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10. Investigating the impact of Rewarded Social Media Engagement, Trust, Perceived Switching Cost and Loyalty on Loyalty Programme Members in the Sports Industry

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Abstract: Social media has changed the way people interact with companies and one another as well as become a powerful tool for enhancing touchpoints with customers. While many studies on loyalty, loyalty/reward programmes exists, there is still a gap in our understanding of how social media, rewarded engagement and loyalty programmes work together. Against this backdrop, this chapter aims to increase our understanding of the role of rewarded social media engagement in loyalty programmes and customer loyalty amongst members versus non-members. To explore the relationship and to differentiate between members and non-members, this study explores rewarded social media engagement, trust, perceived switching cost and loyalty. This chapter discusses whether rewarded social media engagement, trust and perceived switching cost and overall loyalty are higher in the loyalty programmes members versus non-members. The study uses online surveys of members and non-members to examine their behaviour towards social media engagement and loyalty to loyalty programmes while adding to the body of knowledge on loyalty programmes, social media communication and rewarded engagement. The main findings highlight that rewarded customer engagement in the social media context, trust, perceived switching cost and loyalty towards the programme and the company are higher in the programme members than non-members in the sports industry.

Keywords: rewarded customer engagement; loyalty; loyalty programmes; social media; customer trust; perceived switching cost.

Introduction

The concept of customer engagement (CE) has recently attracted many academic researchers (Hollebeek *et al.*, 2019), with one study suggesting that in terms of engagement, different benefits are being offered to companies and customers through customer integration (Bowden, 2009a). The benefits for customers comprise hard benefits like price reduction, and customization, while positive consequences for organisations consist of soft benefits, such as loyalty, brand trust and increased perceived switching cost (Hollebeek, Glynn and Brodie, 2014; Vivek, Beatty and Morgan, 2012; Bowden, 2009a).

However, due to the rapid change in customer needs and market situation in terms of loyalty programmes (LPs), companies are now learning that only rewarding customers' financial transactions does not benefit the company in the long-run (Ramani and Kumar, 2008). Thus, many companies have now redesigned their LPs to reward customer engagement (RCE) and enhance their LPs' effectiveness (Brodie *et al.*, 2013).

Many previous CE studies have suggested that CE positively correlates with customer loyalty (Yen, Teng and Tzeng, 2020; Rather, Hollebeek and Islam, 2019). Companies have learned that they need to reward not solely purchases but also customers' engagement to gain loyalty towards the LP and the brand. Therefore, companies are now designing LPs to reward specific CE (Brodie *et al.*, 2013).

Social media also provides an extensive new field for traditional customer relationship tools (Heller-Baird and Parasnis, 2011), such as LPs. With the help of social media engagement, customers now can share and/or earn rewards (Smith, 2014; Rawa and Meduri, 2013).

Studies by Hollebeek *et al.* (2014) and Brodie *et al.* (2013) explored the influence of RCE in the social media context. Manchanda, Packard, and Pattabhiramaiah (2015) and Kumar *et al.* (2013) stated that social media activities are key to spreading brand knowledge while generating growth in sales amongst members and users. Further research showed that if customers engage with a company via social media, they tend to expect a reward for spending their time and providing personal data (Heller-Baird and Parasnis, 2011).

Despite the conduction of relevant studies, only few have actually examined LPs regarding CE (Bruneau, Swaen, and Zidda, 2018) or social media and CE in the sports industry (Ballouli and Hutchinson, 2010; Pegoraro, 2010; Sheffer and Schultz, 2010a, 2010b; Williams and Chinn, 2010). Hence, the objective of this study was to investigate novel forms of rewarded behavior in contrast to rewarding financial transactional behaviour in LPs for members versus non-members.

This study aims to fill this knowledge gap by discussing the impact of rewarded social media engagement, trust, perceived switching cost (PSC) and loyalty towards the LP and the store/brand amongst members and non-members of LPs in the sports industry with an emphasis on the sports brand Nike, which was selected for its iconic value amongst customers and well-established brand reputation in the sport industry. Schiffman, Leon and Kanuk (2006) identified

Nike as a brand with high personality value. Moreover, Nike projects emotional value by inspiring not only success but also energy, motivation and determination (Bouwman, 2008). Nike's 'Just Do It' marketing campaign is one of the top five advertising campaigns of the 20th century (Aaker, David and Erich, 2000).

The remainder of this chapter is as follows: The theoretical background and literature review are presented by focusing on the study's constructs, followed by presentation of the research framework and propositions. Next, the research methodology is outlined, followed by the analysis and results. Finally, the results and conclusions are discussed, and future research directions are suggested.

