | Pearson | .000 |
| speeds. | Correlation | 009 |
| - Speciali | Sig. (2-tailed) | .905 |
| Likelihood complain to ISP about substandard | Pearson | .5 55 |
| service. | Correlation | .337** |
| | Sig. (2-tailed) | .000 |
| Likelihood complain to others about substandard | Pearson | |
| service. | Correlation | .087 |
| | Sig. (2-tailed) | .244 |
| | Pearson | |
| Expectations - speed of Internet Connection | Correlation | .070 |
| | Sig. (2-tailed) | .350 |
| | Pearson | |
| Expectations - Internet Downtime. | Correlation | 008 |
| | Sig. (2-tailed) | .919 |
| Expectations - reporting an issue/making a | Pearson | |
| complaint? | Correlation | .055 |
| | Sig. (2-tailed) | .465 |
| ** Correlation is significant at the 0.01 level (2- | | |
| tailed tailed). | | |
| * Correlation is significant at the 0.05 level (2- | | |
| tailed). | | |

5.4.15 Hypothesis 4-1

 H_A : $r_{Service-Expectations-Speed,CEV} > 0$

 H_0 : $r_{Service-Expectations-Speed,CEV} \le 0$

From Table 23 it is evident that there is no statistically significant relationship between Customer Engagement Value and Service Expectations as they pertain to Internet Speeds. We thus reject the Alternate Hypothesis.



5.4.16 Hypothesis 4-2

 H_A : $r_{Service-Expectations-Downtime,CEV} > 0$

 H_0 : $r_{Service-Expectations-Downtime.CEV} \le 0$

From Table 23 it is evident that there is no statistically significant relationship between Customer Engagement Value and Service Expectations as they pertain to Downtime. We thus reject the Alternate Hypothesis.

5.4.17 Hypothesis 4-3

 H_A : $r_{Service-Expectations-Reporting-An-Issue,CEV} > 0$

 H_0 : $r_{Service-Expectations-Reporting-An-Issue, CEV} \le 0$

From Table 23 it is evident that there is no statistically significant relationship between Customer Engagement Value and Service Expectations as they pertain to reporting an Issue. We thus reject the Alternate Hypothesis.

5.4.18 Hypothesis 5-1, Hypothesis 5-2, Hypothesis 6-1 & Hypothesis 6-2

For Hypothesis 5-1 to 6-2, an independent sample t-test was used to ascertain whether the mean scores of Lowly-Engaged individuals, differed significantly to those of Highly-Engaged individuals for the four questions relating to perceptions around the preferential treatment of Higher-Engagement individuals. This test is appropriate as it is used when one wants to compare the mean score of a continuous variable with two differing collections of subjects (Pallant, 2004).



Table 23 – Independent Sample T-Test Count Results

| | | | | Std. |
|--|-----------|----|--------|-----------|
| | CEV Group | N | Mean | Deviation |
| I feel tech-savvy can get better deals | L-Engaged | 98 | 1.1224 | .32949 |
| | H-Engaged | 81 | 1.1605 | .36935 |
| I feel active SM can get better deals | L-Engaged | 98 | 1.5612 | .49879 |
| | H-Engaged | 81 | 1.5185 | .50277 |
| I feel NOT fair tech-savvy get better deals. | L-Engaged | 98 | 1.5306 | .50163 |
| | H-Engaged | 81 | 1.5185 | .50277 |
| I feel NOT fair active on SM get better deals. | L-Engaged | 98 | 1.5714 | .49742 |
| | H-Engaged | 81 | 1.5926 | .49441 |

Table 24 – Independent Sample T-Test Results

| Independent Samples Test | | | | | |
|--|------------------|---|------|--|-----------------|
| Sumples rest | Equal Variances? | Levene's Test for Equality of Variances F | Sig. | t-test for Equality of Means t | Sig. (2-tailed) |
| I feel tech- | | | | | |
| savvy can get better deals | | | | | |
| out of ISPs | EVs assumed | 2.117 | .147 | 728 | .468 |
| | EVs not assumed | | | 720 | .473 |
| I feel active on SM can get better deals | | | | | |
| out of ISPs | EVs assumed | .935 | .335 | .568 | .571 |
| | EVs not assumed | | | .568 | .571 |
| I feel NOT fair tech-savvy get | | | | | |
| better deals. | EVs assumed | .093 | .761 | .160 | .873 |
| | EVs not assumed | | | .160 | .873 |
| I feel NOT fair active on SM get better | | | | | |
| deals. | EVs assumed | .326 | .569 | 284 | .777 |
| | EVs not assumed | | | 284 | .777 |



In conducting an Independent Sample T-test, the first step is to ascertain whether there are any irregularities in terms of responses of the two groups, High-Engaged and Low-Engaged (Pallant, 2004). In this case, as it demonstrated by Table 24, for each of the four questions relating to the perceived preferential treatment of High-Engaged individuals, 98 of the 99 Lowly-Engaged individuals answered the questions in the measurement instrument, as did all 81 Highly-Engaged individuals.

From Table 25, one then check to see if any of the data violates the assumption of equal variance (Pallant,2004). For each of the four questions all of the significance levels are above 0,05, and it can thus be deduced that the data does not violate the assumptions of equal variance. For each of the hypotheses that follow, readings from Table 25 will be performed with equal variances assumed.

5.4.19 Hypothesis 5-1

 $H_A\text{: }\mu_{Lowly\text{-}Engaged\text{-}Perception\text{-}Preferential\text{-}Treatment\text{-}Tech\text{-}Savvy}}>\mu$

 H_0 : $\mu_{Lowly-Engaged-Perception-Preferential-Treatment-Tech-Savvy} \le \mu$

Table 25 - Independent Samples Tech-Savvy Levene's Test

| Independent Samples Test | | | | | |
|--------------------------|------------------|----------|------|--------|-----------------|
| | | Levene's | | | |
| | Equal Variances? | Test | Sig. | t-test | Sig. (2-tailed) |
| I feel tech- | | | | | |
| savvy can get | | | | | |
| better deals | | | | | |
| out of ISPs | EVs assumed | 2.117 | .147 | 728 | .468 |
| | | | | | |

From Table 26, as the 2-tailed significance level is greater than 0,05, there is no significant difference between the two groups and we can therefore reject the Alternate Hypothesis.



5.4.20 Hypothesis 5-2

 H_A : $\mu_{Lowly-Engaged-Perception-Preferential-Treatment-Social-Media} > \mu$

 H_0 : $\mu_{Lowly-Engaged-Perception-Preferential-Treatment-Social-Media} \le \mu$

Table 26 - Independent Sample SM Levene's Test

| Independent Samples Test | | | | | |
|-----------------------------|------------------|------------------|------|--------|-----------------|
| | Equal Variances? | Levene's Test | Sig. | t-test | Sig. (2-tailed) |
| I feel active on | | | | | |
| SM can get | | | | | |
| better deals out | | | | | |
| of ISPs | EVs assumed | .935 | .335 | .568 | .571 |

From Table 27, as the 2-tailed significance level is greater than 0,05, there is no significant difference between the two groups and we can therefore reject the Alternate Hypothesis.

5.4.21 Hypothesis 6-1

 H_A : $\mu_{Lowly\text{-Engaged-Resent-Preferential-Treatment-TechSavvy}} > \mu$

 H_0 : $\mu_{Lowly-Engaged-Resent-Preferential-Treatment-TechSavvy} \le \mu$

Table 27 - Independent Samples NOT Fair Tech-Savvy Levene's Test

| Independent Samples Test | | | | | |
|-----------------------------|------------------|------------------|------|--------|-----------------|
| | Equal Variances? | Levene's Test | Sig. | t-test | Sig. (2-tailed) |
| I feel NOT fair | | | | | |
| tech-savvy get | | | | | |
| better deals. | EVs assumed | .093 | .761 | .160 | .873 |



From Table 28, as the 2-tailed significance level is greater than 0,05, there is no significant difference between the two groups and we can therefore reject the Alternate Hypothesis.

5.4.22 Hypothesis 6-2

 $H_A\text{: }\mu_{Lowly\text{-}Engaged\text{-}Resent\text{-}Preferential\text{-}Treatment\text{-}Social\text{-}Media} > \mu$

 H_0 : $\mu_{Lowly-Engaged-Resent-Preferential-Treatment-Social-Media} \le \mu$

Table 28 - Independent Samples NOT Fair SM Levene's Test

| Independent Samples Test | | | | | |
|--------------------------|------------------|------------------|------|--------|-----------------|
| | Equal Variances? | Levene's Test | Sig. | t-test | Sig. (2-tailed) |
| I feel NOT fair | | | | | |
| active on SM get | | | | | |
| better deals. | EVs assumed | .326 | .569 | 284 | .777 |

From Table 29, as the 2-tailed significance level is greater than 0,05, there is no significant difference between the two groups and we can therefore reject the Alternate Hypothesis.



5.5 Hypotheses Summary Table

The following table summarises the results of Hypothesis tests performed above.

