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CONSUMER ENGAGEMENT AND ITS EFFECT ON INTERACTION AND CUSTOMISATION WITHIN CLIMATE CHANGE FINANCING IN SOUTH AFRICA

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Abstract:

The aim of this study is to ascertain the effects of consumer engagement on interaction and customisation within climate change financing in South Africa. The study is grounded in two sets of empirical objectives, which were developed for the present study: Objective 1 sought to confirm the relationship between interaction and customer engagement within the context of climate change financing in South Africa. Objective 2 aimed at examining the relationship between customisation and customer engagement within the context of climate change financing in South Africa. A quantitative method was undertaken in the study. Data was analysed using structural equation modelling. Results: The study results showed that no relationship exists between interaction and customer engagement within climate change financing in South Africa. Again, the study further revealed that there is no relationship between customisation and customer engagement within climate change financing in South Africa. Practical implications: Additionally, it is recommended that brand managers of banks inject additional funds during the climate change crisis to cater for the large volume of queries arising from customers about emergency relief programmes and insurance claim procedures. Again, banks should upgrade their security measures where customers authenticate themselves via face verification, and any offenders of security policy violations should face harsh penalties and broadcast such verdicts across their social media platforms. Study contributions: This present study would capacitate the brand managers of banks, especially in the insurance services, to effectively develop content that is useful for customers during emergency situations triggered by natural disasters such as heavy rain, storm, hail and earthquakes.

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1.0 INTRODUCTION

Due to the frequency of climate change crises in South Africa, especially the 2022 heavy floods in KwaZulu-Natal and sudden heavy snow in some parts of the Free State around September in the same year, it was estimated to have caused about R7 million towards infrastructure damages and disaster management relief measures. [1]This study attempts to provide an adaptation mechanism by evaluating consumer engagement and its effect on interaction and customisation within climate change financing in South Africa. Interestingly, Cyril Ramaphosa, the current president of South Africa, has eventually signed the new Climate Change Act into law, although it has not been implemented yet. [2] Based on this Act, it provides that the Minister should perform a climate change needs and responses assessment for each province, as well as each metropolitan or district. Past authors have warned that even though the Act has been finalised and signed by the President, whether it will be successful will be dependent upon its implementation. [3] Concomitantly, the author further highlighted that the main challenges that could deter progress during the implementation of the adaptive solution to climate change include a lack of financial support for major projects, as well as lack of political will and unclear, coordinated and cooperative regulations of climate responses by Government role players.

As such, this study aims to make critical contributions to policymakers in the end. For example, through the integration of social media in the implementation of climate change response strategies, all civil society, including other stakeholders at large, would be proactive in responding to any incident related to climate change. This provides for the robust management of climate change intervention strategies and eventually proactively rescues the victims affected by the climate change crisis. The use of social media in responding to climate change crisis will enable all parties to engage, collaborate and co-ordinate their responses to climate change, while alerting the public about the plan of action regularly. During the management of climate change incidents, key role players will keep on providing guidance to all the parties involved during the

[1] Nozipho Bhengu, 'The Climate Change Act has a crucial role to play in the fight against the climate crisis in South Africa'

[2] *Climate Change Act*, GN 4381 *Government Gazette* 709 (23 July 2024).

[3] Bhengu (n 1)

implementation of the climate change response strategy, to ensure that the Act is not compromised in any way, rather, every action is taken based on the provision set out in the Act.

The current study is consistent with the legislative framework since both the adaptation and effective response strategies of climate change are provided in the various climate change legislative frameworks.

Following the long-awaiting Act that was recently signed by the President, the law provides that the Minister is responsible for conducting a needs and response assessment, and eventually develop and implement a climate change response implementation plan that will be reviewed within five years. [4] The Act further proposes that national government, including provinces and their respective municipalities, should actively engage, collaborate and co-ordinate their responses for the effective management of climate change impacts. [5] In line with Chapter 2 of the Act, stipulating that each organ of state must ensure the harmonisation of policies and measures of climate change, these are considered in accordance with the objectives set out in the Act. [6]

Past reports highlight the costs associated with climate change across the globe. For example, the report published by the UK International Development revealed that African countries, especially South Africa, Ethiopia, Nigeria, and Egypt, have climate change needs that were roughly estimated at $2.8 trillion from 2020 to 2030, to advance their nationally determined contribution. [7]. This research further adds that South Africa, Ethiopia, Nigeria and Egypt have the highest needs per year, together representing almost USD 151 billion annually. It emerged that the African continent is facing imminent risks of climate change compared to Western countries and Asian nations. [8] A report published

