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The mediating role of brand trust in the formation of brand loyalty within the South African retail banking sector

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2021
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The mediating role of brand trust in the formation of brand loyalty within the South African retail banking sector

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing

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Date: 1 February 2021

Abstract

South Africa's banking industry is a key strategic economic sector experiencing significant transformational changes that have been influenced by technological advancements, the influx of new entrants in the industry that traditionally had high barriers to entry, and rising expectations from service providers to deliver satisfying experiences to consumers. It is against this background that this study sought to investigate brand loyalty development within the South African retail banking industry by focussing on the effects that satisfaction, brand relationship quality (BRQ), customer advocacy, and brand trust have on brand loyalty. The premise of this study rests on the theoretical foundations of the social exchange theory and interpersonal relationship theory, both of which have been identified to explain brand loyalty. The study replicated the service loyalty measurement scale adapted by El-Manstrly and Harrison (2013) from Oliver (1997) four loyalty phases. A quantitative methodology using a convenience sampling approach in the form of online surveys was employed for the study with a total of 351 responses. To validate the measurement and structural equation modelling (SEM), Confirmatory Factor Analysis (CFA) was used. Five out of the eight hypotheses were supported by the data, indicating the direct positive relationships between satisfaction, customer advocacy, brand trust, and brand loyalty. The results indicate that brand trust does not mediate the relationships between BRQ and brand loyalty and customer advocacy and brand loyalty. This study provides marketing professionals in the retail banking sector of South Africa with insights into key drivers of brand loyalty development within retail banking.

Keywords: Brand loyalty, brand trust, brand relationship quality, customer advocacy

Declaration

I, Mokgadi Cleopatra Taoana, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other University.

Mokgadi Cleopatra Taoana

Signed at Randburg

On the 1st day of February 2021

Acknowledgements

I would like to acknowledge and deeply thank the following individuals and institutions who played an instrumental role through this journey:

- To my late mother, Iris, who always encouraged me to attain a master's degree. My family and friends for their unwavering support and motivation throughout this journey;
- To my supervisor, Dr. Emmanuel Quaye, for your valuable guidance, insights, direction, and most importantly your patience throughout this process;
- To my employer, Nedbank, for funding my studies and supporting me throughout this process;
- To the respondents who participated in the data collection process, your feedback has been valuable and greatly appreciated.

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Chapter 1: Introduction

1.1 Context of the study

The South African retail banking sector has for many years been dominated by four traditional banks, namely Amalgamated Bank of South Africa (Absa), First National Bank (FNB), Nedbank, and Standard Bank. In the recent past, new entrants such as Capitec and the recent launch of Tyme Bank and Discovery Bank have fundamentally reshaped the competitor landscape in the retail banking sector. The 2018 South African Customer Satisfaction Index (SA-csi) results indicate that traditional banks are faced with increasing customer expectations while being met with the challenge of consistently delivering on fundamental aspects driving customer satisfaction (Consulta, 2018). Furthermore, the 2018 SA-csi results indicate that 25% of the sampled respondents indicate low levels of satisfaction and loyalty, and as a result have indicated a greater likelihood of defecting or switching banks (Consulta, 2018).

It is against this industry background that the study seeks to unpack and identify the antecedents of brand loyalty in the context of the South African retail banking industry. Within a consumer-brand relationship context underpinned by consumer behaviour, the study adopts the context of understanding brand loyalty and seeks to examine this context by understanding the relationship between brand loyalty, satisfaction, brand relationship quality (BRQ), customer advocacy, and brand trust as both a direct and mediating variable. Loyalty is an important construct in marketing and continues to gain more relevance especially considering the current context where consumers find similar brands to impact brand preference (Veloutsou, 2015). Trust within the financial services industry plays a crucial role as a mediating variable especially in the forming. developing and sustaining brand loyalty. Fournier (1998) calls for more focus on a comprehensive relationship-oriented view on consumer interactions with brands as there has been a lack of focus on the relationship perspective. The relationship between satisfaction and brand loyalty has been explored in the literature where arguments emerge on the predicting nature of satisfaction on loyalty (Churchill, 1979; Fornell, Johnson, Anderson, Cha & Bryant, 1996; Oliver, 1999; Baumann, Elliott & Hamin, 2011). Within the services industry, service experience is shaped by the relationship quality (Nysveen, Pedersen, & Skard, 2013). Customer advocacy has gained

relevance in literature especially within the context of the connected and empowered consumer with access to knowledge as a result of technological advances and heightened expectations.

1.2 Problem Statement

When considering the nature and characteristics of services in terms of intangibility, lack of standardisation, and inseparability, loyalty as a multidimensional construct is more difficult to conceptualise in services relative to product categories (El-Manstrly & Harrison, 2013; Lewis & Soureli, 2006). Knox and Walker (2001) argue that there has been limited progress in literature to accurately define and measure brand loyalty. Baumann et al. (2011) argue that there has been little consensus on the predictors of customer loyalty within financial services. For the present study, the problem statement is centred on the satisfaction-loyalty conundrum which relates to the fact that satisfaction and loyalty do not always move in tandem (Oliver, 1999). Satisfaction on its own does not guarantee nor equate to loyalty (Lewis & Soureli, 2006; Oliver, 1999). Satisfaction is understood as the fulfilment of a need, desire or goal with pleasure being the outcome (Oliver, 1999). However, satisfaction has not been able to explain switching behaviours of satisfied customers (Schultz & Bailey, 2000).

In the services industry, the increased level of customer expectations is challenging satisfaction, loyalty and BRQ, especially in the context of an empowered and more informed consumer. This view is supported by Lewis and Soureli (2006) who note that customer loyalty in the services industry is challenged by increased consumer expectations, increased consumer awareness or knowledge of alternatives, and switching behaviours that are prompted by incentives to switch. Lawer and Knox (2006) argue that the changing dynamics of company-centric approaches to brand management is being challenged by a more connected, informed, and active consumer. The penetration of online communities and networks have enabled consumers to share experiences on products and services which has further challenged the credibility of one-way advertising messages and further led to vulnerabilities concerning brand trust (Lawer & Knox, 2006). The level of consumer awareness and knowledge has been enabled by technological advancements, resulting in what Schultz and Bailey (2000) refer to as the ‘interactive marketplace’. The interactive marketplace is distinctively different from other conceptualisations of the market as it is shaped by consumer-centrism, where consumers

have increased access and choice to a wide range of products and services (Schultz & Bailey, 2000).

Empirical findings from Lewis and Soureli (2006) indicate that bank customers seem to display mainly cognitive loyalty, and overall, loyalty is subject to situational changes. Fandos Roig, García, and Moliner Tena (2009) research, also conducted in financial services, indicates that affective dimensions have a direct effect on intentional loyalty which contradicts the outcomes of Lewis and Soureli (2006). Fandos Roig et al. (2009) emphasised that both cognitive and affective aspects need to be considered for a comprehensive explanation of repurchase behaviour. The contradictions noted in the empirical findings motivate the need for a study that extends beyond the satisfaction-loyalty conundrum, to further exploring BRQ and customer advocacy while also assessing the mediating effects of brand trust within the South African banking sector.