Literature Review

This section discusses relevant studies on the topic and the chosen constructs.

Customer engagement, loyalty and social media

Customer engagement (CE), defined as an iterative, dynamic and psychological state derived from a satisfactory interactive relationship with a company (Pansari and Kumar, 2017; Brodie *et al*., 2013; Van Doorn *et al.*, 2010). It comprises interaction with other users or customers in communities where customers generate and share content (Sashi, 2012). In this way, customers manifest non-transactional behaviour to try to gain a reward, intensive knowledge, and/or a reputation (Jaakkola and Alexander, 2014).

CE, which also refers to the interaction between customers and companies (Hollebeek, 2011), can help develop emotional bonds with a product, service or brand, which can foster customer loyalty (So *et al*., 2016; De Vries and Carlson, 2014; Hollebeek *et al.*, 2014; So, King, and Spark, 2014).

The idea of CE has gained considerable attention in academia (Islam and Rahman, 2016a, 2016b; Brodie *et al.*, 2011), and The Marketing Science Institute (MSI, 2018) has listed future research on CE in technology as an important research priority since 2010. Encouraging CE in organisations requires the use of technologies to better serve and delight customers; hence, social media provides a platform to motivate customers to engage (Thackeray *et al.*, 2008).

In another study, Jowdy and McDonald (2002) revealed that CE significantly affects long-term relationships between organisations and members in the sports industry. Additionally, it is believed that in the sports industry, relationship marketing has a great advantage because sports organisations and brand customers are generally highly involved (Shani, 1997), who also tend to contribute actively (Williams and Chinn, 2010). Therefore, sports companies and brands should develop relationships with members not solely as customers but also as influencers and collaborators using social media platforms (Williams and Chinn, 2010). Table 10.1 below shows the main concepts of CE from previous studies.

<TABLE 10.1 HERE>

Studies have revealed that CE significantly affects customer loyalty (Prentice *et al.*, 2019; Chen and Rahman, 2018; Roy *et al.*, 2018). Yadav and Singh (2018) suggested that customer loyalty is

a psychological feeling of associating oneself with a certain service, product or brand/organisation. A loyal customer can benefit the organisation in many ways, such as reducing promotional costs while providing constant profits (Yadav and Singh, 2018).

When CE is high, it may lead to a strong relationship between a customer and a brand as well as make the customer feel more connected, which increases trust towards the brand, switching costs and loyalty (Van Asperen, Rooij and Dijkmans, 2018; Harrigan *et al.*, 2017). Additionally, highly engaged customers tend to possess a higher level of trust (So *et al.*, 2016; Wei, Miao and Huang, 2013), which positively influences loyalty towards the brand (Huang, 2017; Veloutsou, 2015).

Several studies have observed a positive relationship between CE and customer loyalty towards a programme or a brand. Dholakia and Durham (2010) found positive impacts of a Facebook activity on word-of-mouth (WOM), sales and interaction. Similarly, Habibi, Laroche and Richard (2014) suggested that brand communities on social media have a positive influence on customer loyalty and customer trust.

In today's era of digital technologies, LPs are believed to be a significant tool to retain and engage customers (Lu and Miller, 2019). LPs can be defined as reward programmes, relationship marketing programmes and loyalty cards. The term 'loyalty programme' includes all these forms and conceptualises LPs as different marketing incentives, such as rewards, gifts, vouchers, dedicated support etc., which are designed to engage customers in a long term relationship (Henderson, Beck and Palmatier, 2011). One study (Steinhoff and Palmatier, 2016) revealed that

LP members tend to intentionally or unintentionally weigh and analyse benefits versus costs, along with their own expectations to decide whether they should engage in a relationship. Thus, the primary aim of LPs is to support and encourage programme members to engage in a long-term positive relationship with the organisation while providing rewards, which are unique and can thus be differentiated (Yang *et al.*, 2019). A study by Guo *et al.* (2020) suggested that the reward method can be used to improve CE and loyalty. The term 'reward' refers to the specific benefits that the members of a programme or brand desire and/or receive through their participation and/or engagement. A reward is considered a significant driver of CE and loyalty (Baldus, Voorhees and Calantone, 2015).

Therefore, a relatively recent study (Islam, Rahman and Hollebeek, 2018) suggested that organisations should offer personalised rewards to LP members to increase CE. If organisations offer a creative, interactive and enjoyable reward to their members, it would significantly boost their engagement level as well as the loyalty of members, as compared to non-members (Chan *et al.*, 2014). Thus, LPs are now introducing and following this new approach to reward customers not only for their financial transactions but also for their social media engagement (Smith, 2014).