[4] *Climate Change Act* (n 2)
[5] Jacqueline Rukanda, 'Climate Change Bill South Africa' (2021)
[6] Isabel Nel, 'SA's Climate Change Act: A new era of environmental legislation'
[7] UK International Development, 'Current levels of climate finance in Africa falling drastically short' (2024)
[8] Mohamed Ahmed Ebrahim, 'A study on the potential private sector investment priorities that support South Africa's climate change outcomes' (Renmere Corporate Finance, 2018)

by the African Union indicates that Africa is experiencing a rise in temperature, which triggers an increase in sea levels along its coastlines. [9]

For the past decade, it has remained a challenge for researchers and practitioners alike to find a business solution that could minimise the negative impact of climate change disruptions is social media. [10] Interestingly, an early study found that public knowledge and awareness about climate change influence reducing the negative impact and potential risk caused by this environmental catastrophe. [11] Some scholars suggest that one of the communication technologies. [12] It is for this reason that the current study intends to examine the effects of consumer engagement towards interaction and customisation in navigating climate change financing from a South African perspective. Ultimately, this study responds to Sustainable Development Goal 13 (Take urgent action to combat climate change and its impacts) by providing proactive measures to address the economic fiasco that the country is facing now, including the non-financial factors such as environmental challenges, social issues and governance. As such, the same adaptation and responsive measures could be used to deal with pandemics such as Covid-19, political instability and poor governance in the country (Sustainable Development Goals 2023). [13]

1.1 Aim of the Study

The aim of this study is to investigate the effects of consumer engagement towards interaction and customisation within climate change financing in South Africa.

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[9] African Union, 'Climate Finance in Africa: An overview of climate finance flows, challenges and opportunities' (2024)

[10] Myria Allen and Christopher Craig, 'Rethinking corporate social responsibility in the age of climate change: a communication perspective' (2018) 1(1) International Journal of Corporate Social Responsibility 1, 1-11

[11] Adukuhle A Ogunjinmi and others, 'Socio-Demographic Determinants of Travel Motivation and Behaviour of visitors in nature-based destinations in Northern Nigeria' (2020) 24(12) Journal of Applied Sciences and Environmental Management 1, 1-10

[12] Bienvenito Leon and others, 'Strategies for climate change communication through social media. Objective, Approach and Interaction' (2021) 118(1) Media International Australia 1, 1-6

[13] Viswanath Venkatesh and Fred Davis, 'A theoretical extension of the Technological Acceptance Model: Four Longitudinal Field Studies' (2000) 46(2) Management Science 186, 186-204

1.2 Research Objectives

- To determine the connection between customisation and brand engagement aimed at banking customers within the context of climate change financing in South Africa.

- To determine the connection between interaction and brand engagement aimed at banking customers within the context of climate change financing in South Africa.

1.3 Research Hypotheses

Two research hypotheses are suggested in the study, as stated below:

H1: Customisation content exerts a significant positive influence on customer engagement among banking customers within the context of climate change financing in South Africa.

H2: Interaction content exerts a significant positive influence on customer engagement among banking customers within the context of climate change financing in South Africa.

1.4 Technology Acceptance Theory

Since the early 2000s, various theoretical models have been proposed to explain the acceptability and adoption of new technology, and this includes the technology acceptance model (TAM), coined by Davis in the late 1980s. [14] It has been reported that TAM was inspired by the theory of reasoned action based on Fishbein and Ajzen's perspective. [15] The TAM has so far been proven to be the most effective and robust model in predicting the acceptability or adoption of the new technology among consumers or users. [16] The overall consumer attitude would determine whether they accepted or adopted new technologies, although its

[14] Hassan Abuhassna and others, 'Trends on using the Technology Acceptance Model (TAC) for Online Learning: A Bibliometric and Content Analysis' (2023) 13(1) International Journal of Information and Education Technology 1, 1-12
[15] Ibid.
[16] Venkatesh and Davis (n 13)

functions are based on two major beliefs, namely perceived usefulness and perceived ease of use. [17]