The significance of loyalty is critical for brand equity and viewed as the core of brand equity (Aaker, 1996). Retention is an important strategic lever that enables brand growth through building a loyal customer base that represents barriers to entry, the rationale for a price premium, and allowing time to respond to competitor strategic pricing or innovations (Aaker, 1996). Relationship quality within the service industry context is key in terms of driving retention. Jung and Soo (2012) argued that "relationship quality can serve as a predictor variable for customer retention and purchase decision" (p.91).

1.3 Research purpose, research question and aims of the study

Lewis and Soureli (2006) highlighted that loyalty in banking should include dimensions such as repurchase intentions, preference, recommendation and advocacy, customers' price indifference, low likelihood to switch, and a high potential for further product or service penetration in terms of cross-selling and up-selling. The research purpose of this study was to further understand the drivers of loyalty within the financial services context by considering the relationship between satisfaction, BRQ, customer advocacy, and the mediating effect of brand trust. Loyalty is understood as a key driver for retention and future growth and it is important to understand these drivers in an effort of striving to provide a more holistic understanding of brand loyalty development in the South African retail banking context.

Traditionally, brand loyalty has been understood within a repeat purchase behaviour context; however, this premise was challenged as a uni-dimensional measure of behaviour which underestimated the complexity of drivers behind the behaviour and the underlying motivators (Iglesias, Singh, & Batista-Foguet, 2011). Loyalty is also understood as the underlying psychological and emotional state that shape consumer attitudes and the resulting relationship that consumers would have with a brand (Evanschitzky, Ramaseshan, Woisetschläger, Richelsen, Blut, & Backhaus, 2012). According to Oliver (1997, as cited in El-Manstrly & Harrison, 2013), the value contribution is its ability to differentiate between situational loyalty customers (those driven by convenience or inertia) and active loyal customers (where repurchasing is based on brand preference).

Key research questions are as follows:

1. What are the key drivers of brand loyalty in the South African retail banking sector?
2. To what extent does satisfaction on its own guarantee brand loyalty?
3. To what extent does BRQ influence brand loyalty?
4. To what extent does customer advocacy influence brand loyalty?
5. To what degree does trust play a role in mediating the relationship between BRQ, customer advocacy, and brand loyalty?

1.4 Contributions of the Study

This study seeks to add to the current knowledge of brand loyalty within the South African retail banking sector. To further understand the effect of satisfaction, BRQ, and customer advocacy on loyalty, the study seeks to leverage the service loyalty scale by El-Manstrly and Harrison (2013). Oliver (1999) argued that consumer satisfaction and loyalty have been understood in terms of consumer behaviour (what the consumer does) and literature has not addressed the psychological definition of satisfaction and loyalty. El-Manstrly and Harrison (2013) argued that Oliver's (1997) conceptualisation of loyalty with the four dimensions has been widely accepted but challenging to empirically prove or test.

The limitation noted by El-Manstrly and Harrison (2013) in their study is that the research was conducted amongst bank customers in the UK, which represents a mono-cultural setting. However, this study sought to replicate the service loyalty scale in a more diverse South

African cultural setting. The South African retail banking environment is facing intense competition from new entrants and in order to further grow and retain existing customers, it is important that customer satisfaction and loyalty levels are maintained and improved, this against rising customer expectations (Consulta, 2018). The findings of the study further support the extensive literature on the positive relationship between satisfaction and loyalty, which also supports Oliver (1997) views. Secondly, the findings also established positive relationships between BRQ and brand trust and customer advocacy and brand trust. This further supports the findings in relationship marketing from Morgan and Hunt (1994) and advocacy-based views from Urban (2004; 2005). Customer advocacy was also established to have a positive relationship with loyalty. However, the findings did not establish brand trust as a mediator in the relationships between BRQ and brand loyalty as well as customer advocacy and brand loyalty. Findings from this study also indicated brand BRQ to have a significant but negative effect on brand loyalty, which therefore questions the quality of affective dimensions within the South African banking context. The non-mediating effect of brand trust is also indicative of customer advocacy having the capability of influencing brand loyalty on its own. The practical implications of the study recommend using customer advocacy as a vehicle to further build BRQ through building sustainable relations with 'trusted advisors' (Urban, 2005; Yeh, 2013).

Chapter 2: Literature Review

2.1 Introduction

2.1.1 Social Exchange Theory

The social exchange theory posits that interactions emerge through social exchanges that are seen as interdependent and reliant on the actions of another person (Blau, 1964, as cited in Cropanzano & Mitchell, 2005). There is also a further emphasis on the interactions having the "potential to generate high-quality relationships" (Cropanzano & Mitchell, 2005, p.875). The basic principles of the social exchange theory are based on relationships that develop over time into more enhanced forms that are shaped by mutual commitments, trust and loyalty (Cropanzano & Mitchell, 2005). In a meta-review of literature about brand relationship theories and conceptual frameworks and models by Fetscherin and Heinrich (2015), the social exchange theory was highlighted as one which provides a rich context in explaining brand loyalty. The governing principle of these relationships is based on rules or norms of exchange that govern the overall exchange process (Cropanzano & Mitchell, 2005). Reciprocity is the commonly known rule of exchange (Cropanzano & Mitchell, 2005). Molm (1994, as cited in Cropanzano & Mitchell, 2005) defined "interdependence which involves mutual and complementary arrangements as the defining characteristic of social exchange" (p.876). The reciprocal nature of loyalty and the interdependence between a customer and brand lends itself to the dynamics characterised by the social exchange theory.

The evolving nature of the interaction of customers and service providers results in a dynamic exchange process in service-related encounters (Sierra & McQuitty, 2005). Evanschitzky et al. (2012) referred to the social exchange theory as providing a theoretical perspective of loyalty which shows how affective bonds can impact loyalty. In a quest to better explain customer loyalty, Lawler (2001, as cited in Sierra & McQuitty, 2005) developed the affect theory of social exchange where emotions are foundational to the theory. The purpose of the affect theory of social exchange is the incorporation of emotions at the core of the social exchange process between two parties, where each party has something the other values (Sierra & McQuitty, 2005).

Trust has also been examined and studied under the social exchange literature (Morgan & Hunt, 1994). Trust is identified as an outcome of favourable social exchanges which implies its importance in conceptualising exchange (Blau, 1964; Holmes, 1981, as cited in Cropazano & Mitchell, 2005). The social exchange theory explains trust to the extent of the focal point on reciprocity, in that trust exists when one party has confidence in the exchange party's integrity and reliability (Morgan & Hunt, 1994). Evanschitzky et al. (2012) argued that the basis of relationship marketing is underpinned by the extent to which trust, commitment, and satisfaction shape affective and intentional dimensions into actual behaviour.

2.1.2 Interpersonal Relationship Theory

The claim of Fournier (1998) about the lack of focus on a comprehensive relationship-orientated view on consumer interactions with brands is founded on the basis that the meaning, shape, and significance of relationships need to be understood across three different contexts – psychological, sociocultural, and relational. The interpersonal relationship theory encapsulates BRQ as one where brand relationships have similar qualities to human relationships (Fournier, 1998). Ramaseshan and Stein (2014) conducted a study on the human relationship metaphor derived from the interpersonal relationship theory to characterise brand relationships in terms of how consumers experience brands, perceive brand personalities, and ultimately, how consumers build brand loyalty.