Due to the importance of CE and loyalty in businesses and marketing, companies now rely extensively on social media to spread online information to their customers and to interact with and engage them using marketing activities (Dolan and Goodman, 2017; Harrigan *et al.*, 2017; Zhang *et al.*, 2017). Entertaining social media content on platforms like Facebook has a significant effect on the engagement level of customers and members (Cvijikj and Michahelles, 2013; Chan *et al.*, 2014).

Dolan *et al.* (2019) defined social media engagement as a "*customer's behavioural manifestations that have a social media focus, beyond purchase, resulting from motivational drivers*" (p. 265). Recent advancements in technology and social media use reflect the need to rethink current CE conceptualisation. Social media has also transformed the basic role of a customer to that of an organisation via encouraging customer contribution towards creating and sharing information, photos, reviews and other marketing resources (Lariviere, Bowen, and Andreassenc, 2017).

Furthermore, according Lariviere *et al.* (2017), the predicted basic role of a customer has changed and transformed to that of an enabler, innovator, coordinator and differentiator. When customers are involved in such roles, they tend to participate in the development and delivery of new products and services, engage other new and old customers, create and develop communities, interact with prospects and differentiate between different offers in the market. The study (Lariviere *et al.*, 2017) further argued that in the technology and social media era, marketers and organisations cannot fully control messages and content, as customers are now a main source of information and reviews and they can influence other customers' preferences and purchase decisions.

Therefore, Brodie *et al.* (2013) claimed that customers who are highly engaged on social media tend to possess higher level of loyalty towards the programme and brand. Harrigan *et al.* (2017) also argued that CE is a positive driver of loyalty.

Customer trust

Customer trust, which plays a significant role in creating and developing a bond between a customer and a company or brand, refers to the belief that the organisation or brand will fulfil customers' requirements and can be an important factor leading to customer loyalty (Boonlertvanich, 2019). Previous studies (Haque and Mazumder, 2020; Quoquab, Sadom and Mohammad, 2019) revealed that customer trust is positively related to customer loyalty towards the brand. Iglesias *et al.* (2020) revealed that customer trust significantly increases customer loyalty towards the organization; thus, companies need to maintain customer trust to generate positive attitudes and intentions amongst them. Additionally, Paparoidamis, Katsikeas and Chumpitaz (2019) noted that customers who trust the brand remain loyal to it.

Customer trust has been explored in many studies related to loyalty and CE (Huang and Chang, 2019; Liu *et al.*, 2018). Furthermore, social exchange theory suggests that customers are more inclined to interact and engage with a brand or service that they trust (Cheng *et al.*, 2017). Customers' trust in a brand and/or its product leads to positive feelings and interactions (Zhao, Huang and Su, 2019).

Additionally, CE is believed to enhance trust between a customer and a service or product provider (Sashi, 2012). Letheren *et al.* (2019) emphasized the importance of understanding that customer trust can elevate the CE level.

Santos, Coelho and Rita (2021) revealed that CE is vital factor to build customer trust on social media. Additionally, Dwivedi and McDonald (2020) stated that social media communication and engagement are significantly correlated with customer trust in the brand. Therefore, customer trust can lead to loyalty amongst customers (Palacios-Florencio *et al.*, 2018).

Perceived Switching Cost

Perceived switching cost (PSC) refers to the cost that the customer needs to bear while moving from one brand/product to another and includes economic, psychological and physical costs (Ariefin, Andarwati and Hadiwidjojo, 2019; Al-Mashraie, Chung and Jeon, 2020).

Shaik *et al. (*2020) argued that PSC does not have to be monetary; it can include non-monetary costs, such as learning and search costs. Additionally, when a customer switches from one brand/company to another, the indirect costs are usually felt when there are learning costs, search costs and the loss of discounts for loyalty from the previous brand/company (Magnani, Manenti and Valbonesi, 2020; Temerak and El-Manstrly, 2019).

PSC is believed to be a significant construct of customer loyalty and a firm's long-term customer relationship building. Chuah *et al.* (2017) stated that PSC increases when a customer attains a LP membership. Thus, if the customer or LP member is sensitive to a product's attributes, such as quality, price sensitivity will be decreased by uncertainty, and the customer will behave as if loyal to the brand (Erdem, Swait and Jordan, 2002).