This study deems perceived usefulness as the consumer's perception of the degree to which the adoption of new technology will improve their performance. [18] On the other hand, perceived ease of use was further defined as the extent to which a consumer views that using a new technology or system is free of effort. [19] Within the context of the present study, it is assumed that the use of social media will be beneficial to customers since retail banks will provide customised information across social media on how to process their claims related to climate change challenges. Additionally, it is further assumed that customers will not have to waste time contacting their various banks and querying claim procedures, since the bank consultants would be actively interacting with them on social media. Empirically, it was shown that customers' decision to act is influenced by the benefits they expect to acquire from the behaviour as opposed to effort/costs they invest in performing the behaviour. [20] This paper is divided into five broad sections. The first section provides an overview and context of the problem and the sustainability dimension. The second section deals with the conceptual clarification/literature review of the study. The gaps in existing laws/policies concerning integrating sustainability are provided in the subsequent section. The fourth section focus on the research methodology used to undertake the study. The paper concludes with the legal approaches for addressing the challenges of the study.

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[17] ibid

[18] Shin Liao and others, 'Applying Technology Acceptance Model (TAM) to explore Users' Behavioral Intention to Adopt a Performance Assessment System for E-book Production' (2018) 14(10) Journal of Mathematics, Science and Technology Education 1, 1-12

[19] Ibid.

[20] Gunjan Malik, 'Impact of Customization on Customer Retention' (2018) 5(6) Journal of Emerging Technologies and Innovative Research (JETIR) 1, 1-5

2.0 CONCEPTUAL CLARIFICATION/LITERATURE REVIEW TO BE DONE

2.1 Customisation

Customisation is seen as "the one-to-one marketing strategy that stimulates the dual value of customised product (emotional involvement and uniqueness expression) on consumers". [21]

In recent years, there seems to have been an ongoing trend for customers to demand more customised products and services from most organisations. It is argued that the concept of customisation began years ago when the textile industry was designing a custom-tailored item for customers. [22] At that time, the rationale behind this strategy for brand practitioners was to recognise the uniqueness of each customer, thereby achieving customer satisfaction. [23] Therefore, it was important for customers to be partly involved in the co-creation process of physical products to ensure that the products or services met their needs and wants. [24] It is attested that customisation largely relies on customers' needs and wants, since the ultimate products or services should coincide with their preferences, values and expectations. [25]

It should, however, be noted that customisation could be classified into functionality such as content, interface, and channel, beside the product's features . [26] It is for this reason that previous research added that customisation requires a flexible service design and delivery process since its customer is unique. [27] It seems that it is much more convenient to

[21] Xialoun Wang and others, 'Impact of product customization level on consumer's word-of-mouth behaviors and contents: a field study' (2022) 36(7) Information Technology & People 1, 1-27
[22] Malik (n 20)
[23] Maneesha Kaushik and Mahima Sharma, 'Personalization in Marketing: Customizing the Customer Experience for Greater Engagement' (2023) 5(6) International Journal for Multi-disciplinary Research 1, 1-10
[24] Wang and others (n 21)
[25] Kanga Uma and Ganesh Chandramowleeswaran, 'Study on Service Customization Impact towards Customer Satisfaction, Loyalty and Trust' (2015) 6(10) International Journal of Management 126, 126-134
[26] Kaushik and Sharma (n 23)
[27] Uma and Chandramowleeswaran (n 25)

develop a suitable customisation strategy if an organisation is selling a physical product, as opposed to selling a service.

It is not surprising that most organisations in the service sector have now invested in artificial intelligence tools and social media monitoring tools to manage and analyse customers' data for the effective management of customer data. [28]

Within the context of service industry, especially banks, it remains a challenge to understand the needs and wants of every customer because there are no physical features that are being offered to them. This study argues that SA banks can conveniently customise their services to customers using social media. It is observed that personalised experiences offered to customers can make them feel special, appreciated, and this could eventually stimulate them to become brand ambassadors of the organisations in the future. [29] In the long run, it can also instil trust among customers, since they would rely on the experience that was received from the same organisation.[23] It is argued that customisation enhances customer engagement and conversion rate.[24] It was found that organisations with personalised marketing offers enhance competitiveness as compared to those with a standard marketing approach. [30]

2.1 Interaction

Compared to traditional media, social media has reduced the dominance of brand managers towards brand promotion and management strategies, and it has ultimately empowered consumers to equally express their