Fournier (1998) argued that literature has been unable to answer the question of why and what forms of brand relationships consumers seek and value. The researcher further contends that while literature has focussed on brand love, commitment, and trust, there has been a lack of focus on a comprehensive relationship-oriented view on consumers' interactions with brands. There has been an emphasis in literature on the complexity, multi-disciplinary, and multidimensional nature of consumer-brand relationships and the need to focus on this construct more holistically (Fetscherin, 2014; Fetscherin & Heinrich, 2015). Oliver (1999) identified the vulnerabilities with the four phases of loyalty specifically relating to the extent to which consumers can isolate themselves from competitor interventions so that competitor communication is blocked; secondly, the role of community in directing or influencing choice and the interrelations between self-identity and community. Oliver (1999) revised framework focuses on four loyalty strategies that are based on a continuum focussing on individual

fortitude relative to community or social supports. The argument that Fournier (1998) presents on the different contexts of consumer interactions being understood under different contexts has some similarities to Oliver (1999) conceptualisation of the four loyalty phases relating to the role of community and relational dimensions.

A loyal customer is understood to bring more revenue than one who churns, and the positive spillover effect and benefits of loyal customers to the organisation come in the form of more knowledge and understanding of customers such that organisations are better equipped to serve, communicate, and engage with customers (Fandos Roig et al., 2009). The fundamental basis of the consumer brand engagement (CBE) concept has been driven by the rise of an active, less passive consumer behaviour in brand processes (Hollebeek, Glynn, & Brodie, 2014). Technological advancements through consumer engagement on social media have made social media a critical engagement platform for brands to engage with customers and build brand communities, thus enhancing consumer brand engagement (Apenes Solem, 2016). Keller (1993) defined customer-based brand equity as the impact that brand knowledge solicits on a consumer when responding to marketing efforts. "High levels of brand awareness and positive brand image should increase the probability of brand choice as well as produce greater consumer loyalty and decrease vulnerability to competitive marketing actions" (Keller, 1999, p.8).

The outcome of loyalty should result in value creation for both the organisation and the customer. Payne, Storbacka, Frow, and Knox (2009) referenced the service-dominant paradigm as one that views the customer as the co-creator of value. Prahalad and Ramaswamy (2004) argue that the role of the company and consumer needs to be challenged with a new way of viewing value creation through co-creation activities and experiences between the company and consumer. This paradigm requires a fundamental shift from product-centric approaches to driving experiences for consumers to co-create (Prahalad & Ramaswamy, 2004). The core of the argument by Prahalad and Ramaswamy (2004) is that interactions and engagements between the company and the consumer should yield opportunities for both value creation and value extraction, where the two parties become collaborators. The service-dominant logic has been criticised to underestimate the role of the relational dimension of brand experience within the context of service brands (Nysveen et al., 2013). Apenes Solem (2016) argued that in building and sustaining relationships with their customers and creating value through the customers, the importance of service organisations is viewed as important since

customers then become co-creators and co-producers of value that has the potential of building positive relationships and loyalty.

2.2 Brand Loyalty

Customer loyalty has traditionally been understood within a behavioural context of repurchase behaviour, and this view later expanded to include attitudinal dimensions that shape customer preferences. Brand loyalty is viewed as a brand-identifiable concept and is unpacked as customers' commitment to the brand, customers' brand attitude towards the brand, which then shapes behaviour towards the brand (Zhang & Liu, 2017). Aaker (1996) critiqued loyalty and satisfaction measures which are only confined to customers as these measures would not measure the total brand equity beyond the customer base. Oliver (1999) defined loyalty as the repurchasing behaviour of the same brand underpinned by a strong level of commitment, despite marketing efforts having the potential to switch behaviour.

2.2.1 Cognitive Loyalty

Oliver (1999) further described four sequential phases of loyalty where cognitive loyalty is driven by brand attributes that the consumer is exposed to in relation to alternatives. Brand awareness plays an important influential role in the formation of brand associations that form in consumers' memory structures (Keller, 1993). Higher levels of brand awareness and positive brand associations influence brand choice positively which, in turn, builds brand loyalty and decrease vulnerabilities to competitor marketing interventions (Keller, 1993). Keller's (1993) description of brand loyalty is somewhat aligned with the cognitive loyalty definition.

In defining brand experience, Brakus, Schmitt, and Zarantonello (2009) emphasised the subjective, internal consumer responses and behaviour to brand-related stimuli as well as utilitarian product attributes. While most experiences occur directly through the consumer purchase journey, other indirect experiences take the form of advertising, communication, and experience with brand-related touchpoints such as websites (Brakus et al., 2009). Considering the context of the study within the financial services industry, experiences become important within the consumer purchase journey, especially considering the changing landscape of the different touchpoints offered by retail banks. According to Frow and Payne (2007), customer

experience lends itself to two premises of consumer behaviour, the first is the traditional purchase journey involving cognition-affect-behaviour dimensions that predominantly involves goal-orientated consumer processes to search, evaluate, and purchase products and services. The second approach is the experiential research process that focusses on emotions, symbolic, and non-functional aspects of the consumption process which concentrates on the "experience of consumption" (Frow & Payne, 2007, p.91).

2.2.2 Affective Loyalty

Affective loyalty is characterised by feelings or emotions toward the brand, where satisfaction and commitment arise from this phase (Oliver, 1999). Oliver (1999) emphasised that should cognitive loyalty translate into satisfaction through repeated engagements and experience, then affective loyalty – the second phase of loyalty – may arise.

2.2.3 Conative Loyalty

The third phase, conative loyalty, is underpinned by behavioural intentions to repurchase. Oliver (1999) argued that this phase does not translate into loyalty as the behaviour is intentionally underpinned by the motivation that leads to the fourth phase, action loyalty, where the motivational intention is translated into actual action in the form of repurchase behaviour.

2.2.4 Action Loyalty

Oliver (1999) argued that cognitive loyalty is the weakest form and easiest to break as the consumer is only involved with the brand at a functional level, and the vulnerabilities then emerge from competitor positioning more attractive value propositions and incentives to switch. However, action loyalty is deeper-seated by the commitment and lack of switching behaviour and is the hardest form of loyalty (Oliver, 1999). Loyalty has traditionally been understood from a behavioural outcome perspective and later evolved into incorporating attitudinal dimensions; however, this view is challenged by the authenticity of the intentions and whether these can accurately translate into behaviour (Fandos Roig et al., 2009). Fandos Roig et al. (2009) further argued that the intention of loyalty is determined by the consumer's attitudes towards the product or service, where cognitive and affective dimensions become the antecedents of the behavioural intention. Zarantonello and Schmitt (2010) defined an attitude based on a "state that is internal to the individual and consists of an evaluation that can occur on a cognitive, affective, or behavioural level while being directed towards an object" (p.534).