Table 29 - Summary of Hypotheses

| Hypothesis Number | Hypothesis | Conclusion |
|----------------------|---|------------------|
| H1-1 | There is a statistically significant relationship between an individuals' level of engagement and the conformity value. | Not Supported |
| H1-2 | There is a statistically significant relationship between an individual's level of engagement and the Self Direction value. | Not Supported |
| H1-3 | There is a statistically significant relationship between an individuals' level of engagement and the Power value. | Supported |
| H1-4 | There is a statistically significant relationship between an individual's level of engagement and the Hedonism value. | Supported |
| H1-5 | There is a statistically significant relationship between an individuals' level of engagement and the Tradition value. | Not Supported |
| H1-6 | There is a statistically significant relationship between an individual's level of engagement and the Benevolence value. | Not Supported |
| H1-7 | There is a statistically significant relationship between an individuals' level of engagement and the Achievement value. | Not Supported |
| H1-8 | There is a statistically significant relationship between an individual's level of engagement and the Stimulation value. | Supported |



| H1-9 | There is a statistically significant relationship between an individuals' level of engagement and the Security value. | Supported |
|-------|--|------------------|
| H1-10 | There is a statistically significant relationship between an individual's level of engagement and the Universalism value. | Not Supported |
| H2 | There is a significant positive statistical relationship between the technological savviness of the individuals who seek out respondents advice regarding Internet Offerings and the engagement levels of respondents. | Supported |
| НЗ | There is a significant positive statistical relationship between an individuals' level of engagement and their likelihood to switch to an alternative product or firm. | Supported |
| H4-1 | There is a significant positive statistical relationship between an individuals' level of engagement and their level of service expectations as they pertain to Internet Speeds. | Not Supported |
| H4-2 | There is a significant positive statistical relationship between an individuals' level of engagement and their level of service expectations as they pertain to Internet downtime. | Not Supported |
| H4-3 | There is a significant positive statistical relationship between an individuals' level of engagement and their level of service expectations as they pertain to reporting a complaint or issue. | Not Supported |
| H5-1 | Lowly-engaged individuals perceive that firms exhibit preferential treatment of Tech-Savvy individuals. | Not Supported |
| H5-2 | Lowly-engaged individuals perceive that firms exhibit preferential treatment of individuals who make heavy use of social media. | Not Supported |



| H6-1 | Lowly-engaged individuals resent the perceived preferential treatment of firms towards tech-savvy individuals. | Not Supported |
|------|--|------------------|
| H6-2 | Lowly-engaged individuals resent the perceived preferential treatment of firms towards individuals who make heavy use of social media. | Not Supported |

5.6 Chapter Conclusion

In this chapter, the results of the conducted study were both presented and conferred. Information regarding the descriptive attributes of the sample was first examined, followed by the results of the statistical tests as they relate to the various hypotheses laid out in Chapter 3. The next chapter will explore the details of these results in greater detail, relating them back to the relevant literature.



6. CHAPTER 6 - DISCUSSION OF RESULTS

6.1 Introduction

This chapter will explore the different questions and hypotheses set out in the earlier sections of this paper along with the results of the statistical analysis as presented in chapter 5 and the relevant literature. The initial questions that this paper set out to explore were:

- 1. Are the values of highly engaged customers different to those of lowly engaged customers?
- 2. Does WOM activity of highly engaged customers reach lowly engaged customers, or does it stay within circles of similar people?
- 3. Are lowly engaged individuals less likely than highly-engaged individuals to switch to alternative products or firms?
- 4. Do high engagement customers have higher levels of service expectations than low engagement customers?
- 5. Does the preferential treatment of high value customers by firms lead to resentment by low engagement customers?

From these five questions, nineteen hypotheses were composed and tested. Each of these will now be discussed individually alongside the statistical findings and the relevant literature.



6.2 Hypotheses

6.2.1 Hypothesis 1.1 – Hypothesis 1.10

Summarised-H_A: There is a statistically significant relationship between an individuals' level of engagement and their values.

Summarised-H₀: There is no statistically significant relationship between an individuals' level of engagement and their values.

The results of the findings that relate to Hypothesis 1-1 to 1-10 can be found in Table 20. Ten values constructs, each measuring separate individual values, were measured to determine whether there was a significant difference between the Values of Lowly-Engaged individuals and Highly-Engaged individuals. Of the 10 values, four items exhibited a small significant statistical correlation with the recorded level of engagement. Of those four values, three of them, namely Power, Stimulation and Hedonism, exhibited a negative significant correlation with Total Customer Engagement, and one, Security, exhibited a positive statistical relationship.

We can thus deduce that the values from Schwartz's Value Theory (Lee, Soutar & Sneddon, 2010) of being rich (Power), being adventurous (Stimulation) and having a good time (Hedonism), are more important to Lowly-Engaged than to Highly-Engaged individuals. Concurrently it can be said that Highly-Engaged individuals value living in secure surroundings (Security) more than lowly-engaged individuals.

The reason the study looked to ascertain whether the values of Lowly-Engaged individuals differed from those of Highly-Engaged individuals, was due to the fact that, in order for firms to accomplish their own goals, such as profitability and market share, it is incredibly important for them to first meet the needs of their customers (Sashi, 2012) and it is also important to demonstrate that the firms products are relevant to the needs of their customer base(Walsh, Shiu & Hassan, 2012). Customers fulfil their needs through decisions around purchases, which are ultimately affected by their values (Kim, Forsythe, Gu, & Moon, 2002).



So, it can thus be deduced, due to the fact that values have a strong impact on the purchasing decisions of customers. As Libai (2011) mentions, for many firms and brands, only a minority portion of their customer base is likely to be Highly-Engaged. So, if the values of Highly-Engaged customers differ from those of Lowly-Engaged customers, and Highly-Engaged customers make up a minority of most firms' customers, then by focussing on acquiring information from Highly-Engaged individuals, firms risk getting inaccurate feedback. This risk is further augmented by the fact that Highly-Engaged individuals would tend to be the most active and accessible, due to the very fact that they are "more engaged".

The fact that four out of the ten Values items measured differently across the two groups is enough reason for organisations to behave with caution when gathering information from customers. Social Media platforms offer brands access to a wealth of information direct from customers. Our results showed that while 88.3% of our respondents have Facebook Accounts, on average they post "Every Couple Of Weeks" — which by no means indicates that they are regularly posting content on brands' Facebook pages. Only 53.3% of respondents actually follow anyone on Twitter, only 32.2% of them Tweet, and they do this only "Once every couple of weeks". This reinforces what Libai (2011) stated, and illustrates that companies that are receiving information via Social Media and such platforms should be hesitant to jump on and react to it instantly, or should at least do so with an understanding that it is most likely coming from that minority group of "Highly-Engaged" individuals.

It is important to mention the fact that there are a number of other different scales that can be used to measure values, and so it is possible that different measurements may have resulted in different outcomes. Concurrent to this, is the fact that values are just way in which individuals can differ, and the examination of other characteristics may provide more insight into how Lowly-Engaged and Highly-Engaged individuals differ.



6.2.2 Hypothesis 2

 H_A : $r_{Tech-Savvy,CEV} > 0$

 H_0 : $r_{Tech-Savvv.CEV} \le 0$

The results of the findings relating to Hypothesis 2 can be found in Table 21. The scores signify that there exists a statistically significant small positive correlation between the technological savviness of the individuals who seek out respondents' advice regarding Internet Offerings and the engagement levels of respondents themselves.

This Hypothesis aimed to test whether information regarding product offerings within the product category tends to stay within the same circles. This relates to the supposed value of Word-of-mouth activity. While firms make great use of advertising and traditional expenditure, it has been shown that Word-of-mouth communication has a substantial influence on consumer's perceptions regarding the quality and value of a service (Sweeney, Soutar & Mazzarol, 2012) and on the choices individuals make regarding product selection (Walsh & Elsner, 2011). Customers who spread positive Word-Of-Mouth may in fact serve as a firm's best salespeople (Kumar, Pozza & Ganesh, 2013).

This positions Word-of-mouth as a highly desirable activity for any firm. Companies may be tempted to try and focus their efforts on those Highly-Engaged individuals who are accessible through Social Media platforms and the like. Doing so, would foreseeably cause them to spread positive Word-of-Mouth on behalf of the firm, resulting in increased purchases from other potential customers who receive this information. However, as Libai (2011) pointed out, there is a risk that this Word Of Mouth Activity may remain isolated to a similar group of Highly-Engaged individuals.

The findings of this study support Libai's concern, and it is thus imperative that firms bare in mind the fact that, in the same way that information garnered from those Highly-Engaged individuals is most likely to only be representative of the minority customer base, information that is intentionally "put out" via these same channels may remain isolated to this same minority. While firms may hope that via Facebook, Twitter and such platforms, those highly-engaged individuals spread positive stories about



them which in turn lead to mass-conversion of individuals to their products, the aforementioned relatively low Twitter and Facebook usage, in terms of posting, reinforces the view that such hopes may be unrealistic.

Furthermore the fact only 15.6% of respondents said that they blog, and of those the mean score for "If yes, how often?" is 1.8125 – putting respondents average above "Less than once a month" and just below "About once a month". It is worth noting that not one of the respondents chose scale item 5 "Daily" for how often they blog.

It is also worth noting, that in this study, when respondents were asked how often they seek out information from others regarding ISP's and their Product Offerings, with scale items measuring between 1 and 5, with 1 being "Never" and 5 being "Extremely Often", not one of the 180 respondents answered 5. This could be at least partially due to the nature of the product category, in that it is not a frequent purchase decision that one makes. The results would quite likely have been different in a situation where the purchase decision occurs more often. The mean score for the questions "How often, if ever, do other individuals seek your advice regarding Internet Service Providers?" is 2.3222, and "How often, if ever, do people seek out your advice regarding Internet Offerings" is 2.300, putting respondents choices for both questions between "It's Happened Once or twice" and "Relatively Often".