[28] Mandla P Viharika and others, 'Impact Of Personalized Marketing On Customer Engagement And Loyalty In Financial Sector' (2024) 5.6 *International Journal of Research Publication and Reviews* 1, 1-5

[29] Nur Afifah and Haliza N Putri, 'Personalisation Marketing. A literature Review Approach for elevating customer experience' (2023) 4(6) *Management Studies and Entrepreneurship Journal* 1, 1-12

[30] Sweetly G Chhabria and others, 'A Study on the Impact of "Personalized Marketing" on Customer Satisfaction and Loyalty in Retail Fashion in 2023' (2023) 185(11) International Journal of Computer Applications 1, 1-6

voice. [31] This is because social media provides features that allow interaction between organisations and customers. No universal definition of interaction has been reached by past scholars thus far. This study refers to interaction "as the presence or absence of specific communication features as well as the speed of interaction or response time". [32] This concept of interactivity is viewed within the context of each social media functionality and capacity to engage customers. For example, likes, following, shares and comments are the common features across social media platforms. Due to these characteristics provided by social media platforms, customers are now given the platform to express their views towards the brand promotion strategies beyond time and geographical boundaries. [33] It was observed that these mutual connections enabled the organisation to surpass customer expectations, leading to customer satisfaction, thereby retaining customers in the long run. [34]

Despite the power shift that was triggered by the emergence of social media between organisations and customers, very few studies have been conducted to understand social media from the banking perspective, especially among the Generation X cohort.

Among existing empirical evidence that examined the relationship between interactivity and engagement, most studies were conducted either in Asian countries or Western and European Countries, although very few studies focused on the African context. For instance, a study done in India shows that website interactivity has a positive relationship towards brand engagement among banking customers. [35] In the same year, in a study conducted in the Netherlands, a positive relationship between interaction and brand engagement among insurance customers

[31] Jamid U Islam and others, 'Impact of website attributes on customer engagement in banking: a solicitation of stimulus-organism response theory' (2020) 6 International Journal of Bank Marketing 1, 1-25

[32] ibid

[33] Chikaodili P Onuorah and others, 'Effects of social media on Customer Brand Engagement in the banking industry: Evidence from an emerging economy' (2022) 20(2) Management & Marketing 125, 125-140

[34] Malik (n 20).

[35] Islam and others (n 31)

was found. [36] Among others, a study conducted in China observed that informational and relational interaction is influential in stimulating engagement.[29] Another study confirmed that frequent interactions between an organisation and customers signify that they are loyal towards their brands. [37]

2.3 Customer Engagement

Various authors have attempted to conceptualise the meaning of Customer engagement. Customer engagement is defined as "an emotional state that includes a follower's passion and desire for the brand". [38] Customer engagement is perceived as an instrument that social media fans use to express their feelings towards the organisation's brand, either directly or indirectly. [39] A recent study views customer engagement in terms of cognitive, affective and behavioural manifestations. [40]

An early study adds that mental state plays a significant role in customer engagement, since it determines the extent of engagement. [41] This study has adopted the definition of customer engagement, in that it reflects the customer's expression on social media based on their passion and desire for the brand. [42]

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[36] Pim Westervoorde, 'Using customer interactions to understand the customer engagement value: A predictive study in the B2B insurance industry' (M Tech Degree, University of Twente 2020)

[37] Pearl Wisayanto, 'Pengaruh metode debat aktif berbantu ispring suite terhadap motivasi hasil belajar geography' (2017)

[38] Heba Sadek and El Mehelmi, 'Customer brand engagement impact on brand satisfaction, loyalty, and trust in the online context. Egyptian Banking Sector' (2020) 14 (3) Journal of Business and Retail Management Research (JBRMR) 1, 1-12

[39] Huynh T Giang and others, 'Customer empowerment and engagement on sharing platform in the retailing sector: testing the mediating effects of service innovation and platform trust' (2024) 13 (68) Journal of Innovation and Entrepreneurship 1, 1-21

[40] Carsten Elsner and Manuel Neumann, 'Caught between path-dependence and green opportunities – Assessing the impetus for green banking in South Africa' (2023) 18 Earth System Governance 1, 1-18

[41] Lulina N Neacsu and others, 'The effect of customer engagement value on the probability to repurchase of actual customers in online retailing' (Master of Science Degree, University of Twente 2019)

[42] Sadek and Mehelmi (n 38)

Until now, there have been no universal dimensions of customer engagement in the literature. A previous study categorises four types of engagement, namely involvement, interaction, intimacy and influence, [43] while other research uses customer influencer value and customer referral value as the lenses to express the degree of engagement towards the organisation's brand.[28] Additionally, different types of negative engagement manifestations, such as cynical, distrustful, indifferent, or indifferent, complain, angry, and spread negative things, were identified.[35] It remains to be further investigated among research scholars to profile the characteristics of customers from the banking perspective in South Africa.