The empirical findings from Zarantonello and Schmitt (2010) which focussed on different consumer typologies based on brand experience dimensions, revealed attitudes and purchase intents as the strongest amongst holistic consumers (those scoring high on all brand experience dimensions), which then affirms the view from Fandos Roig et al. (2009) that attitude is one of the antecedents of behavioural intention.

A study by Leckie, Nyadzayo, and Johnson (2016) indicated that cognitive processing within a CBE perspective has a negative effect on brand loyalty. Empirical findings from Lewis and Soureli (2006) indicates that within the banking sector, cognitive loyalty showed high levels of association with the value received from the bank, while some respondents in the study had higher levels of preference for their main bank and displayed affective loyalty through their personal involvement in the purchasing of financial services. However, respondents in the same study did not exhibit high levels of behavioural loyalty in that they did not intend to purchase additional products and services from their main bank, which Lewis and Soureli (2006) argued that the loyalty shown in financial services was mainly cognitive and subject to situational changes. Empirical results observed from El-Manstrly and Harrison (2013) revealed that the cognitive-affective loyalty link showed the weakest relationship while 'affective-conative and conative-action loyalty' links are the strongest.

2.3 Antecedents of Brand Loyalty

Keller (1993) defined brand loyalty as the favourable beliefs and attitudes towards the brand and are manifested during the repeat purchasing behaviour. Francisco-Maffezzolli, Semprebon and Prado (2014) argue that brand loyalty not only represents a single index of repurchase but also other symbolic factors such as attitudes, behaviour, intention to continue, capacity to recommend, and perception of the brand. Apenes Solem (2016) shares a similar perspective in viewing brand loyalty as an intentional behaviour construct and therefore considers brand loyalty to be based on consumer preferences, leveraging the attitudinal concept of brand loyalty such as intentions to stay loyal, recommendation, and choosing the brand again. The limitation of understanding loyalty solely through repurchasing behaviour is that it results in a gap or lack of understanding why consumers become and remain loyal (Schultz & Bailey, 2000).

Knox and Walker (2001) referred to the stochastic and deterministic perspectives in measuring brand loyalty. The stochastic view primarily focusses on repeat purchases through the lens of static market situations, with no clarity on causal explanations (Knox & Walker, 2001). While the deterministic view provides some causal explanation that influence purchasing behaviour (Knox & Walker, 2001). Francisco-Maffezzolli et al. (2014) further emphasise that a multidimensional view avoids scenarios such as behaviour by inertia, routine and lack of market information or knowledge. Loyalty is understood as a multidimensional and multifaceted construct underpinned by behavioural and psychological dimensions (Knox & Walker, 2001; Oliver, 1999). Jacoby and Chestnut (1978, as cited in Knox & Walker, 2001) provided a conceptual definition of loyalty based on necessary psychological and behavioural responses that need to be in place. These conditions include a biased behavioural response that takes place during purchase decisions especially when concerning one or more alternative brands and the decision-making and evaluative processes tend to take a psychological function (Knox & Walker, 2001). However, this view has been challenged on the basis of consumers' ability to self-isolate themselves from marketing and communication interventions during the purchase process (Oliver, 1999).

Schultz and Bailey (2000) conducted a study to understand why consumers become and remain loyal within the context of a consumer-driven marketplace. Understanding the drivers of loyalty, especially considering an era where consumers are increasingly finding brands to be similar, is important as this impacts brand preference (Veloutsou, 2015). The increasingly competitive environment characterised by consumers who are more empowered to make brand choices places pressure and challenges for marketers to maintain brand commitment strategies (Das, Agarwal, Malhotra, & Varshneya, 2019). Technology has enabled word-of-mouth (WOM) to become an effective communication tool which has the potential of providing less informed market participants with information from a trusted source (Chen-Hung, Chin-Chiung, & Marianne, 2017). The emergence of social and digital media has increased the reach and frequency of the spread of WOM, which has been an influential dimension of consumer purchasing decision processes within the context of an interactive marketplace (Chen-Hung et al., 2017).

Lawer and Knox (2006) definition of customer advocacy relates to "an advanced form of market orientation that responds to the new drivers of consumer choice involvement and knowledge" (p.123). Lawer and Knox (2006) identified these three drivers as those encapsulating the drivers of empowered consumer value. The increasing plethora of brands and information overload can lead to complexity and confusion during the consumer purchase

journey. Value-for-choice requires brands to play an enabling role for consumers by reducing barriers associated with decision-making, playing a more convenient role by reducing the consumers time, energy and effort made during purchase decisions with the outcome of limiting uncertainty and reducing risk (Lawer & Knox, 2006). Value-for-involvement requires a shift in marketing emphasis and focus towards strategies that support word-of-mouth and other customer-centric forms of promotion (Lawer & Knox, 2006). Advances in information and communication technology have reduced barriers to access to information and knowledge between consumers and brands. In order to capture value-for-knowledge, brands are placed under pressure to maintain a balance between information overload and privacy (Lawer & Knox, 2006).

2.4 Conceptual framework and hypotheses development

According to the social exchange theory, relationships may emerge based on a set of interactions and evolve over time into more enhanced forms of trust, loyalty and mutual commitment (Cropanzano & Mitchell, 2005). Figure 1 provides a diagrammatic representation of the conceptual model which has been anchored on some of the core constructs of the social exchange theory. The study sought to determine the degree to which satisfaction, BRQ, customer advocacy and brand trust influences brand loyalty as a multidimensional construct. The conceptual model as per Figure 1, also seeks to determine the mediating effect of brand trust in the relationship between BRQ and brand loyalty and customer advocacy and brand loyalty. The premise of brand loyalty as a multidimensional construct is largely based on both psychological and behavioural dimensions (Oliver, 1999; Knox & Walker, 2001). Figure 1 draws upon Oliver (1999) loyalty phases which El-Manstrly and Harrison (2013) emphasise its value in differentiating between situational loyalty customers and active loyal customers. Harris and Goode (2004) highlight Oliver (1997) loyalty phases as constituting the most comprehensive evaluation of the construct.

The rules or norms of exchange which form part of the exchange process govern the relationships which are underpinned by reciprocity (Cropanzano & Mitchell, 2005). One of the defining characteristics of social exchange involves interdependence between parties (Molm, 1994, as cited in Cropanzano & Mitchell, 2005). Cropanzano and Mitchell (2005) argue that the essence of social exchange theory comprises of interactions which over time result in mutually and rewarding transactions and relationships. This is further extended by Lawler (2001) who argues that the implicit or explicit task in the exchange process is the benefit

generated by each individual through the exchange of behaviours or goods that cannot be achieved by an individual on their own. Urban (2004) emphasises the reciprocal role of customer advocacy in so far as a company is able to build trusting relationships with their customers, they will in turn reciprocate with trust, loyalty and future potential purchases.

Trust plays an important role as the outcome of favourable exchanges (Cropanzo & Mitchell, 2005). Enduring relationships are cemented by trust and this provides the rationale of including trust in Figure 1 as a construct to understand its significance in the exchanges and more specifically relational exchanges involved in the provision of financial services. "Relational exchange requires trusting the other partner, due to the risk involved in reciprocity" (Shanka & Buvik, 2019, p.59). Morgan and Hunt (1994) conceptualisation of trust focuses on reliability and integrity of the exchange party as paramount. Berry and Parasuraman (1991, as cited in Morgan & Hunt) identify trust as a key requirement in customer-company relationships within services marketing.