When respondents were asked two questions related to the likelihood of them complaining to others when they received i) slow internet speeds and ii) substandard service, the mean scores for their answers were 3.9333 and 4.100, putting their responses between "Maybe" and "Quite Likely" for internet speeds, and just above "Quite Likely" for substandard service. It is interesting to note that the same questions but applied to complaining to their Internet Service Provider (as opposed to others), showed that they were overall less likely to do so, with respective mean scores of 3.5722 and 3.9444.

What is interesting to note however, is that individuals, when asked "If a trustworthy, person alerted you to a new superior product offering from an Internet Service Provider, would you pursue it further?", the mean score of 3.6611 indicates an average response lying between "Maybe" and "Quite Likely".



The mean score for the question "Do you read user comments on websites?" is 3.58, putting respondents answers between "Sometimes" and "Often". This fact, combined with the fact that people on average it appears do complain or tell others when they receive substandard service, shows that there is information flow between people. Similar people may tend to visit and read similar sites. So, although information may tend to remain within circles of similar people, that information is still valued to some extent by others and can have a strong influence on them, which is in agreement with the general theory discussed earlier around the power of Word-Of-Mouth.



6.2.3 Hypothesis 3

 H_A : $r_{Likelihood-Switching,CEV} > 0$

 H_0 : $r_{Likelihood-Switching,CEV} \le 0$

The results of the findings that relate to Hypothesis 3 can be found in Table 22. A Pearson's Correlation was conducted in order to ascertain whether Highly-Engaged Individuals were more likely to switch to an alternative Internet Service Provider or Internet Service product offering. From the results it can be deduced that there is a small significant positive correlation between the level of engagement of respondents and how likely they are to switch Internet Service Providers over the next 3 years.

Kumar & Reinartz (2012), in their research around the topic of customer loyalty, point out that although the tendency is to assume that loyal customers may are more profitable than none-loyal customers, the opposite is in fact often the case, and loyal customers may in fact be more costly for the firm to serve. The reason they put forward for this is that loyal customers tend to continuously seek out new information and the best possible prices for a product or service.

For this study the researcher extrapolated the above logic to extend to the concept of Customer Engagement. Noting the fact that the researcher found a positive correlation between the level of engagement and the likelihood of switching to an alternative product or firm points to the fact that more Highly-Engaged individuals may in fact be more costly to serve.

Again, this relates back to the potential dangers of exclusively focusing on Highly-Engaged individuals. If this minority segment of a companies customer base is also the most fickle and difficult to retain, then perhaps companies are better off focusing on their less addressed, and supposedly less valuable, Lower-Engagement customers.

It is worth noting however, that results may have differed within a different product category, especially one more prone to repeat purchases. It is quite possible that for many individuals, the selection of an Internet Service Provider and accompanying Internet Package is a once-off decision. This may be more true for Low-Engagement individuals, who perhaps, due to their limited engagement and possibly lower



knowledge around the product category are less likely to think of the product category and hence consider switching. Higher-Engagement individuals however, who are more exposed to the product category, are thus more likely to be made aware of and hence consider alternate options.

Based on the above, companies should perhaps in certain instances consider steering clear of attempting to increase the overall engagement levels of customers, by encouraging them to engage via online platforms and the like — especially with purchases that are for many a once-off consumption decision. The result of increasing engagement might lead to customers who are more highly involved with the product category, more informed about alternative product offerings, and perhaps therefore more likely to research information about alternative options and then consider switching.

In essence, the results of this test demonstrate that while Customer Engagement may serve as an incredibly powerful tool for measuring and evaluating customers, there are certain instances where blind application is dangerous. This resonates strongly with the assertion made in chapter 2 that the use of a single metric lone variable is inadequate as a means to satisfactorily measure the overall performance of the marketing function (Ambler & Roberts, 2008). It is important for marketers to thus utilise a set of metrics, perhaps alongside Customer Engagement, which are in line with the current organisational strategy and that suitably covers a diverse range of strategic concerns, balanced across a number of different dimensions (Clark & Ambler, 2011).



6.2.4 Hypothesis 4

6.2.5 Hypothesis 4-1

 H_A : $r_{Service-Expectations-Speed,CEV} > 0$

 H_0 : $r_{Service-Expectations-Speed,CEV} \le 0$

6.2.6 Hypothesis 4-2

 H_A : $r_{Service-Expectations-Downtime,CEV} > 0$

 H_0 : $r_{Service-Expectations-Downtime,CEV} \le 0$

6.2.7 Hypothesis 4-3

 H_A : $r_{Service-Expectations-Reporting-An-Issue,CEV} > 0$

 H_0 : $r_{Service-Expectations-Reporting-An-Issue, CEV} \le 0$

The results of the findings that relate to hypothesis 4-1 to hypothesis 4-3 can be found in Table 23. For each of the three hypotheses a Pearson's Correlation was conducted to ascertain whether Higher-Engaged individuals tended to have a higher level of service expectations than lower engaged individuals in three distinct ways. These three ways were service delivery as it pertains to the speeds expected for their internet connection, their expectations related to Internet downtime, and their expectations as they relate to making a complaint. From the findings it is clear that there is no correlation for between any of the expectations related to service delivery and the level of customer engagement.

The rationale behind the researcher's development of this hypothesis was the same used for Hypothesis 3, in that, as Kumar & Reinartz (2012) pointed out, more loyal customers may prove to be more expensive to serve. The motivation here was that as Higher-Engaged individuals would tend to be more knowledgeable and more informed than Lower-Engaged individuals, they may thus be more likely to demand more from



firms and have higher service expectations. The findings of this study were that this is not true.

However, it is quite possible that the phrasing of the questions may have been responsible for this. With regards to Internet Service Providers, while there is no overall statistical difference between individual's answers in terms of their service delivery expectations pertaining to the speed of their connection – it is possible that Highly-Engaged individuals may be more knowledgeable about the speeds promised versus the speeds delivered and thus may be more aware of when they are being underserved by their Internet Service Provider.

It is worth noting that although there was no recorded significant difference in terms of service delivery expectations, there was a significant positive correlation between Engagement Levels and the questions "If you receive slow Internet Speeds, how likely are you to complain to your Internet Service Provider?" and "If you receive substandard service, how likely are you to complain to your Internet Service Provider?" This illustrates that although both groups have equal levels of service expectations; the more engaged the individual, the more likely they are to act if they receive substandard service.

Concurrent to this, Figure 15 illustrates the differences in usage behaviour of High-Engagement and Low-Engagement individuals related to consumer complaint sites, such as Hellopeter. As one might expect, more Highly-Engaged individuals (44%) make use of consumer complaint sites compared to their Lowly-Engaged counterparts (32%), and they are substantially more likely to use such sites to complain (41% versus 26%), and to look up information on companies (35% versus 22%). This speaks to a higher likelihood of the spread of negative Word of Mouth by Highly-Engaged individuals, compared to Lowly-Engaged.

What this means is that more engaged customers may in fact prove to be more costly to serve than their Lower-Engaged counterparts, as they will make use of customer complaint services of the company, and standalone customer complaint sites such as Hellopeter, which ultimately cost companies time, money and potentially reputation.



6.2.8 Hypothesis 5 and Hypothesis 6

6.2.9 Hypothesis 5-1

 H_A : $\mu_{Lowly-Engaged-Perception-Preferential-Treatment-Tech-Savvy} > \mu$ H_0 : $\mu_{Lowly-Engaged-Perception-Preferential-Treatment-Tech-Savvy} \le \mu$

Table 26 illustrates that there is no significant difference between how Lowly-Engaged individuals and Highly-Engaged individuals perceive whether technologically-savvy individuals are able to get better deals out of Internet Service Providers.

6.2.10 Hypothesis 5-2

 $H_A: \ \mu_{Lowly\text{-}Engaged\text{-}Perception\text{-}Preferential\text{-}Treatment\text{-}Social\text{-}Media}} > \mu$ $H_0: \ \mu_{Lowly\text{-}Engaged\text{-}Perception\text{-}Preferential\text{-}Treatment\text{-}Social\text{-}Media}} \leq \mu$

Table 27 illustrates that there is no significant difference between how Lowly-Engaged individuals and Highly-Engaged individuals perceive whether heavy users of social media are able to get better deals out of Internet Service Providers.

6.2.11 Hypothesis 6-1

 $H_{A} \colon \mu_{Lowly\text{-}Engaged\text{-}Resent\text{-}Preferential\text{-}Treatment\text{-}TechSavvy}} > \mu$ $H_{0} \colon \mu_{Lowly\text{-}Engaged\text{-}Resent\text{-}Preferential\text{-}Treatment\text{-}TechSavvy}} \leq \ \mu$

Table 28 illustrates that there is no significant difference between how Lowly-Engaged individuals and Highly-Engaged individuals perceive the fairness of technologically-savvy individuals being able to get better deals out of Internet Service Providers.



6.2.12 Hypothesis 6-2

 H_A : $\mu_{Lowly-Engaged-Resent-Preferential-Treatment-Social-Media} > \mu$

 H_0 : $\mu_{Lowly-Engaged-Resent-Preferential-Treatment-Social-Media} \le \mu$

Table 29 illustrates that there is no significant difference between how Lowly-Engaged individuals and Highly-Engaged individuals perceive the fairness of heavy users of social media being able to get better deals out of Internet Service Providers.

6.2.13 Discussion of Hypothesis 5 and 6

Nguyen & Simkin (2013), pointed out that preferential treatment of Highly-Engaged customers may be perceived as unfair, and lead to feelings of resentment from Lowly-Engaged individuals. The findings of this study did not support this claim, in the sense that it did not find that Lowly-Engaged individuals tended to be more likely to feel that technologically-savvy individuals, or individuals who use social media more are more likely to receive preferential treatment.