For the above mentioned reasons, PSC directly impacts on customers' sensitivity to price and hence influences their loyalty (Burnham, Frels and Mahajan, 2003; Jones, Beatty and Mothersbaugh, 2002; Eber, 1999). Similarly, Sharma (2003) and Patterson and Sharma (2000) argued that an increase in PSC can influence trust in customer loyalty and vice versa.

Framework and Propositions

The objective of this study is to determine whether rewarding customers for their engagement beyond purchases can strengthen their attitude towards an LP and a sports brand between the LP's members.

Thus, this chapter investigates the differences in RCE, trust, PSC and loyalty between the members and non-members of a sports company LP by studying the role of RCE, trust, PSC and loyalty on members of the LP in the context of the social media. The literature (e.g. Brodie *et al.*, 2013; Vivek *et al.*, 2012; Bowden, 2009b) suggests that engaged customers reveal higher engagement, trust and PSC, which also results in increased loyalty among members.

Therefore, on the basis of the literature review and the objective of this study, the following conceptual framework was developed:

<FIGURE 10.1 HERE>

Four propositions were developed for this particular study:

P1: Rewarded social media CE is higher amongst LP members versus non-members.

P2: Trust is higher amongst LP members versus non-members.

P3: PSC is higher amongst LP members versus non-members.

P4: Loyalty is higher amongst LP members versus non-members.

Research Methodology

Quantitative surveys were conducted from the customers (Nike's LP members and non-members) to explore whether RCE, trust, PSC and loyalty are higher amongst LP members in the sports brand compared to non-members on social media. The Nike sports brand was selected for this purpose.

The quantitative method used was a survey which was developed by adapting measures from several studies. RCE construct measures were developed and adapted from Baldus *et al.* (2015) and measures for trust were adapted from Ball, Coelho and Machas (2004) and Ball Coelho, and Vilares (2006). To measure the PSC, items were adapted from Burnham *et al.* (2003), Guiltinan (1989), and Jones *et al.* (2002). Similarly, to measure loyalty (both programme loyalty and company/brand loyalty), the adapted items were based on a study by Youjae and Hoseong (2003). The items of each construct are listed in Table 10.2.

Data Collection, Analysis and Results

Data collection

The quantitative research technique was selected because it shows a numerical and structural presentation of the constructs under study (Hunt, 1994). An online survey was conducted and

convenience sampling was used. The survey was conducted using the Mechanical Turk (Amazon) online platform.

The questionnaire comprised five sections: 1) demographics, which covered the basic information from the customer, such as age, gender and occupation; 2) RCE, which included six items; 3) Trust, which contained five items; 4) PSC, which contained four items; and 5) LOY, which had seven items.

All items were measured and evaluated on a five-point Likert scale to facilitate consistent measurement, with 1 being ‘strongly disagree’ and 5 being ‘strongly agree’.

Sample size

According to Hair *et al.* (2010), the preferred ratio is ten respondents for each variable item and the ratio of respondents to each individual construct must not fall below five *(5:1).*

This study comprised 22 items making. The minimum sample size is 220. However, the study gathered data from 300 respondents, including 198 LP members and 102 non-members of Nike.

Analysis and results

To analyse the data, this chapter used SPSS statistical software; the t-test was used to test the propositions of this study. The sample of Nike customers comprised 198 (66%) LP members and 102 (34%) non-members (n = 300).

The descriptive statistics for RCE revealed an overall mean score of 3.692 (*SD = 0.77*). This shows a positive perception of RCE amongst the respondents/customers. RCE1 had the highest mean value, indicating that the customers liked Nike because it is entertaining on social media.

Similarly, descriptive statistics for TRU (trust) indicated an overall mean score of 4.060 (*SD = 0.61*). This shows a positive perception of trust amongst the respondents/customers (i.e. customer had trust in Nike). TRU3 had the highest mean value, indicating that customers believe that they can trust Nike and that will not deceive (cheat) them (regarding offers or other social media activities).

The descriptive statistics result for PSC revealed an overall mean score of 3.794 (*SD = 0.68*), which shows a positive perception of PSC amongst the respondents/customers (i.e. customers perceive that the switching cost is high if they switch to another brand). PSC3 had the highest mean value, indicating that the customers believe that before switching to another sports brand, they need to compare all companies in the industry.

Additionally, the descriptive statistics for LOY (loyalty) had an overall mean score of 4.062 (*SD = 0.60*). This indicates a positive perception of loyalty amongst the respondents/customers (i.e.

customers are loyal to Nike). LOY7 had the highest mean value, indicating that customers would recommend Nike to others (on social media and in person as WoM).

Table 10.2 shows the mean of each construct/item for LP members and non-members.