At the core of the relational exchanges is the quality and depth of relationships amongst the parties involved in the exchange process. Smit, Bronner and Tolboom (2007) identify three characteristics defining interpersonal relationships: interdependence, temporality and perceived commitment. Interdependence involves reciprocal exchange between active and interdependent parties; temporality refers to relations that are characterised by a series of repeated actions whilst perceived commitment relates to the willingness to continue a relationship (Smit et al., 2007). It is on this basis that the quality and depth of relationships become paramount with understanding brand loyalty in the context of the services industry, and more specifically in banking.

The various hypotheses and the conceptual foundations that inform the framework in Figure 1 are discussed in the following sections.

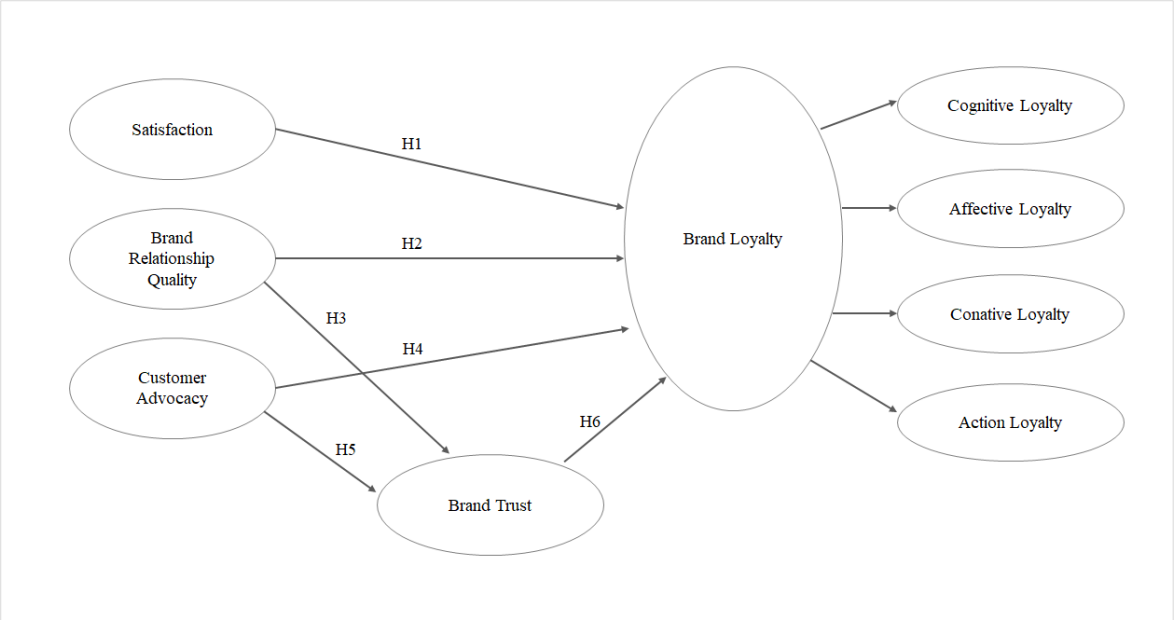


Figure 1: Conceptual Model

2.5 Satisfaction and brand loyalty

Churchill Jr (1979) referred to Howard and Sheth (1969, as cited in Churchill, 1979) definition of satisfaction that describes an attitude. The researcher argued that satisfaction ought to be measured in the context of expectations at the time of purchase or consumption and afterwards in order to determine whether expectations were met or exceeded where satisfaction would be realised; or whether expectations fell short where dissatisfaction would be realised (Churchill, 1979). Fornell et al. (1996) identified expectations amongst other dimensions as the antecedents of overall customer satisfaction in the development of the American Customer Satisfaction Index (ACSI), while voice (customer complaints) and loyalty are identified as consequences of overall customer satisfaction. Fornell et al. (1996) viewed the expectations construct as both backward and forward-looking like a combination of both prior consumption experience with a product or service (inclusive of marketing interventions such as advertising and word of mouth) and the organisation's ability to deliver quality in the future. Expectations are important in sustaining and shaping the ongoing relationship between an organisation and customer; therefore, expectations serve a predictive role leading to satisfaction (Fornell et al., 1996). Two approaches to satisfaction have also been highlighted: the transaction-based approach draws on satisfaction been driven from customers' last experience with the

organisation and overall satisfaction which encompasses the customers' overall impression of the service performance (Fandos Roig et al., 2009; Zhang & Liu, 2017).

Oliver (1997) (as cited in Oliver, 1999) defined satisfaction as the fulfilment of a consumer need, desire, or goal, the outcome of which becomes pleasurable. Satisfaction incorporates both cognitive, performance-related attributes, and affective constructs, where positive relationships influence satisfaction (Iglesias et al., 2011; Fraering & Minor, 2013). Veloutsou (2015) views satisfaction as the emotive response based on the overall evaluation of the product or service performance in relation to repurchase during or after consumption. Oliver (1999) argued that for satisfaction to affect loyalty, the former needs to be at an aggregated level and cumulatively experienced. Experiences occur throughout the consumer purchase journey and the latter view provided by Oliver (1999) implies that there is a need for multiple pleasurable experiences to occur for satisfaction to be realised. Frow and Payne (2007) defined a customer experience as underpinned by high levels of customer satisfaction in terms of the customer's total interaction with a brand. Brand experience is an overarching construct that impacts both users and non-users while customer experience impacts brand users as customers (Nysveen et al., 2013).

In considering the first research question of the study relating to the extent to which satisfaction on its own can guarantee brand loyalty, Baumann et al. (2011) argued that the traditional position of satisfaction leading to loyalty has been found weak in financial services. Baumann et al. (2011) propose a model focussing on current behaviour in terms of share of wallet and future behaviours focussing on "variety-seeking, resistance to change, and risk-taking" (p.248). Oliver (1980, as cited in Apenes Solem, 2016) predicts satisfaction as an outcome of loyalty in both short- and long-term contexts. Fraering and Minor (2013) argued that satisfaction is a product of customer loyalty, which in effect, implies that to understand the construct of loyalty, satisfaction needs to be understood. Thakur (2014) viewed satisfaction as accumulative experiences that are affectively driven as opposed to the single transaction-based state. This approach considers satisfaction to be determined by the perceived value by the consumers in terms of the benefits received relative to the costs or sacrifices made (Fandos Roig et al., 2009). Zhang and Liu (2017) argued that accumulation satisfaction influences customer repurchase intention, which further emphasises the importance of the holistic experience during the purchase journey. The basis of the first hypothesis is reflective of Oliver

(1999) view on satisfaction as an outcome of aggregated and cumulative experiences with a brand:

Hypothesis 1: Satisfaction has a positive effect on brand loyalty.