It is rather possible that in the context of a different product category, with the equivalent of Brand Ambassadors where firms very visibly reward High-Engagement behaviour, that the findings would have been distinctively different and recognition of such behaviour accompanied by feelings of resentment would be far more prevalent amongst Low-Engagement individuals.

However, it is also worthwhile examining not only the difference in views between High and Low Engagement individuals, but also the views across the general population. Figure 16 illustrates that within the sample, 86% of respondents feel that individuals who are technologically-savvy are able to get better deals out of Internet Service Providers, while 46% feel that people are more active on social media are able to do the same. 47% of respondents feel that it is unfair that only technologically savvy people get good deals out of Internet Service Providers, while 42% feel the same way about those individuals who are more active on social media.



These are not insubstantial numbers and firms should thus be cautious of visibly acting in ways that may strengthen such views. While it may seem logical to reward Higher-Engagement customers for their patronage, it must as always be acknowledged and remembered that they tend to make up a minority of the overall customer base, and thus organisations must bare in mind that there is a risk of alienating their broader population base.

The fact that, as discussed earlier, Word of Mouth behaviour tends to remain within similar groups of people means that firms can quite likely still reward Highly-Engaged individuals via the platforms that they visit and possibly do so without informing and upsetting Lowly-Engaged individuals.

What would be worthwhile to ascertain is whether individuals generally feel that technologically-savvy individuals are able to get better deals because of preferential treatment from Internet Service Providers, or because, due to their superior technological knowledge, they are more au fait and aware of the different options available to them, and can hence make more informed decisions.



7. CHAPTER 7 - CONCLUSION

7.1 Introduction

At its core, this study set out to explore a number of issues related to the topic of Customer Engagement Value, specifically looking to determine whether excessively focussing on highly-engaged individuals was potentially dangerous to firms, whether lowly-engaged individuals are, in some ways, less costly for an organisation to serve, and whether the utilisation of Word of Mouth Activity, as a means to effectively spread a message throughout an organisations customer base, may not be as effective a tool as believed. This chapter will highlight the findings of this study along with it's limitations, and based on those findings will provide a set of recommendations to stakeholders and future researchers. Finally the chapter will outline a number of implications as they pertain to management, and provide an overall conclusion.

7.2 Key Findings

The first objective of this study was to determine whether a significant difference exists between the values of Highly-Engaged and Lowly-Engaged individuals. Ten values constructs were measured across the two groups, of which four were found to be significantly different. Power, Hedonism and Stimulation were found to rank higher amongst Lowly-Engaged individuals, while Security was found to higher amongst Highly-Engaged individuals.

The study also looked to determine whether people seeking advice related to the product category, i.e. Internet Service Providers, tended to be similar to those individuals who they looked to for such information in terms of their level of engagement. The ramification being, that if they did appear to be similar, then Word of Mouth communication may tend to remain isolated within a group of similarly highly-engaged individuals. The study found that there is a statistically significant correlation between the levels of engagement of an individual and the level of technological savviness of the individuals who seek out advice from them. This speaks in favour of the assertion that Word of Mouth communication may in fact be limited to similar



groups and that there is a risk that such communication may not permeate throughout the diverse strata of an organisation's customer base.

The next question the study set out to explore was whether lesser engaged individuals were less likely to switch to an alternative product or service in comparison to higher engaged individuals. The implication of this being that in essence, as Customer Engagement Value is a measure of how much a customer is worth to a firm, while it may seem counter-intuitive - to some degrees firms may actually find less highly engaged individuals preferable, as they are less likely to defect. A positive statistical significant relationship was found to exist between how likely an individual stated they were to switch to an alternative product or firm, and their level of engagement.

In a similar attempt to critique the common logic around the superior value of higherengaged individuals, the study then set out to explore whether lesser engaged individuals overall had lower service expectations than higher engaged individuals. If this was found to be the case, it would add to the previous findings' argument that in some regards lesser engaged customers may prove to be more desirable to a firm. While no statistically significant relationship was found between the recorded level of engagement of an individual and their stated level of service expectations, higherengaged individuals were found to be more likely to complain upon receiving slower Internet speeds and when receiving substandard service.

As a means to hold onto or increase patronage from High-Engagement customers, firms may be tempted to offer preferential treatment through discounts and similar behaviour. This study set out to explore how such behaviour might impact those lesser-engaged customers who do not receive this treatment. In particular the study looked to determine whether the preferential treatment of highly-engaged individuals, on behalf of the firm, would be noticed by and lead to resentment from lesser engaged customers. The study did not find that lowly-engaged individuals of Internet Service Providers tended to believe that firms treated highly-engaged customers better, in comparison to their Higher-Engagement counterparts. However, overall across the sample there were a substantially large number of individuals who felt that individuals who were more technologically-savvy were able to receive better deals from Internet Service Providers. There was also a relatively significant number of people who



believed the same about heavy users of social media, and a rather substantial number felt that in both cases this was unfair.

7.3 Management Implications

This study illustrates that while the Customer Engagement metric may serve as a powerful tool for the measurement and evaluation of a firms' customer base, there are a number of issues that managers and organisations should be aware of.

The first issue that organisations should take heed of is the fact that lowly-engaged and highly-engaged individuals do differ in terms of at least some of their values, and values have an impact on decision making. This fact should be viewed alongside the fact that Highly-Engaged individuals, while the most vocal and hence the most visible, do make up only a small minority of a firms customer base. What this means is that managers should be wary of relying exclusively on information garnered via social media, blogs and other channels through which their more engaged customers interact. While information from lower-engaged individuals may be more difficult to retrieve, it is more likely to be representative of the organisation's overall customer base. By relying too heavily or exclusively on information that comes from Highly-Engaged individuals, firms risk making ill-informed decisions that do not reflect the desires of their overall customer base.

Not only is the heavy focus on highly-engaged individuals as a source of information potentially dangerous, there is also a risk in attempting to utilise this group as an exclusive means for spreading communication. Word of Mouth Communication has been shown to be one of the most powerful forms of advertising or communication a firm can make use of. What this study illustrated is that Word of Mouth communication is limited due to the fact that communication tends to remain isolated amongst groups of similar individuals. Social media and other "high engagement" channels provide organisations with a powerful direct means to communicate with those higher-engaged members of their customer base. Organisations must thus be wary of relying exclusively on this available and easily accessible group of individuals, and the mediums they frequent - in the hope that they will spread to the message to the rest of their customer base. In order to effectively communicate with the entirety or even the



majority of it's customer base, firms should rely on a diverse array of mediums. It is worth noting that the fact that Word of Mouth communication may remain isolated to a similar group of individuals may also potentially serve as a useful tool for managers, wishing to exclusively target specific groups of people.

Customer Engagement Value serves as a means of measuring the overall value of a customer to a firm. High-engagement customers are seen as "more valuable" to an organisation than their lower engagement counterparts. However, this study did highlight the fact that in some ways, High-Engagement customers may be more costly and difficult to serve than Low-Engagement individuals. It was found that High-Engagement individuals are more likely to switch to alternative products or services than lower-engaged individuals. Concurrently, upon receiving substandard service they are more likely to complain than low-engaged individuals. They also tend to frequent, complain on and research existing companies through consumer complaint sites more than Low-Engaged individuals. This means that managers should, while understanding the value of a Highly-Engaged individual, weigh up the potential costs of increasing the "Engagement Level" of their customer base, with the aforementioned in mind.

Managers should also take heed when rewarding customers for being Highly-engaged. While it was not shown that in comparison to Highly-Engaged individuals, Lowly-Engaged customer are more likely to perceive preferential treatment of Highly-Engaged individuals as unfair, the risk for such perceptions still exist. The concern is that if such behaviour were to lead to resent from Lowly-Engaged individuals, firms may be causing negative perceptions amongst the majority of their customer base in order to reward a minority of their customer base. However, it is worth noting that, due to the fact that Word of Mouth tends to remain within groups of similar individuals, there is perhaps a good possibility that if conducted in the right way, Low-Engagement individuals will not find out about such preferential treatment.



7.4 Limitations of the study

As highly-engaged individuals tend to make up a small portion of a customer base, the researcher initially struggled to acquire a significant number of these individuals for the purpose of the study. Thereafter, individuals who work in technology-related fields were specifically targeted so as to garner a sufficient number of high-engagement responses. One of the risks here is that the sample is made up of very similar individuals and hence may not be completely representative of the population.

In order to determine whether there were significant differences between Highly-Engaged and Lowly-Engaged individuals, 10 Values constructs were measured between these two groups. However, values are not the only pre-cursor to purchase behaviour or customer decision making, and other characteristics could perhaps have been used to determine whether the two groups are fundamentally "different". In addition, there are a number of alternative scales that could have been used to measure values, over and beyond the 10 used in this study.

For the purpose of this study the product category of Internet Service Providers was selected. One of the questions this study addressed was whether or not preferential treatment of high-engagement customers would lead to resentment from lower-engagement individuals. From the study it appears that Internet Service Providers do not visibly exhibit preferential tendencies towards High-Engagement individuals, and so it was not possible to gauge the effects of such behaviour.

Purchasing Internet services is most likely a low-repeat purchase, and may in fact for many people be a once-off purchase decision. When asked how often individuals seek out advice regarding Internet offerings and Internet Service Providers, not one of the 180 respondents selected the option of "Extremely Often". It thus may have been more demonstrative to perform the study amongst a frequent repeat purchase product category.