It was pointed out that in service industries like banks that customers prefer to use social media to express their negative expressions of engagement towards the brand on social media.[36] To avoid this, banks strategically create positive experiences that can entice customers to remain with the organisation. [44] Ultimately, this would assist the organisation in retaining existing customers and suddenly reduce brand promotion costs since most customers would be loyal towards the organisation. [45] It was expressed that actively engaged customers are crucial to enhancing competitive advantage in the market. [46] It is for this reason that the current investigation attempts to understand the suitable emotional state that reflects the sentiments of fans or customers regarding banking services offered by South African banks, thereby maximising the level of engagement among their social media fans. The discussions led to the theoretical framework proposed for the study, as depicted in Figure 1 below.

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[43] Sicky I Setyono and others, 'Customer engagement, customer pride, customer value as an impact through service quality and customer relationship management on customer loyalty IN PT.BPR EAST JAVA' (2021) 24(5) International Journal of Business, Economics and Law 1, 1-13

[44] Sadek and Mehelmi (n 38)

[45] Qingment Tong and others, 'Does social media use enhance low carbon behavioral intentions? Evidence from Chinese college students' (2023) 68(7) Journal of Environmental Planning and Management 1, 1-10

[46] Xuexin Li and others, 'Impact of Social interaction on customer engagement in China's social commerce- a moderated chain mediation model' (2023) 13(7) Behavioural Science Journal 541, 541-549

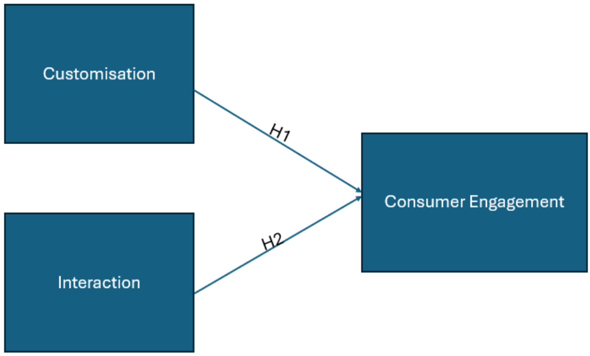

Figure 1: Conceptual model

Source: Authors' own compilation

3.0 GAPS IN EXISTING LAWS/POLICIES CONCERNING INTEGRATING SUSTAINABILITY

So far, it has been reported that most local banks are actively involved in the reduction of climate change disruptions in South Africa. [47] This is evidenced by the amount of compensation and relief measures contributed to various climate change crises in recent years. For instance, in 2022, Old Mutual Insure was reported to have paid about R245 million from flood-related claims. [48] Again, in 2023, it was reported that Standard Bank donated R3 million to flood victims in the Western Cape. [49] Furthermore, Absa had earmarked about R8 million for community relief efforts and another R2 million that was reserved for its employees who suffered from the disaster in KZN back in 2022. [50] Among other role players, Nedbank and Standard Bank are instrumental

[47] Mark Bechard, 'Insurance update on Kwazulu Natal floods' (2022)
[48] ibid
[49] Standard bank, 'Standard Bank announces contribution to the Western Cape amid floods' (2023)
[50] Bechard (n 47)

in supporting projects that can reduce climate change disruptions, e.g. fossil fuel, investment in sustainable low carbon solutions, e.g. renewable energy, and lobbying for green regulation through other platforms. [51]

Despite the involvement of local banks in eradication of climate change challenges, it has so far been shown that their social media strategy is not effective in assisting customers to report incident related to natural disaster management. For example, a report that was published in 2020 during Covid-19 revealed that most South African banks were found to be non-responsive towards customer queries on social media, especially about the 'payment holidays' for clients. [52] Similarly, it was revealed that approximately 47.3% of customer queries went answered during Covid-19. [53] It was disappointing to observe that, at the time, banks could provide updates about the impact of Covid-19 across different social media platforms, instead of responding to the customer queries that were based on relief measures provided by different SA banks.