<TABLE 10.2 HERE>

Test of propositions

For the data was collected from LP members (*n = 198*) as well as non-members (*n = 102*) of Nike, the descriptive statistics show that the mean score for customers' perception of RCE in the sports industry for members was 3.920 (*SD = 0.60*), whereas for non-members, it was 3.251 (*SD = 0.87*). Similarly, the descriptive statistics show that the mean score for customers' perception about trust (TRU) in the sports industry for members was 4.177 (*SD = 0.62*), whereas for non-members, it was 3.833 (*SD = 0.69*). The mean score for customers' perception about PSC in the sports industry for members was 3.915 (*SD = 0.58*), whereas for non-members, it was 3.558 (*SD = 0.81*). Finally, the mean score for customers' perception about loyalty (LOY) in the sports industry for members was 4.210 (*SD = 0.49*), whereas for non-members, it was 3.775 (*SD = 0.68*).

A crosstabulation descriptive analysis was also done to see how many LP members and non-members chose agree/strongly agree for the items. Table 10.3 shows the crosstabulation analysis results for each construct/item for members and non-members.

<TABLE 10.3 HERE>

In the RCE crosstabulation analysis, 62% of the Nike's LP members agreed that they like Nike because it is entertaining, but only 21.6% of non-members agreed. Similarly, 58.6% of members agreed that they enjoy being involved/engaged (immersed) with Nike, but only 20.3% of non-members agreed with this. Furthermore, 58.3% of the members agreed that their main aim of engaging with Nike is to access deals, offers and coupons, whereas only 19.3% of non-members shared this opinion. Consequently, 47% of the members agreed that Nike encourages them to participate on social media by offering lucrative deals, whereas only 4% of non-members agreed with this. Additionally, 37.6% of the members agreed that without the special deals provided by Nike, they would stop being a member, whereas only 11.6% of the non-members agreed with this. Lastly, 38% of the members agreed that without the special deals provided by Nike, they would stop being a member on social media, whereas only 13% of the non-members shared the same opinion.

The trust (TRU) crosstabulation analysis indicates that 56.3% of Nike's LP members agreed that they can rely on Nike to serve them well, whereas only 29% of the non-members were of the same opinion. Similarly, 55.6% of the members agreed that Nike treats them honestly in every transaction, but only 26% of the non-members agreed. Furthermore, 58.3% of the members agreed that they believe Nike would not deceive or cheat them, whereas only 26.3% of non-members shared this opinion. Additionally, 55.3% of the members agreed that Nike is reliable because it is mainly concerned with customers' interests, but only 25% of non-members shared the same opinion. Consequently, 53.6 % of the members agreed that Nike suggests a product for their own (customers') benefit, whereas only 16.6% of non-members agreed.

The PSC crosstabulation analysis indicated that 43.6% of the Nike's LP members agreed that switching to a new sports company has monetary cost, whereas only 13% of the non-members were of the same opinion. Similarly, 50.3% of the members agreed that if they switch to a new sports company/brand, the product/service might not work as expected, but only 20.3% of the non-members agreed. Furthermore, 58.6% of the members agreed that before switching to a new company, they should compare all companies in the industry, whereas only 24.6% of non-members shared this opinion. Finally, 50.6% of the members agreed that even if they have enough information, comparing the companies with one another takes a lot of energy, time and effort, but only 21.6% of non-members shared the same opinion.

Likewise, for the loyalty (LOY) crosstabulation analysis, 55.3% of the Nike's LP members agreed that they like the LP more than those of other organisations, whereas only 16% of the non-members were of the same opinion. Similarly, 56% of the members agreed that they have a strong preference for Nike's LP; however, only 17.6% of the non-members agreed. Furthermore, 55.6% of the members agreed that they would recommend Nike's LP to others, whereas only 19.3% of non-members shared this opinion. Additionally, 55% of the members agreed that they like Nike more than other sports companies, but only 24% of non-members shared the same opinion. Consequently, 61.6% of the members agreed that they have a strong preference for Nike brand, whereas only 27.3% of non-members agreed. While 55.3% of the members agreed that they give first consideration to Nike when they need to get sports equipment and/or other essentials (clothing, shoes, etc.), only 25.6% of the non-members were of the same opinion. Lastly, 58.3% of the Nike's LP members agreed that they would recommend Nike to others, whereas only 29% of the non-members shared the same opinion.

T-test

An independent sample t-test was conducted to compare RCE for members and non-members. There were significant differences (t (151.10) = 6.90, p = <0.01) in the scores, with the mean score for members (M = 3.92, SD = 0.60) higher than those of non-members (M = 3.2, SD = 0.87). The magnitude of the differences in the means (mean difference = 0.66, 95% CI: 0.47 - 0.85) was significant. Thus, P1 was supported.