The researcher was unable to access information about the sample groups Customer Lifetime Value and Customer Referral Value measurements. It is possible that these may have had an impact on the results or overall CEV scores.



The researcher did not collect demographical data, as the study was centred around the classification of individuals by their Engagement scores and nothing else. However, demographical information may have presented more insight into patterns or cases where for one group results were different than for another.

7.5 Suggestions for Future Research

In order to determine whether High-Engagement consumers have significant different characteristics to their lower-engagement counterparts, future studies should perhaps apply a different values measurement. Additionally other characteristics that pre-empt purchase decisions should be measured.

The study should be conducted with a product category wherein consumers make regular repeat purchases.

The study should be repeated with a product category or purchasers of a product that visibly reward customers who engage more with the firm. This will allow for the researcher to ascertain whether there is resentment from low-engagement individuals.

Future studies should, if possible find an organisation or product category wherein they are able to access data on Customer Lifetime Value and Customer Referral Value.

7.6 Conclusion

This study challenges some of the current dominant attitudes around the Customer Engagement construct, and the value of Word of Mouth communication. It has great relevance today due to the rise of social media and the opportunities for engagement that these platforms afford.

The study demonstrates that in some instances, encouraging engagement amongst customers might be undesirable. Furthermore utilising information gathered from Highly-Engaged customers may be dangerous to the health of the firm. At the same relying on Highly-Engaged individuals as a means to transmit information, via Word of Mouth, has shown to be potentially ineffective.



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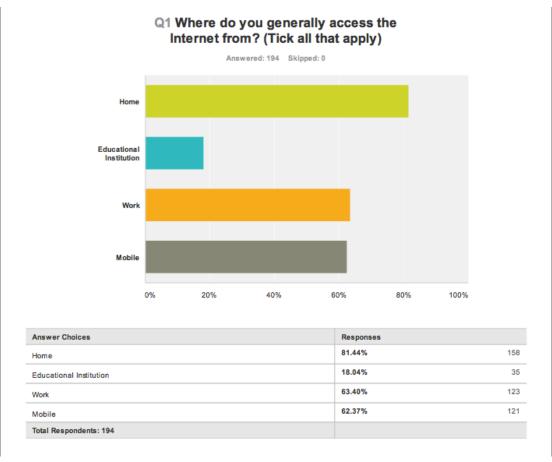
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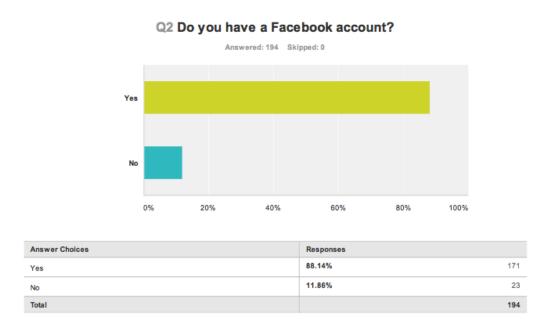
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9. APPENDICES

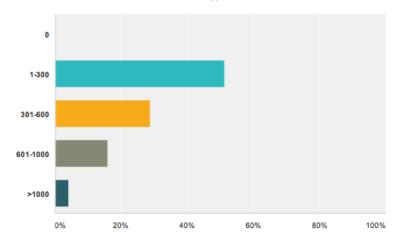
9.1 Questionnaire and Responses







Q3 How many friends do you have on Facebook?

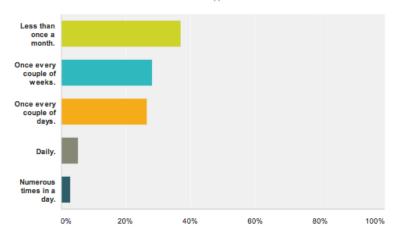


| Answer Choices | Responses | |
|----------------|-----------|-----|
| 0 | 0% | 0 |
| 1-300 | 51.18% | 87 |
| 301-600 | 28.82% | 49 |
| 601-1000 | 15.88% | 27 |
| >1000 | 4.12% | 7 |
| Total | | 170 |



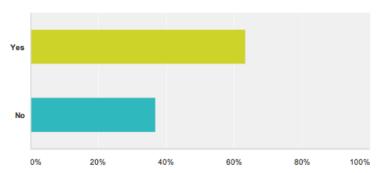
Q4 How regularly do you post on Facebook?

Answered: 170 Skipped: 24



| Answer Choices | Responses | |
|-----------------------------|-----------|-----|
| Less than once a month. | 37.06% | 63 |
| Once every couple of weeks. | 28.24% | 48 |
| Once every couple of days. | 26.47% | 45 |
| Daily. | 5.29% | 9 |
| Numerous times in a day. | 2.94% | 5 |
| Total | | 170 |

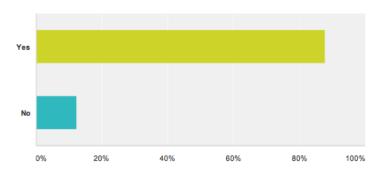
Q5 Do you have a Twitter account?



| Answer Choices | Responses | |
|----------------|-----------|-----|
| Yes | 63.21% | 122 |
| No | 36.79% | 71 |
| Total | | 193 |

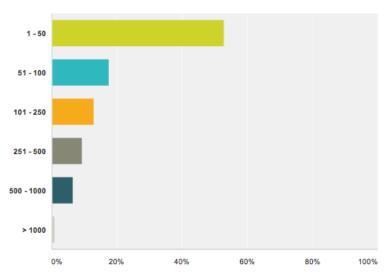
Q6 Do you follow other people on Twitter?

Answered: 122 Skipped: 72



| Answer Choices | Responses | |
|----------------|-----------|-----|
| Yes | 87.70% | 107 |
| No | 12.30% | 15 |
| Total | | 122 |

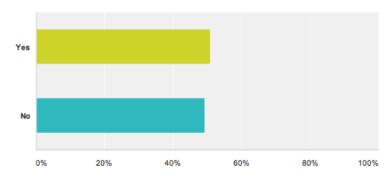
Q7 If yes, how many?



| Answer Choices | Responses | |
|----------------|-----------|-----|
| 1 - 50 | 52.78% | 57 |
| 51 - 100 | 17.59% | 19 |
| 101 - 250 | 12.96% | 14 |
| 251 - 500 | 9.26% | 10 |
| 500 - 1000 | 6.48% | 7 |
| > 1000 | 0.93% | 1 |
| Total | | 108 |

Q8 Do you "tweet"?

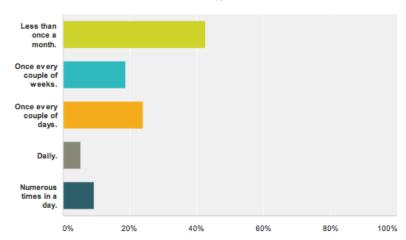
Answered: 122 Skipped: 72



| Answer Choices | Responses | |
|----------------|-----------|-----|
| Yes | 50.82% | 62 |
| No | 49.18% | 60 |
| Total | | 122 |

Q9 If yes, how often?

Answered: 75 Skipped: 119

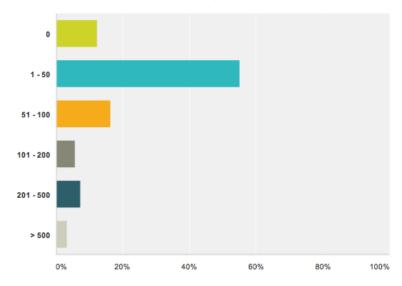


| Answer Choices | Responses | |
|-----------------------------|-----------|----|
| Less than once a month. | 42.67% | 32 |
| Once every couple of weeks. | 18.67% | 14 |
| Once every couple of days. | 24% | 18 |
| Daily. | 5.33% | 4 |
| Numerous times in a day. | 9.33% | 7 |
| Total | | 75 |



Q10 How many followers do you have on Twitter?

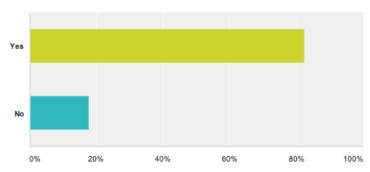
Answered: 122 Skipped: 72



| Answer Choices | Responses | |
|----------------|-----------|-----|
| 0 | 12.30% | 15 |
| 1 - 50 | 54.92% | 67 |
| 51 - 100 | 16.39% | 20 |
| 101 - 200 | 5.74% | 7 |
| 201 - 500 | 7.38% | 9 |
| > 500 | 3.28% | 4 |
| Total | | 122 |

Q11 Do you have an Internet Account with a local Internet Service Provider?

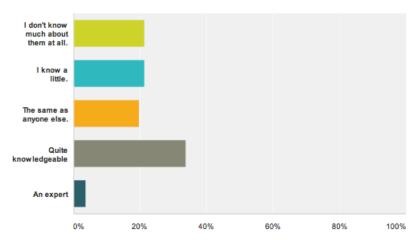
Answered: 192 Skipped: 2



| Answer Choices | Responses | |
|----------------|-----------|-----|
| Yes | 82.29% | 158 |
| No | 17.71% | 34 |
| Total | 1 | 192 |



Q12 How knowledgeable are you about Internet Service Providers (ISPs) in your country?