Consequently, it was shown that customers expressed negative sentiments towards the banking sector in general. [54] It is against this background that the current study intends to better understand the use of social media as a viable alternative strategy to adapt towards mitigating the risk and exposure to the climate change catastrophe. Consequently, this would assist the brand managers of banks, especially regarding insurance services, to educate their customers about the steps to be followed to manage natural disaster claims. This is despite the positive benefits linked to social media usage by banks to promote brands among customers. The practical implementation of this strategy has been debated thus far, although no consensus has been reached.

4.0 RESEARCH METHODOLOGY

This study will be conducted based on the positivism paradigm, which would assist in explaining the cause-effect of customer engagement towards interaction and customisation. Furthermore, the quantitative method will be adopted in the study since the variables under

[51] Elsner and Neumann (n 40)
[52] Writer Staff, 'Best and worst banks in South Africa according to customers' (2020)
[53] Sibahle Malinga, 'South African banks snub social media conversations' (2020)
[54] Martin Hesse and Given Majola, 'SA's more digitally interactive banks receive customer approval' (2021)

investigation have been explored in other research domains. The youth and adults would constitute the target population of the study. Some of the selected malls were earmarked for data collection due to the unavailability of the sampling frame. Initially, the mall manager was sought and served with the ethical clearance, which explained the purpose of the study. Ultimately, permission was granted to collect data from the mall by the mall manager. The purposive sampling procedure was used to select data from the eligible respondents. Data collection was done by means of a questionnaire that was closed-ended. The fieldwork was done by a private company under the supervision of the research managers to minimise possible sample error. Table 1 below provides a description of the demographic information for the South African banking consumers, out of a total of 311 respondents.

Table 1: Description of demographic information

Variable	Category	Frequency (n)		Percentage (%)
Gender	Male	167		53.7
	Female	144		46.3
Age	15-20	5		1.6
	21-25	13		4.2
	26-30	64		20.6
	31-35	78		25.1
	36-40	42		13.5
	41-45	51		16.4
	46-50	40		12.9

	51+	18		5.8
Population group	Black Coloured White Indian Asian	199 30 57 24 1		64.0 9.6 18.3 7.7 0.3
Bank length	< 1 year 1-5 years 6-10 years > 10 years	5 49 108 149		1.6 15.8 34.7 47.9

Source: Author's own compilation

4.1 Data Analysis

The data was manipulated using structural equation modelling, and eventually, confirmatory factor analysis was applied to determine the suitability of the model under study. Based on the results of the benchmarking criteria of the structural model fit that were sought, the results were found to be consistent with the rule of thumb. The comprehensive results of the confirmatory factor analysis are presented in Table 2.

4.3 Results

Measurement model

The confirmatory factor analysis, through SPSS, was used to determine the reliability and validity of the present study. This study calculated reliability using Cronbach's alpha (α) and composite reliability (CR).

According to the results presented in Table 1, Cronbach's alpha (α) of the scales ranged from 0.805 to 0.926, and values of the composite reliability ranged from 0.878 to 0.940. Past research scholars have proposed that a value of 0.70 or higher is deemed to be acceptable. The present study was therefore found to be in line with these authors, thereby meeting this threshold. [55]

Table 1: Confirmatory factor analysis

Research constructs		M	SD	Factor loadings	AVE	CR	α value
Customisation content	CUS1	4.91	0.264	0.840	0.760	0.940	0.926
	CUS2			0.862			
	CUS3			0.950			
	CUS4			0.918			
	CUS5			0.776			
Interaction	INT1	4.94	0.204	0.873	0.771	0.931	.899
	INT2			0.930			
	INT3			0.902			
	INT4			0.803			
Customer engagement	CE1			0.830			0.805
	CE2			0.937			

55 Roberta Heale and Alison Twycross, 'Validity and reliability in quantitative research' (2015) 18.3 *British Journal of Community Nursing* 66, 66-67