Consequently, an independent sample t-test was conducted to compare trust (TRU) for members and non-members. There were significant differences (t (298) = 4.76, p = <0.01) in the scores, with the mean score for members (M = 4.17, SD = 0.52) higher than those of non-members (M = 3.83, SD = 0.69). The magnitude of the differences in the means (mean difference = 0.34, 95% CI: 0.20 - 0.48) was significant. Hence, P2 was accepted.

Similarly, an independent sample t-test was conducted to compare PSC for members and non-members. There were significant differences (t (156.33) = 3.94, p = <0.01) in the scores, with the mean score for members (M = 3.91, SD = 0.58) higher than those of non-members (M = 3.55, SD = 0.81). The magnitude of the differences in the means (mean difference = 0.35, 95% CI: 0.17 - 0.53) was significant. Thus, P3 was also supported.

The same independent sample t-test was conducted to compare loyalty (LOY) for members and non-members. There were significant differences (t (157.69) = 5.66, p = <0.01) in the scores, with the mean score for members (M = 4.21, SD = 0.49) higher than those of non-members (M =

3.77, SD = 0.68). The magnitude of the differences in the means (mean difference = 0.43, 95% CI: 0.28 - 0.58) was significant. Therefore, P4 was also accepted.

Discussion and Conclusion

For several years, social media has become a crucial part of customers becoming highly involved in leading social media platforms such as Facebook. Therefore, organisations now acknowledge the significance of online marketing as well as CE on online platforms and thus, invest a great deal in its implementation and development (Weinberg and Pehlivan, 2011). Social media platforms increase communication through ease of information transfer and more participation from consumers; LP members can now share information more efficiently while expressing their views about the product or service (Bayo-Moriones and Lera-Lopez, 2007). This shows that the traditional way in which consumers interact has transformed, with consumers now influenced more by communication with one another than by organisations' efforts to promote their products or services (Berthon *et al.*, 2012).

The aim of this study was to fill a literature gap by investigating the effect of RCE, trust, PSC and loyalty on members within the sports industry. It revealed that sports companies create a CE experience while providing a reward, which helps members increase trust and PSC towards the programme and company and consequently leads to overall loyalty.

This study examined the impact of rewarded social media engagement, trust, PSC and overall loyalty in the context of LPs in the sports industry. This was carried out via online survey of Nike LP members and non-members. The results confirmed that there is a significant difference

between members and non-member in terms of RCE on social media. The study also revealed that members of Nike's LP have a greater level of trust and PSC compared to non-members. Lastly, the study found that members who are engaged on social media have a higher level of loyalty towards the brand and the LP compared to non-members. Hence, all four propositions of the study were supported. The propositions also support the literature review mentioned in the above section.

Therefore, it is fair to say that the findings of this study support the literature stating that members of LPs in the sports industry generally have a high level of social media CE as well as trust and switching costs, which results in increased loyalty.

A key contribution of this study is a new perspective on CE theory regarding social media. This study argues that customers in the sports industry become engaged on social media when there is trust and PSC amongst them with respect to the organisation.

However, sports companies that offer RCE on social media platforms with the objective of increasing programme loyalty and overall loyalty amongst customers should reconsider the value and advantages they are providing in their rewards to make members more likely to become loyal to the LP and the brand. Rewards and social media engagement can positively affect the loyalty of LP members. Therefore, companies may put more effort towards developing required strategies to provide more engaging, participative and interesting content as well as rewards on social media to attract and engage more members, motivate engagement amongst them and develop loyalty.

Key lessons for future research

- As this study was conducted on one company/brand in the sports industry; the results might not be generalisable. Additionally, the constructs' validity might not be generalisable. Therefore, future research should consider a wider variety of LPs and memberships.
- For future research, several other variables can be added to investigate their impact on LP members versus non-members.
- It would be beneficial to include LP engagement antecedents, such as reward design and perceived benefits, in future research. A deeper level of analysis could also include moderating variables, such as LP design.
- Experimental research could use an improved methodology approach to practically investigate the role of (selected) variables on LP members and non-members of any organisation.