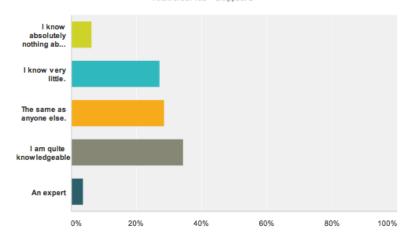


| Answer Choices | Responses | |
|--------------------------------------|-----------|-----|
| I don't know much about them at all. | 21.35% | 41 |
| I know a little. | 21.35% | 41 |
| The same as anyone else. | 19.79% | 38 |
| Quite knowledgeable | 33.85% | 65 |
| An expert | 3.65% | 7 |
| Total | | 192 |



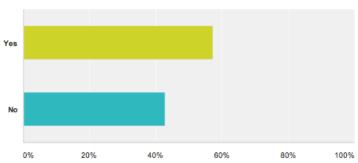
Q13 How knowledgable are you about different Internet product offerings?

Answered: 192 Skipped: 2



| Answer Choices | Responses | |
|---------------------------------------|-----------|-----|
| I know absolutely nothing about them. | 6.25% | 12 |
| I know very little. | 27.08% | 52 |
| The same as anyone else. | 28.65% | 55 |
| I am quite knowledgeable | 34.38% | 66 |
| An expert | 3.65% | 7 |
| Total | | 192 |

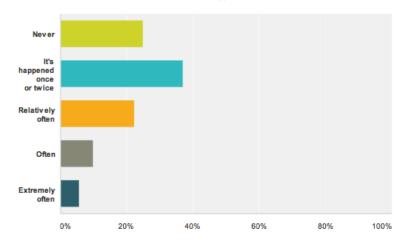
Q14 Do you feel you are able to evaluate Internet Service Providers and their product offerings?



| Answer Choices | Responses |
|----------------|-------------------|
| Yes | 57.29% 110 |
| No | 42.71% 82 |
| Total | 192 |



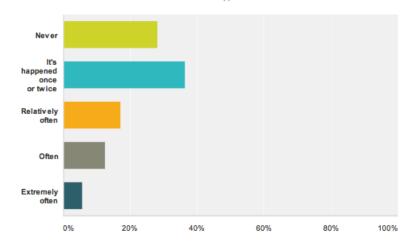
Q15 How often, if ever, do other individuals seek your advice regarding Internet Service Providers?



| Answer Choices | Responses | |
|-----------------------------|-----------|-----|
| Never | 25% | 48 |
| It's happened once or twice | 36.98% | 71 |
| Relatively often | 22.40% | 43 |
| Often | 9.90% | 19 |
| Extremely often | 5.73% | 11 |
| Total | | 192 |



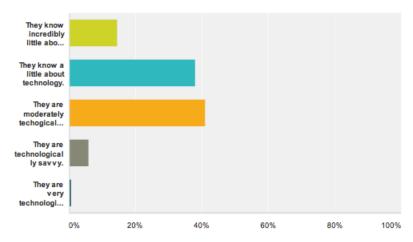
Q16 How often, if ever, do people seek out your advice regarding Internet offerings?



| Answer Choices | Responses | |
|-----------------------------|-----------|-----|
| Never | 28.13% | 54 |
| It's happened once or twice | 36.46% | 70 |
| Relatively often | 17.19% | 33 |
| Often | 12.50% | 24 |
| Extremely often | 5.73% | 11 |
| Total | | 192 |



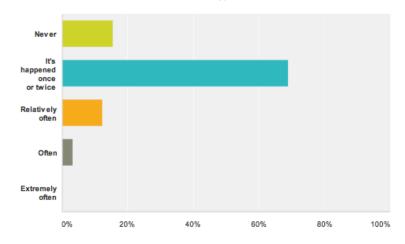
Q17 How would you describe those individuals who seek out your advice regarding Internet offerings, in terms of their technological saviness?



| Answer Choices | Responses | |
|---|-----------|-----|
| They know incredibly little about technology. | 14.60% | 20 |
| They know a little about technology. | 37.96% | 52 |
| They are moderately techogically savvy. | 40.88% | 56 |
| They are technologically savvy. | 5.84% | 8 |
| They are very technologically savvy. | 0.73% | 1 |
| Total | | 137 |



Q18 How often, if ever, do you seek advice from others about Internet Service Providers?

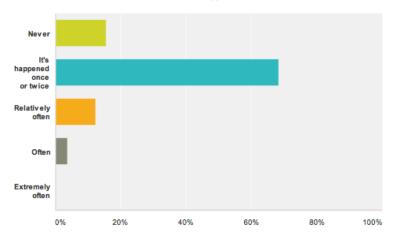


| Answer Choices | Responses | |
|-----------------------------|-----------|-----|
| Never | 15.59% | 29 |
| It's happened once or twice | 68.82% | 128 |
| Relatively often | 12.37% | 23 |
| Often | 3.23% | 6 |
| Extremely often | 0% | 0 |
| Total | | 186 |



Q19 How often, if ever, do you seek advice from others about Internet offerings?



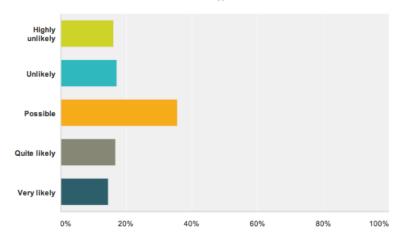


| Answer Choices | Responses | |
|-----------------------------|-----------|-----|
| Never | 15.59% | 29 |
| It's happened once or twice | 68.28% | 127 |
| Relatively often | 12.37% | 23 |
| Often | 3.76% | 7 |
| Extremely often | 0% | 0 |
| Total | | 186 |



Q20 How likely are you to switch Internet Service Providers in the next three years?

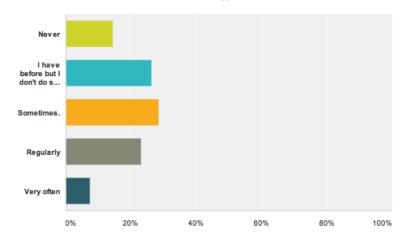




| Answer Choices | Responses | |
|-----------------|-----------|-----|
| Highly unlikely | 16.13% | 30 |
| Unlikely | 17.20% | 32 |
| Possible | 35.48% | 66 |
| Quite likely | 16.67% | 31 |
| Very likely | 14.52% | 27 |
| Total | | 186 |



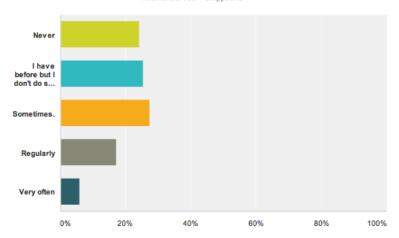
Q21 How often do you actively seek out or read up on information on Internet connectivity.



| Answer Choices | Responses | |
|--|-----------|-----|
| Never | 14.52% | 27 |
| I have before but I don't do so often. | 26.34% | 49 |
| Sometimes. | 28.49% | 53 |
| Regularly | 23.12% | 43 |
| Very often | 7.53% | 14 |
| Total | | 186 |



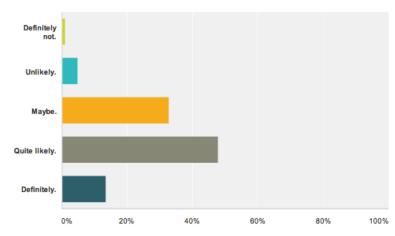
Q22 How often, if ever, do you actively seek out or read up on information about Internet Service Provider's product offerings.



| Answer Choices | Responses | |
|--|-----------|-----|
| Never | 24.19% | 45 |
| I have before but I don't do so often. | 25.27% | 47 |
| Sometimes | 27.42% | 51 |
| Regularly | 17.20% | 32 |
| Very often | 5.91% | 11 |
| Total | | 186 |



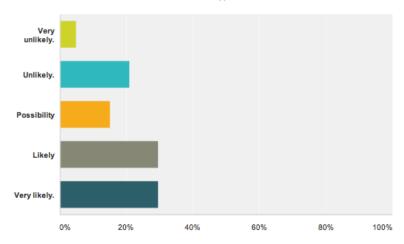
Q23 If a trustworthy person alerted you to a new superior product offering from an Internet Service Provider, would you pursue it further?



| Answer Choices | Responses | |
|-----------------|-----------|-----|
| Definitely not. | 1.08% | 2 |
| Unlikely. | 4.84% | 9 |
| Maybe. | 32.80% | 61 |
| Quite likely. | 47.85% | 89 |
| Definitely. | 13.44% | 25 |
| Total | | 186 |



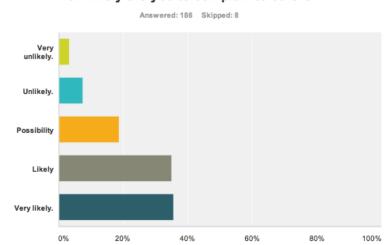
Q24 If you receive slow internet speeds, how likely are you to complain to your Internet Service Provider?



| Answer Choices | Responses |
|----------------|-----------|
| Very unlikely. | 4.84% 9 |
| Unlikely. | 20.97% 39 |
| Possibility | 15.05% 28 |
| Likely | 29.57% 55 |
| Very likely. | 29.57% 55 |
| Total | 186 |



Q25 If you receive slow Internet speeds, how likely are you to complain to others?