2.6 Brand Relationship Quality

According to Fournier (1998), BRQ is a similar construct to brand loyalty in that both constructs have an objective or end means of strengthening the connection formed between a consumer and brand and further predict some time frame of this connection. Brand relationships are defined as "the relationship that exists between the buyers and the seller through the exchange of value for products or services" (Schultz & Bailey, 2000, p.46). The core focus of relationship marketing centres on "marketing activities that aim to establish, develop, and maintain successful relational exchanges" (Morgan & Hunt, 1994, p.22). The focus on relational exchanges bears itself to some form of value that is derived in the relationship formation and maintenance. The conceptualisation of BRQ is multidimensional, incorporating "love or passion, self-connection, commitment, interdependence, intimacy, and brand partner quality" (Fournier, 1998, p.363). This does indicate that BRQ centres itself on affective dimensions. Veloutsou (2007) further argues that the focus has been on brand personality as the relational element that creates a bond between a brand and consumers and once a stable brand personality is developed, this reduces risks along the purchase journey which can potentially result in trust and satisfaction as consumers believe the brand supports their needs.

Fraering and Minor (2013) argued that unlike retail environments where loyalty is measured through the frequency of store visits, loyalty formation process in financial services differs as it would primarily focus on the duration of the relationship. Mosley (2007, as cited in Nysveen et al., 2013) argued that service experiences have a higher level of complexity in that they require interpersonal interactions and relationship quality is critical in this context relative to product brand experiences. Francisco-Maffezzolli et al. (2014) referred to the BRQ construct as one that is not only based on cognitive dimensions but also based on affective dimensions that are based on accumulated brand experience encountered by the consumer over a period of time. The researchers acknowledge that brand experience as a single variable

cannot equate customer loyalty but can potentially lead to customer loyalty when combined with other associated and influential variables (Francisco-Maffezzolli et al., 2014).

Payne et al. (2009) argued that marketing has lost its customer focus, which has subsequently resulted in a refocus on the customer perspective as evidenced by the service-dominant logic that was developed by Vargo and Lusch (2004, as cited in Payne et al., 2009). At the core of the service-dominant logic is the notion of co-creation involving the customer's active involvement throughout the value chain from product design to consumption (Payne et al., 2009). The service-dominant logic, through ongoing dialogue and interactions, seeks to transform consumers from passive to active participatory players (Vargo & Lusch, 2004, as cited in Leckie et al., 2016). Nysveen and Pedersen (2014) observe a momentum moving away from company-centric value creation to customer-centric value creation, where customers co-create value together with the company as well as other customers. Active participation using the service-dominant logic introduces a multi-faceted view of perceived customer value that transcends beyond functional product or service perception and usage to the incorporation of consumer values and goals (Leckie et al., 2016). Consumer involvement is considered a vital part of consumer behaviour and is defined as the consumer perceived level of relevance, needs, and values with a specific product category (Dwivedi, 2015). Prahalad and Ramaswamy (2014) emphasise that all interactions between a company and its consumers present opportunities for both value creation and value extraction.

Payne et al. (2007) emphasised that the relationship perspective in brand building is receiving the attention that is driven by several shaping factors; first, attention is moving away from brand producers defining the brand meaning to consumers' responses in creating brand meaning; second, customer-to-customer interactions are playing an influential role within the context of brand communities and co-creation; third, customers role in co-creating innovative ideas for product development is effective in enhancing their emotional connection with a brand. Leckie et al. (2016) argued that consumers within the service-dominant logic context are value co-creators who impact consumer participation and involvement in CBE which is understood as an outcome of brand loyalty. Dick and Basu (1994, as cited in Ramaseshan & Stein, 2014) highlighted that brand loyalty is greater when consumer-brand relationships are strong which also motivates the rationale of the third research question of this study relating to the extent to which BRQ influences brand loyalty. The basis of the second hypothesis seeks to understand the relationship between BRQ and brand loyalty:

Hypothesis 2: BRQ has a positive effect on brand loyalty

BRQ is understood within the context of assessing the depth and strength of consumer-brand relationships (Jung & Soo, 2012). Henning-Thurau and Klee (1997, as cited in Jung & Sung, 2012) emphasise that BRQ plays an important role in the consumer path to purchase in that it has the ability to reduce uncertainty and costs, therefore, resulting in more effective and efficient exchanges between the company and consumer. The level of trust that a consumer has with a brand plays a role in reducing uncertainty during the purchase journey. Empirical findings from Jung and Soo (2012) indicated that high levels of trust positively influence brand preference. Evanschitzky et al. (2012) argued that relationship marketing is underpinned on how trust, commitment, and satisfaction shape affective and intentional consumer behaviour. Within the context of financial services, relationships are built over time. The basis of Hypothesis 3a is to understand the relationship between BRQ and brand trust.

Hypothesis 3a: BRQ has a positive effect on brand trust.

Ramaseshan and Stein (2014) argued that consumer-brand relationships are significant drivers of brand loyalty. In their study, brand trust, brand attachment, and brand commitments are identified as the three critical components of brand relationships. In defining consumer-brand relationships, Sahin, Zehir and Kitapçı (2011) viewed brand experience as the main input, while brand loyalty is viewed as the main output. Algesheimer et al. (2005, as cited in Sahin et al., 2011) defined BRQ as the consumer's overall assessment of strength in a relationship with a brand that is based on the extent to which a consumer views the ongoing relationship as satisfactory. Trust has been demonstrated to be an important driver in sustaining relationships between a buyer and seller (Chow & Holden, 1996; Amine, 1998; Morgan & Hunt, 1994 as cited in Sahin et al., 2011). Trust plays a role in sustaining a satisfactory brand relationship between a consumer and a brand. Trust was defined as the consumer's confident beliefs that a brand can deliver as promised and is essential in building strong consumer-brand relationships (Sahin et al., 2011). Fournier (1998) also highlighted the common thread between BRQ and brand loyalty in terms of their outcome in strengthening relationships between a consumer and brand. The basis of Hypothesis 3b is to understand the relationship between BRQ and brand loyalty, with brand trust as the mediator:

Hypothesis 3b: Brand trust mediates the relationship between BRQ and brand loyalty

2.7 Customer Advocacy

Roy (2013) defined the foundations of customer advocacy as originating from both consumer activism and marketplace point of view. The marketplace definition places emphasis on providing the customer with sufficient information and knowledge to avoid negative marketplace experiences; while the activism aims to do what is best for the customer with the outcomes of earning trust, building sustainable relationships, and gaining positive word-of-mouth (Roy, 2013). Payne et al. (2009) highlighted two perspectives of consumer behaviour as the information-processing perspective the experiential perspective. The former focus on cognition-affect-behaviour and is typically characterised by goal-oriented activities such as searching, confirmation, evaluation of alternative options and choices along the purchase journey; while the latter incorporates fantasies, feelings, and fun as processes that are part of the experiential consumptions and bear opportunities for co-creation which results in customer learning (Payne et al., 2009). The researchers also made a practical example of retail bank's processes of moving customers from in-branch banking to online and digital banking as part of the customer learning process and the success of the transition and change in behaviour relies on the extent to which the experience is co-created with the customer (Payne et al., 2009). In the 'Advocacy Pyramid' by Urban (2004), the emphasis was on "learning about the customer and developing a relationship with them in order to become a better advocate of their needs" (p.79).