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Figure 10.1. Theoretical Framework

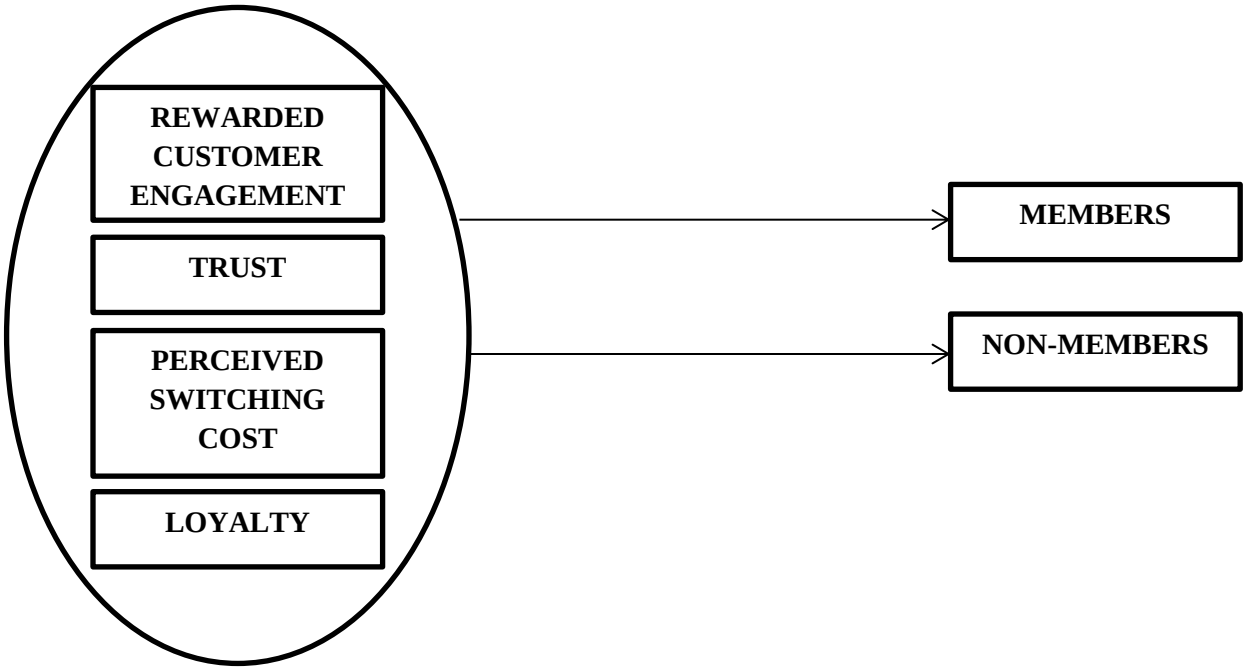

Table 10.1. CE and its conceptualization.

Authors	Concepts
Zheng *et al.* (2015)	Individual participation and promotion behavior regarding online brand communities and social media.
Hollebeek, Glynn, and Brodie, (2014)	A consumer's emotional and behavioral brand-related activity in terms of a specific consumer/brand interaction.
Vivek, Beatty, and Morgan, (2012)	A customer's participation and connection regarding activities provided by organisation; initiated either by a customer or an organisation.
Brodie *et al.* (2011)	A motivational state as a result of an interactive, co-creative customer experiences with a brand.
Van Doorn *et al.* (2010)	Consumers' behavior beyond purchases could be a consequence of motivational drivers, such as WoM activity, recommendations, helping other customers, and writing reviews.
Bowden, (2009a, 2009b)	A psychological process which forms mechanisms resulting in customer loyalty.
Calder, Malthouse, and Schaedel, (2009)	CE is a collection of experiences related to a consumer's beliefs about a platform that resonates with one's lifestyle. Some sites engage due to their high level of utilitarian experience, while other engage as they are enjoyable.
Sprott, Czellar, and Spangenberg, (2009)	Consumers' tend to engage and relate with significant brands as part of how they perceive themselves.