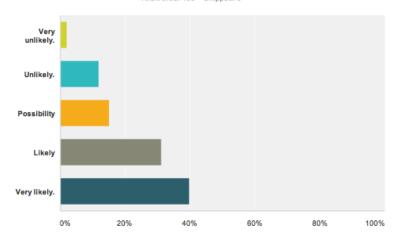


| Answer Choices | Responses | |
|----------------|-----------|-----|
| Very unlikely. | 3.23% | 6 |
| Unlikely. | 7.53% | 14 |
| Possibility | 18.82% | 35 |
| Likely | 34.95% | 65 |
| Very likely. | 35.48% | 66 |
| Total | | 186 |



Q26 If you receive substandard service, how likely are you to complain to your Internet Service Provider?



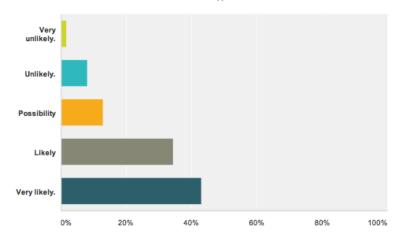


| Answer Choices | Responses |
|----------------|------------------|
| Very unlikely. | 2.15% 4 |
| Unlikely. | 11.83% 22 |
| Possibility | 15.05% 28 |
| Likely | 31.18% 58 |
| Very likely. | 39.78% 74 |
| Total | 186 |



Q27 If you receive substandard service, how likely are you to complain to others?

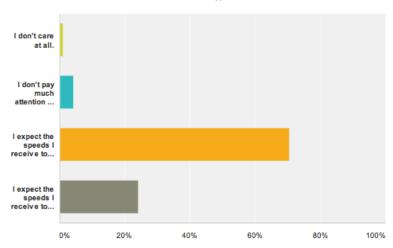




| Answer Choices | Responses | |
|----------------|-----------|-----|
| Very unlikely. | 1.61% | 3 |
| Unlikely. | 8.06% | 15 |
| Possibility | 12.90% | 24 |
| Likely | 34.41% | 64 |
| Very likely. | 43.01% | 80 |
| Total | | 186 |



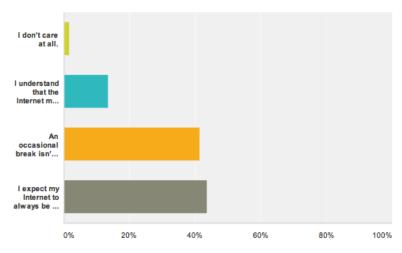
Q28 Please select which statement best explains your expectations in terms of service delivery as it pertains to the speed of your Internet connection?



| Answer Choices | | Responses | |
|---|--------|-----------|--|
| I don't care at all. | 1.08% | 2 | |
| I don't pay much attention to the speeds I receive, so long as the Internet is useable I'm happy. | 4.30% | 8 | |
| I expect the speeds I receive to be within a certain reasonable range of what I was promised. | 70.43% | 131 | |
| I expect the speeds I receive to never fall below what I was promised. | 24.19% | 45 | |
| Total | | 186 | |



Q29 Please select which statement best explains your expectations in terms of service delivery as it pertains to receiving uninterrupted Internet without any downtime?

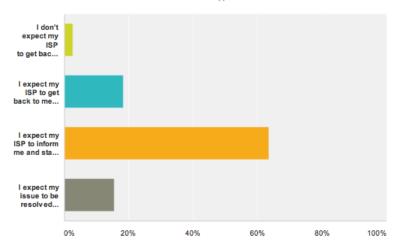


| Answer Choices | Respons | es |
|--|---------|-----|
| I don't care at all. | 1.61% | 3 |
| I understand that the Internet may go down once in a while, so long as it's not too often I don't really mind. | 13.44% | 25 |
| An occasional break isn't an issue. | 41.40% | 77 |
| I expect my Internet to always be up and running. | 43.55% | 81 |
| Total | | 186 |



Q30 Please select which statement best explains your expectations in terms of service delivery as it pertains to reporting an issue/making a complaint?

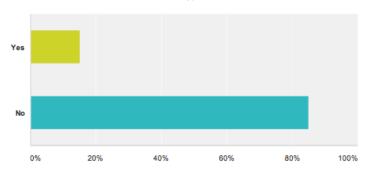




| Answer Choices | | Responses | |
|--|--------|-----------|--|
| I don't expect my ISP to get back to me after I log a complaint with them. | 2.69% | 5 | |
| I expect my ISP to get backto me within 24 hours after I log a complaint with them. | 18.28% | 34 | |
| I expect my ISP to inform me and stay in contact with me regarding any issue I contact them about. | 63.44% | 118 | |
| I expect my issue to be resolved immediately. | 15.59% | 29 | |
| Total | | 186 | |

Q31 Do you blog?

Answered: 186 Skipped: 8

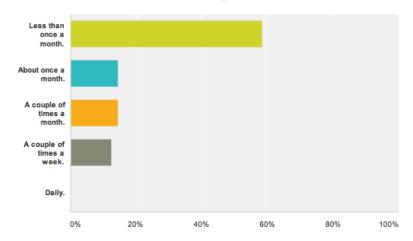


| Answer Choices | Responses | |
|----------------|-----------|-----|
| Yes | 15.05% | 28 |
| No | 84.95% | 158 |
| Total | | 186 |



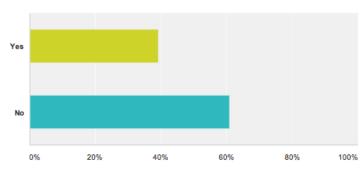
Q32 If yes, how often?

Answered: 48 Skipped: 146



| Answer Choices | Responses | |
|----------------------------|-----------|----|
| Less than once a month. | 58.33% | 28 |
| About once a month. | 14.58% | 7 |
| A couple of times a month. | 14.58% | 7 |
| A couple of times a week. | 12.50% | 6 |
| Daily. | 0% | 0 |
| Total | | 48 |

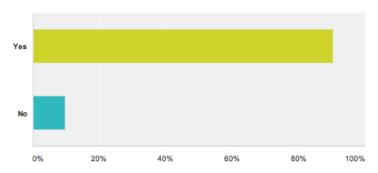
Q33 Do you make use of consumer complaint sites, such as Hellopeter?



| Answer Choices | Responses |
|----------------|-------------------|
| Yes | 39.25% 73 |
| No | 60.75% 113 |
| Total | 186 |

Q34 Do you use consumer complaint sites, such as HelloPeter, to complain?

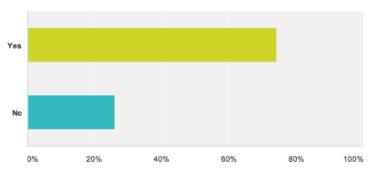
Answered: 72 Skipped: 122



| Answer Choices | Responses | |
|----------------|-----------|----|
| Yes | 90.28% | 65 |
| No | 9.72% | 7 |
| Total | | 72 |

Q35 Do you use consumer complaint sites, such as HelloPeter, to get reference on potential suppliers?

Answered: 73 Skipped: 121

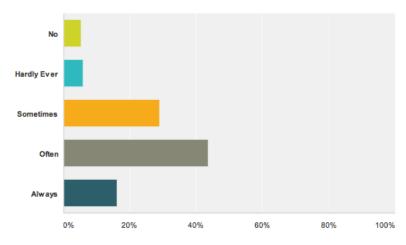


| Answer Choices | Responses | |
|----------------|-----------|----|
| Yes | 73.97% | 54 |
| No | 26.03% | 19 |
| Total | | 73 |



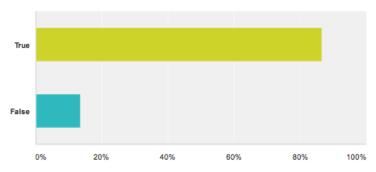
Q36 Do you read user comments on websites?

Answered: 186 Skipped: 8



| Answer Choices | Responses | |
|----------------|-----------|-----|
| No | 5.38% | 10 |
| Hardly Ever | 5.91% | 11 |
| Sometimes | 29.03% | 54 |
| Often | 43.55% | 81 |
| Always | 16.13% | 30 |
| Total | | 186 |

Q37 I feel that people who are technologically savvy can get better deals out of Internet service providers

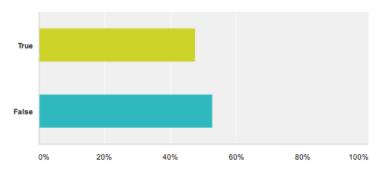


| Answer Choices | Responses | |
|----------------|-----------|-----|
| True | 86.56% | 161 |
| False | 13.44% | 25 |
| Total | | 186 |



Q38 I feel that people who are more active on social media can get better deals out of Internet service providers

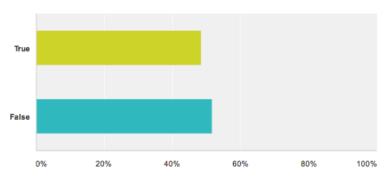




| Answer Choices | Responses | |
|----------------|------------------|---|
| True | 47.31% 88 | В |
| False | 52.69% 98 | В |
| Total | 186 | 6 |

Q39 I feel that it is NOT fair that only technology savvy people get good deals out of Internet service providers

Answered: 186 Skipped: 8

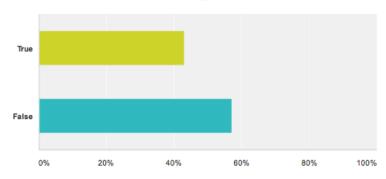


| Answer Choices | Responses |
|----------------|------------------|
| True | 48.39% 90 |
| False | 51.61% 96 |
| Total | 186 |



Q40 I feel that it is NOT fair that people who are active on social networks get better deals out of Internet service providers