	FE3	4.51	0.498	0.745	0.707	0.878	

Note: CUS = , INT = Interaction, CE = Customer engagement

Furthermore, the present study ensured convergent validity through average variance extracted (AVE) and factor loadings. The results illustrated in Table 2 highlight that the average variance extracted (AVE) ranged from 0.707 to 0.771. Some studies have set a minimum threshold of .50 to be deemed acceptable for AVE. [56] Interestingly, the present study produced an AVE that met this general rule and is therefore deemed suitable for further analysis. Among others, factor loadings ranged from 0.745 to 0.950. Previous studies have proposed a minimum threshold of 0.50. As such, this study met and exceeded the minimum requirements. [57] Structural equation modeling was used to test the relationship between independent and dependent variables. In this case, it was used to measure the relationship between electronic oral communication and customer brand loyalty through brand engagement. The measures of the structural model fit and the study results are presented here (χ^2 /df=1.348; RFI=0.918; IFI=0.982; CFI=0.982; NFI=0.934; TLI=0.978; RMSEA=0.034; SRMR=0.050). Here are the benchmarking criteria for each one of them (χ^2 /df= p-value> 0.05; RFI=>0.90; IFI=>0.90; CFI ≥ .90; NFI = NFI ≥ 0.95; TLI = ≥ 0.95; RMSEA = < 0.05; SRMR = < 0.08).

[56] Saeed P Sharif and others, 'Concerns regarding the validity of nutrition self-efficacy questionnaire among Iranian elderly population' (2022) 41(3) Journal of Health, Population and Nutrition 1, 1-112

[57] Gordon Cheung and others, 'Reporting reliability, convergent and discriminant validity with structural equation modelling: A review and best-practice recommendation' (2024) 41 Asia Pacific Journal of Management 745, 745-783

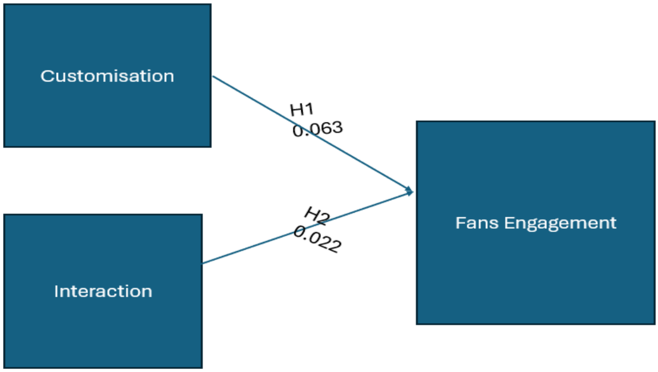

Figure 2: SEM analysis

*p<0.001

**p<0.01. *p<0.05

Based on Figure 2, customisation (β = 0.063, p = 0.304) exhibited a negative effect on customer engagement. Furthermore, the results of the standard (β) coefficients highlight that interaction depicts a negative effect on customer engagement (β = 0.022, p < 0.691).

4.4 Discussion

The primary aim of this paper was to establish the effects of customer engagement on interaction and customisation within climate change financing in South Africa. The study results showed that no relationship exists between interaction and customer engagement when engaging banking customers on social media. It is surprising to find that the current study is not consistent with other previous studies. A study conducted in China found that a positive relationship existed between interaction and brand loyalty among customers in a five-star hotel. [58] Another study conducted in India found that website interactivity

[58] Raouf Rather and Lyoti Sharma, 'Customer engagement for evaluating customer relationship in hotel industry' (2017) De Gruyter Open Journal 1, 1-13

positively affects brand engagement. [59] An early South African study revealed that interaction regarding system-related dimensions and human interaction positively affects customer psychological engagement. [60] Coincidentally, a study that was conducted on commercial banks in Nigeria found that interaction and customer engagement have an insignificant relationship. [61] This explains the reason for the insignificant relationships that were confirmed between the present study and an early study that focused on the banking sector in Nigeria. There is a significant relationship between social media efficiency and overall service quality in the South African banking industry. [62] This confirms the results of a recent study that focused on South African banks such as Absa, African Bank, Capitec, Discovery Bank, First National Bank, Nedbank, Standard Bank and TymeBank, and found that customer services among local banks in generally remain poor and most complaints were related to long response times, unresponsive service channels and staff competency issues. [63]

This implies that brand managers of banks should improve their overall service delivery and further increase their staff complement to synchronise the service demanded with the service rendered across social media platforms. The reason behind the inconsistencies between the current study and previous research could be that service brands such as banks are intangible in nature, and they cannot be felt, seen, or heard, but can only be perceived. It was observed that service relationships are hardly positive among customers, as their overall experience will depend on various factors. [64] The study results further showed that no relationship exists between customisation and customer engagement