The internet has given prominence to powerful consumers who are more educated and well informed to challenge or verify company claims as well as seek alternatives (Urban, 2004). Intentions to stay loyal, recommendation, and choosing the brand are part of the attitudinal loyalty concept (Apenes Solem, 2016). With regard to the fourth research question on the extent to which customer advocacy influences brand loyalty, El-Manstrly and Harrison (2013) viewed recommendation as a strong indicator of conative loyalty since recommendation is an intentional measure that positively affects conative loyalty. Urban (2004) argues that "if a company advocates for its customers, they will reciprocate with trust, loyalty, and purchases, either now or in the future" (p.77). Therefore, the fourth hypothesis seeks to establish the relationship between customer advocacy and brand loyalty as follows:

Hypothesis 4: Customer advocacy has a positive effect on brand loyalty

At the core of the customer advocacy concept is the company's ability to satisfy customer needs in an effort of customers reciprocating in the form of trust and loyalty development towards the company (Roy, 2013). Customer advocacy aims to build and strengthen meaningful relationships by earning customers trust through open communication and partnerships with customers (Lawer & Knox, 2006). In a relationship-based sector such as financial services, customer advocacy is imperative. Henning-Thurau (2004, as cited in Roy, 2013) argued that a customer-oriented company can expect its customers to exhibit behavioural loyalty based on the customers' image of trust in their minds. The theoretical underpinnings of the social exchange theory infer that trust becomes a prerequisite in ensuring that exchanges and interactions between the company and customer are sustained. "Mistrust breeds mistrust and as such would also serve to decrease commitment in the relationship and shift the transaction to one of more direct short-term exchanges" (McDonald, 1981, p.834, as cited in Morgan & Hunt, 1994).

Empirical findings from Zhang and Liu (2017) indicate that respondents with higher levels of brand trust also indicated higher levels of brand repurchase, lower levels of negative brand perceptions, and spread positive word-of-mouth about the brand. Urban (2004) viewed trust as a key dependency on customer advocacy as well as having a direct relationship with brand recommendation, which reduces acquisition costs and marketing promotional efforts. The basis of Hypothesis 5a is to establish the relationship between customer advocacy and brand trust as follows:

Hypothesis 5a: Customer advocacy has a positive effect on brand trust

Customer advocacy, through its objective of building deeper and more effective customer relationships, aims to earn trust and commitments by developing mutually transparent and open communication with customers (Yeh, 2013). Building and sustaining customer advocacy remains a competitive advantage for organisations, especially in entrenching trust with customers (Yeh, 2013). Urban (2004) further contends that trust creates a barrier to entry by increasing loyalty, which results in competitors having to allocate considerable resources to convince and persuade advocates. Advocacy-based strategies view advocates as trusted advisors (Sheth et al., 2000 as cited in Yeh, 2013) who influence existing or potential customers during the purchase-decision journey and this relationship is reciprocated with trust, resulting in favourable growth outcomes for the company (Yeh, 2013). Therefore, this heightens the

role of trust in the relationship between customer advocacy, driving future revenue growth for the organisation.

Yamaoka (2004, as cited in Roy, 2013) argued that the "marketing paradigm is shifting from traditional push-based marketing to relationship marketing to trust-based advocacy marketing" (p.262). Yeh (2013) argued that the ultimate goal of developing customer advocacy is driving 'customer success', which entails harnessing and building customer relationships based on expertise, guidance, and open dialogue. The role of trust in this relationship is such that customers who trust a firm can advocate for it to others based on a good service experience (Yeh, 2013). Yeh (2013) further contends that these customers "often remain loyal simply because the quality of service reinforces their trust in the service firms" (p.99). Hypothesis 5b seeks to understand the mediating effect of trust in the relationship between customer advocacy and brand loyalty:

Hypothesis 5b: Brand trust mediates the relationship between customer advocacy and brand loyalty.

2.8 Brand Trust

A key requirement of sustaining and maintaining successful relational exchanges relates to commitment and trust (Morgan & Hunt, 1994). Trust exists when one party has confidence in the exchange party's integrity and reliability (Morgan & Hunt, 1994). Gregoire, Tripp, and Legoux (2009, as cited in Jung & Soo, 2012) argued that "relationship quality is a second-order construct consisting of trust, commitment, and social benefits" (p.90). Trust, in this context, is understood as the level of confidence that the consumer has in the brand's reliability (Jung & Soo, 2012). The position of understanding trust within the parameters of a brand's reliability is also adopted by Chen and Quester (2015), which the authors refer to as incorporating the notion of perceived credibility and benevolence in defining trust. Perceived credibility is understood as the reliability in delivering what is said either orally or written (Chen & Quester, 2015). Yadav, Agrawa, Khandelwal, and Tripathi (2018) operationalised a similar definition of trust proposed by Kantsperger and Kunz (2010, as cited in Yadav et al., 2018), which is "based on the concept of risk associated with relational exchange" (p.41).

Brand trust is a foundational positive attitude which can have a positive effect on brand loyalty when sustained and intensified over time (Zhang & Liu, 2017). In addition, a study by Zhang and Liu (2017) shows that brand satisfaction has a positive and significant effect on brand trust, which presents some level of vulnerability in transactional relationships as an unsatisfied transaction has the potential of negatively impacting long-term brand trust. Zhang and Liu (2017) emphasised the need for marketers to ensure that brand trust is built and takes priority in an effort to foster genuine brand loyalty. Trust plays a role in sustaining a satisfactory brand relationship between a consumer and brand (Sahin et al., 2011).

Kabadayi and Alan (2012) provided a view on the importance of brand trust in strengthening the relations between a company and consumer. "Brand trust provides a superior lens through which to examine and assess consumers' behavioural responses" (Kabadayi & Alan, 2012, p.80). Brand trust can create and sustain long-term and highly valued relationships (Chaudhuri & Holbrook, 2002 as cited in Kabadayi & Alan, 2012). This indicates that brand loyalty is part of a continual process involving valuable relationships, which the latter is produced by brand trust (Kabadayi & Alan, 2012).

Ha (2004, as cited in Jung & Soo, 2012) found that brand trust is important for increasing customer's loyalty. Chen and Quester's (2015) empirical findings within the hairdressing industry in China indicated that repeated experience of love and trust do become predictors of loyalty. On the other hand, empirical findings from El-Manstrly and Harrison (2013) indicate that trust shows a stronger association in the earlier stages of loyalty, rather than the later stages. This indicates that trust has a more influential role during the evaluation stage and is reduced over time due to the service experience with the brand (El-Manstrly & Harrison, 2013). The premise of the sixth hypothesis is to establish a relationship between brand trust and brand loyalty.

Hypothesis 6: Brand trust has a positive effect on brand loyalty.