Table 10.2. Measures of constructs and means

Construct	Measure items	Means *	Mean difference
Rewarded Customer Engagement (Baldus *et al.*, 2015)	RCE1: I like Nike because it is entertaining	4.26 (3.60)	$p < 0.01$
	RCE2: I enjoy being immersed (involved) by Nike	4.31 (3.50)	$p < 0.01$
	RCE3: My main aim of liking Nike is to access to deals, offers, coupons available	4.11 (3.42)	$p < 0.01$
	RCE4: Nike provokes me to participate on social media by offering lucrative deals	3.90 (3.06)	$p < 0.01$
	RCE5: Without the special deals provided by Nike, I would stop being a member of it	3.51 (2.89)	$p < 0.01$
	RCE6: Without the special deals provided by Nike, I would stop being a member of it on social media	3.42 (2.98)	$p < 0.01$
Trust (Ball *et al.*, 2004;2006)	TRU1: I feel I can rely on Nike to serve well	4.13 (4.02)	$p < 0.01$
	TRU2: Nike treats me in an honest way in every transaction	4.20 (3.93)	$p < 0.01$
	TRU3: I believe that I can trust that Nike will not cheat or deceive me	4.27 (3.95)	$p < 0.01$
	TRU4: Nike is reliable because it is mainly concerned with the customers' interest	4.16 (3.84)	$p < 0.01$
	TRU5: When Nike suggests me that I buy a product, it is mainly for my best	4.11 (3.37)	$p < 0.01$
Perceived Switching Cost (Burnham *et al.*, 2003, Guiltinan, 1989, and Jones *et al.*, 2002)	PSC1: Switching to a new company causes monetary cost	3.69 (3.02)	$p < 0.01$
	PSC2: If I switch to a new company, the product/service might not work very well as expected	3.89 (3.71)	$p < 0.01$
	PSC3: To switch to a new company, I should compare all companies in the industry	4.18 (3.81)	$p < 0.01$
	PSC4: Even if I have enough information, comparing the companies with one another takes a lot of energy, time and effort	3.89 (3.66)	$p < 0.01$
Loyalty (Youjae and Hoseong, 2003)	LOY1: I like the loyalty program of Nike more so than other programs	4.16 (3.47)	$p < 0.01$
	LOY2: I have strong preference for the loyalty program of Nike	4.16 (3.53)	$p < 0.01$
	LOY3: I would recommend the loyalty program to others	4.15 (3.64)	$p < 0.01$
	LOY4: I like Nike more so than other sports companies	4.16 (3.78)	$p < 0.01$
	LOY5: I have strong preference for Nike	4.33 (3.92)	$p < 0.01$
	LOY6: I give prior consideration to Nike when I need to get sports equipment/essentials	4.21 (3.92)	$p < 0.01$
	LOY7: I would recommend Nike to others	4.31 (4.06)	$p < 0.01$

*****Mean score for non-members in parenthesis.

Table 10.3. Results of crosstabulation analysis.

Crosstabulation			Strongly disagree	Disagree	Neither Disagree nor agree	Agree	Strongly agree	% (Strongly agree/agree)
RCE	RCE1	Members	1	2	9	117	69	62
		Non-members	3	17	17	45	20	21.6
	RCE2	Members	1	4	17	86	90	58.6
		Non-members	5	17	19	43	18	20.3
	RCE3	Members	5	6	12	114	61	58.3
		Non-members	8	20	17	35	22	19
	RCE4	Members	3	12	42	84	57	47
		Non-members	14	24	17	35	12	4
	RCE5	Members	9	39	37	68	45	37.6
		Non-members	12	29	26	28	7	11.6
	RCE6	Members	16	42	28	66	46	38
		Non-members	14	27	22	25	14	13
TRU	TRU1	Members	1	8	20	103	66	56.3
		Non-members	1	3	11	64	23	29
	TRU2	Members	1	3	27	90	77	55.6
		Non-members	1	5	18	54	24	26
	TRU3	Members	6	17	91	84	6	58.3
		Non-members	10	13	51	28	10	26.3
	TRU4	Members	1	4	27	95	71	55.3
		Non-members	1	7	19	55	20	25
	TRU5	Members	0	8	29	93	68	53.6
		Non-members	7	14	31	34	16	16.6

PSC	PSC1	Members	7	22	38	89	42	43.6
		Non-members	10	31	22	24	15	13
	PSC2	Members	1	19	27	104	47	50.3
		Non-members	2	8	31	37	24	20.3
	PSC3	Members	2	6	14	107	69	58.6
		Non-members	3	12	13	47	27	24.6
	PSC4	Members	3	13	30	108	44	50.6
		Non-members	1	18	18	42	23	21.6
LOY	LOY1	Members	3	1	28	94	72	55.3
		Non-members	2	7	45	37	11	16
	LOY2	Members	1	5	24	99	69	56
		Non-members	1	8	40	41	12	17.6
	LOY3	Members	2	6	23	95	72	55.6
		Non-members	2	6	36	40	18	19.3
	LOY4	Members	0	4	29	96	69	55
		Non-members	3	8	19	50	22	24
	LOY5	Members	0	3	10	102	83	61.6
		Non-members	4	5	11	57	25	27.3
	LOY6	Members	0	2	30	90	76	55.3
		Non-members	2	8	15	48	29	25.6
	LOY7	Members	1	5	17	83	92	58.3
		Non-members	1	4	10	59	28	29