[59] Islam and others (n 31)

[60] Mercy Pinganjira, ''Influencing consumer engagement in online customer communities: The role of interactivity'' (2016) 16(1) South African Journal of Information Management 1, 1-10

[61] Onuorah and others (n 33)

[62] P Bramwell Gavaza and others, 'The influence of social media service quality on client loyalty in the South African banking industry' (2019) 19(1) Independent Research Journal in the Management Sciences

[63] Moonstone Information Refinery, 'How customers feel about the country big retail banks' (2024)

[64] Kay Naumann and others, 'Expanding customer engagement: the role of negative engagement, dual valences and contexts' (2019) 54(7) European Journal of Marketing 1, 1-31

when engaging with banks' social media. These findings are not consistent with past research studies. A study that was conducted in Saudi Arabia found that 55% of the study respondents perceived the social media of various brands to be customised in line with their needs and expectations. [65] It was found that customised offers such as tailored service recommendations and personalised messages have a positive influence on customer satisfaction and brand loyalty among banking customers in Indonesia. [66] Another study found that customisation directly impacts the service quality, customer satisfaction, customer trust and loyalty of suppliers of homeware products in India. [67]

It is highlighted that customisation raises complexities and challenges in social media engagement due to consumers' demand for a balance between customisation and ethical use of consumer data. [68] The results prove that customers do value customisation; it should be noted, however, that customers are sceptical about it due to security concerns posed on social media. This suggests that customers would expect banking managers to provide customised offers when providing customer services, especially in disaster management, if they safeguard their confidential and private information on social media.

5.0 LEGAL APPROACHES FOR ADDRESSING THE CHALLENGES

It is suggested that local banks should develop creative brand messages that can attract the attention of customers who visit social media. For example, an AI tool with the caption "What can I do for you?" can be integrated into the system to efficiently deal with customer queries during a disaster management situation. Additionally, banks should increase their budget towards the recruitment of social media

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[65] Nabil Tarifi and Reem Bakhsh, 'The Effectiveness of Personalised Marketing Strategies on Consumer Engagement and Loyalty' (2024) 5(56) International Journal of Multidisciplinary and Innovative Research 1, 1-20

[66] Afifah and Putri (n 29)

[67] Uma and Chandramowleeswaran (n 25)

[68] Qaisar Abba, 'The Impact of Personalisation strategies on Consumer Engagement and Conversion rates in Digital Marketing' (2024) 4(1) International Journal of Advanced Multidisciplinary Research and Studies 452, 452-454

moderators, especially during climate change crises, to avoid customers' queries and complaints going unnoticed.

Furthermore, banks should consistently conduct online research to monitor customers' behaviour and put measures in place to follow up on customer complaints and resolve them within 72 hours. It is, however, important to invest in security management that could safeguard the security of consumer data on social media. For example, each time customers log into social media platforms, they should authenticate themselves through face verification, and there should be strict policies that govern the management of customer information on social media platforms.
These policies should promote the punishment of any law infringements by any offenders, and any harsh verdicts should be imposed on these perpetrators. Inasmuch as there are positive highlights that emerged from the study, there are a few limitations. This study purports to ascertain the effects of engagement towards customisation and interaction when navigating the social media interface but did not examine whether customers perceived banking personnel to be helpful during disaster management. It is therefore recommended that future researchers should conduct other studies to understand customer perceptions regarding the customer service of banking personnel during disaster management on social media.

6.0 CONCLUSION

The study results did not confirm any relationship between customer engagement and customisation, as well as interaction. Literature shows that it is important for banks to create an interactive system that is customised so that customers can efficiently manage their insurance claims while interacting with banking personnel on social media. Comparatively, the current results were found to deviate from other studies, especially research done in Asian countries on tangible products, since customers perceived their social media to be customised and interactive in nature. It can further be concluded that the integration of social media in the mitigation and adaptation to climate challenges would greatly be reducing the impact of the damage to infrastructure and unnecessary loss of life, since there would be robust measures in place. Again, the strategic responsive mechanism of climate change risks will alert every stakeholder of any possible threats and instantly share the safety tips, and this will ultimately unite all parties to work towards the same goal. If the impact of climate change is greatly reduced will eventually stimulate economic activities since there would be little economic disturbances experienced in the country. At the same time, it will also assist to preserve the environment and general well beings of the local citizens at large.