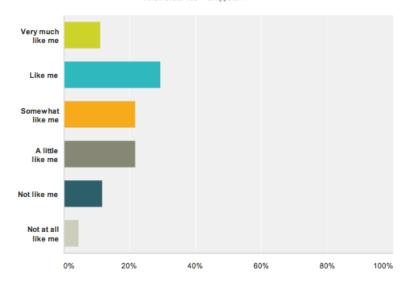




| Answer Choices | Responses | |
|----------------|-----------|-----|
| True | 43.01% | 80 |
| False | 56.99% | 106 |
| Total | | 186 |



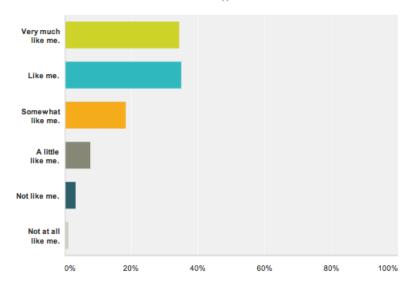
Q41 It is important to this person to always behave properly; to avoid doing anything people would say is wrong.



| Answer Choices | Responses | |
|--------------------|-----------|-----|
| Very much like me | 11.11% | 20 |
| Like me | 29.44% | 53 |
| Somewhat like me | 21.67% | 39 |
| A little like me | 21.67% | 39 |
| Not like me | 11.67% | 21 |
| Not at all like me | 4.44% | 8 |
| Total | | 180 |



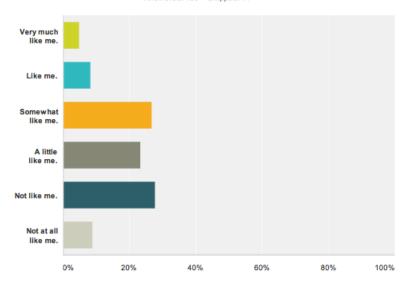
Q42 It is important to this person to think up new ideas and be creative; to do things one's own way.



| Answer Choices | Responses |
|---------------------|------------------|
| Very much like me. | 34.44% 62 |
| Like me. | 35% 63 |
| Somewhat like me. | 18.33% 33 |
| A little like me. | 7.78% 14 |
| Not like me. | 3.33% 6 |
| Not at all like me. | 1.11% 2 |
| Total | 180 |



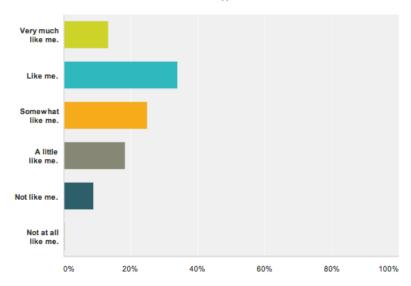
Q43 It is important to this person to be rich; to have a lot of money and expensive things.



| Answer Choices | Responses | |
|---------------------|-----------|-----|
| Very much like me. | 5% | 9 |
| Like me. | 8.33% | 15 |
| Somewhat like me. | 26.67% | 48 |
| A little like me. | 23.33% | 42 |
| Not like me. | 27.78% | 50 |
| Not at all like me. | 8.89% | 16 |
| Total | | 180 |



Q44 It is important to this person to have a good time; to "spoil" oneself.

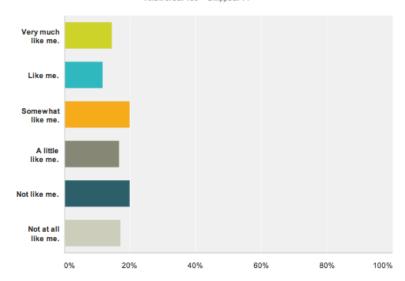


| Answer Choices | Responses |
|---------------------|------------------|
| Very much like me. | 13.33% 24 |
| Like me. | 33.89% 61 |
| Somewhat like me. | 25 % 45 |
| A little like me. | 18.33% 33 |
| Not like me. | 8.89% 16 |
| Not at all like me. | 0.56% 1 |
| Total | 180 |



Q45 Tradition is important to this person; to follow the customs handed down by one's religion or family.

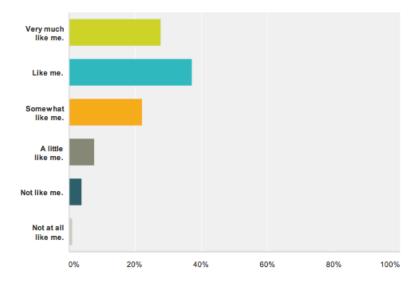




| Answer Choices | Responses |
|---------------------|------------------|
| Very much like me. | 14.44% 26 |
| Like me. | 11.67% 21 |
| Somewhat like me. | 20% 36 |
| A little like me. | 16.67% 30 |
| Not like me. | 20% 36 |
| Not at all like me. | 17.22% 31 |
| Total | 180 |



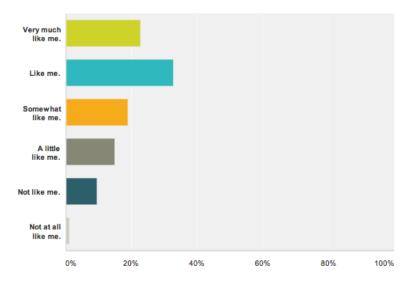
Q46 It is important to this person to help the people nearby; to care for their wellbeing.



| Answer Choices | Responses |
|---------------------|------------------|
| Very much like me. | 27.78% 50 |
| Like me. | 37.22% 67 |
| Somewhat like me. | 22.22% 40 |
| A little like me. | 7.78% 14 |
| Not like me. | 3.89% 7 |
| Not at all like me. | 1.11% 2 |
| Total | 180 |



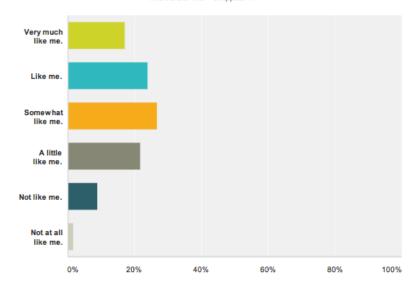
Q47 Being very successful is important to this person; to have people recognise one's achievements.



| Answer Choices | Responses |
|---------------------|------------------|
| Very much like me. | 22.78% 41 |
| Like me. | 32.78% 59 |
| Somewhat like me. | 18.89% 34 |
| A little like me. | 15% 27 |
| Not like me. | 9.44% 17 |
| Not at all like me. | 1.11% 2 |
| Total | 180 |



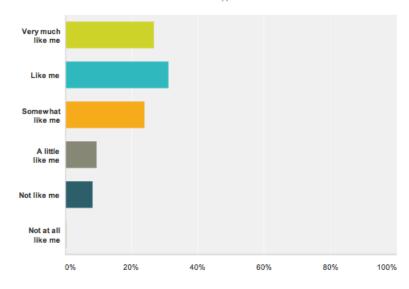
Q48 Adventure and taking risks are important to this person, to have an exciting life.



| Answer Choices | Responses |
|---------------------|------------------|
| Very much like me. | 17.22% 31 |
| Like me. | 23.89% 43 |
| Somewhat like me. | 26.67% 48 |
| A little like me. | 21.67% 39 |
| Not like me. | 8.89% 16 |
| Not at all like me. | 1.67% 3 |
| Total | 180 |



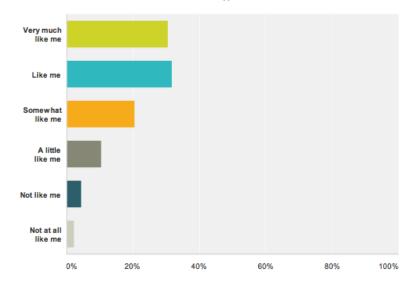
Q49 Living in secure surroundings is important to this person; to avoid anything that might be dangerous



| Answer Choices | Responses |
|--------------------|------------------|
| Very much like me | 26.67% 48 |
| Like me | 31.11% 56 |
| Somewhat like me | 23.89% 43 |
| A little like me | 9.44% 17 |
| Not like me | 8.33% 15 |
| Not at all like me | 0.56% 1 |
| Total | 180 |



Q50 Looking after the environment is important to this person; to care for nature.



| Answer Choices | Responses | |
|--------------------|-----------|-----|
| Very much like me | 30.56% | 55 |
| Like me | 31.67% | 57 |
| Somewhat like me | 20.56% | 37 |
| A little like me | 10.56% | 19 |
| Not like me | 4.44% | 8 |
| Not at all like me | 2.22% | 4 |
| Total | | 180 |



9.2 Letter of Informed Consent

LETTER OF INFORMED CONSENT



Full time MBA 2013/2014

Understanding Customer Engagement (Working Title)

By

Daniel Harris

Phone #: 2783 395 2861

e-mail: daniel@visualaffair.co.za



Informed Consent: I am conducting research on the topic of customer knowledge and the value that highly engaged people create for firms. Through my research I am also looking to establish whether individuals who actively engage with companies have the same set of personal values as those who are less inclined to do so. I have chosen to conduct my research within the product category of Internet Service Providers.

Your participation in this study is completely voluntary and would be greatly appreciated. All personal information will be kept completely confidential. If you have any concerns, or questions, please don't hesitate to contact either myself or my supervisor.

| CONTACT DETAILS | |
|---------------------------------------|---|
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| Supervisor: E-mail: Contact no: | Kerry Chipp chippk@gibs.co.za +2782 330 8759 |
| Signature of Participant: | |
| Date: | |
| Signature of Researcher: | |
| Date | |