A summary of previous studies about brand loyalty and the key variables addressed in the studyis presented in Table 1

Table 1: Literature Review Summary

Construct	Prior studies	Purpose of study	Method	Key findings
Brand Loyalty	Oliver (1999); El-Manstrly & Harrison (2013); Fraering & Minor (2013).	El-Manstrly and Harrison (2013) key argument was based on the construct validity of Oliver (1997) phases of loyalty (cognitive, affective, conative and action loyalty) and therefore draw on Oliver (1997) loyalty phases to assess, refine and validate.	The validation of the 18-item scale was conducted amongst a sample of n=248 retail banks customers at an airport in Glasgow, Scotland.	The findings revealed that loyalty is a reciprocal process where each phase has a cause and effect on each other. The strongest links were identified at the later stages from affective, conative and action loyalty rather than earlier stages of cognitive loyalty. The results further highlight the role of trust in loyalty
		Fraering and Minor (2013) research focuses on the "relationships between satisfaction, the four loyalty phases, the innovative fortitude, and a sense of virtual community in recognition of the vital role of e-marketing in the corporate strategy of financial institutions" (p.335).	The research methodology applied is quantitative and a sample of n=493 undergrad students across various universities in the United States was accessed.	Key findings indicate that the satisfaction is positively related to the four loyalty phases. The satisfaction-loyalty construct was also found to be positively related to fortitude, however even though the satisfaction-loyalty construct was identified to be positively related to the sense of virtual community, the analytics did not support this due to the excessive error variances.
	Lewis and Soureli (2006)	Lewis and Soureli (2006) research paper examined the	The study was conducted in the Greek banking sector. For	Overall results indicate that loyalty is influenced by perceived value,

Brand Loyalty and Satisfaction		antecedents of loyalty in banking by posing the following questions. Is loyalty the cognitive outcome of high perceived quality or does it also have an emotional value? Does commitment contribute to loyalty? What is the role of interpersonal relationship in the development of loyalty?	triangulation purposes, both qualitative and quantitative methods were used for data collection.	perceived service quality, satisfaction, service attributes, image and trust. The role of commitment as a mediator between satisfaction and loyalty is not supported by the model. However, the relationship between satisfaction and loyalty was supported. Interpersonal relationships correlated with commitment and not loyalty, whilst involvement had not association with commitment or loyalty. Image affects loyalty but could be the result of the relationship between image, satisfaction and quality. The indirect effect of service quality on loyalty via satisfaction is supported
	Fandos Roig et al. (2009)	The objective of Fandos Roig et al. (2009) research was to study the nature of relationships between perceived value, satisfaction and loyalty of customers in banking. Perceived value and satisfaction were posited as the antecedents of loyalty in this study.	A quantitative methodology was adopted in the form of surveys amongst a sample of n=200 respondents in the financial services of Spain.	The research findings indicate that satisfaction had the greatest influence on intentional loyalty, followed by the functional value of service. Intentional loyalty had the greatest influence on behavioural loyalty, followed by satisfaction. Service dimensions and emotional value had the greatest influence on behavioural loyalty while customer service personnel had the least influence on

				behavioural loyalty. The functional value of installations did not influence intentional loyalty nor satisfaction.
	Baumann et al. (2011)	Baumann et al. (2011) identified predictive variables to explain loyalty, namely variety seeking, resistance to change, and risk-taking. The study also seeks to model current behaviour (share of wallet) and future intentions such as likelihood to switch to quantify linkages between current and future behaviour	A quantitative methodology was used to access a sample of n=1025 Australian banking customers	The research outcomes indicate that customer loyalty is explained by variety seeking, mediated by resistance to change. The study further indicates that satisfaction is not the only key predictor of loyalty.
	Nysveen & Pedersen (2014)	The purpose of Nysveen and Pedersen (2014) research was to study the influence of customer co-creation participation on customers' brand experience, satisfaction, and loyalty with the brand.	Nysveen and Pedersen (2014) used an online survey with customers of banks who served private consumers. Data was collected by Norstat, in Norway. A final sample of n=957 was achieved.	Key findings indicate that there are direct influences of co-creation on both brand loyalty and satisfaction that are however not mediated by brand experience dimensions. There are also indirect influences of co-creation on satisfaction and brand loyalty through the brand experience dimensions, but these influences are only significant through a few of the brand experience dimensions.
	Apenes Solem (2016)	Apenes Solem (2016) research focused on exploring short and long-term effects of customer	Apenes Solem (2016) conducted two studies amongst insurance customers.	The key findings from the cross-sectional study indicated the positive short-term effects of customer

		participation on brand loyalty, and the bridging element of brand satisfaction using insurance firms Facebook pages.	The first study was a cross-sectional study using a nationwide sample as well as a subsample accessing social media users. The second study was longitudinal in nature using three assessment timepoints.	participation on brand loyalty, mediated by satisfaction. The results from the social media users indicated positive participation effects gained from brand engagements strengthened brand satisfaction. The longitudinal study did not show similar positive long-term effects on customer participation.
Brand Relationship Quality	Fournier (1998)	The key research question posited by Fournier (1998) relates to the question of why and what forms of brand relationships do consumers seek and value.	Phenomenological interviewing was conducted with three women in three different life stages over a period of three months The interview focused on brand usage history and repertoire as well as contextual details of their life worlds. Brands explored included packaged goods, both durable and semi-durable as well as services.	BRQ facets are developed as an outcome of the research, namely, love/passion; self-connection; commitment; interdependence; intimacy; and brand partner quality.
	Francisco-Maffezzolli et al. (2014); Rameseshan & Stein (2014)	Franciso-Maffezzolli et al. (2014) addressed a theoretical gap in the literature regarding the relationship between the direct and indirect impact of brand experience on brand	A quantitative survey was conducted with n=306 respondents in the personal care category in Southern Brazil.	The empirical results of this study prove that there is no relationship between experience and loyalty. As such, Francisco-Maffezzolli (2014) argues that little contact or experience with a brand would not be sufficient to result in brand loyalty.

		loyalty and explored the mediating role of BRQ.		There is a positive and significant relationship between Brand Experience and BRQ. The greater the experience, the stronger the relationship will be. The direct relationship between BRQ and Brand Loyalty is positive and significant.
		The basis of Ramaseshan and Stein (2014) study was to explore the role of brand relationship variables in the brand experience-brand loyalty relationship. The study focused on the influence of brand experience on three constructs of brand relationships, namely brand trust, brand attachment, and brand commitment which, in turn, drives brand loyalty through brand commitment.	A quantitative methodology with n=300 mall intercept interviews was conducted in Australia, requiring respondents who have had brand experience with the brands for over a year. A selection of three brands was used across consumer products (Coca Cola), consumer electronics (Apple), and fast food service (McDonald's).	Brand experience has a positive effect on brand attachment and brand commitment; however, the effect of brand experience on brand trust was found to be insignificant. Brand experience has a positive effect on purchase brand loyalty and attitudinal brand loyalty. The effect of brand commitment on brand loyalty was found to be significant; however, the effect of brand trust on brand attachment was not supported. Brand personality was found to have a significant effect on all brand relationship variables including brand trust, brand commitment, and brand attachment. Brand commitment partially mediates the relationship between brand

				experience and attitudinal brand loyalty and behavioural brand loyalty.
	Veloutsou (2015)	Veloutsou (2015) seeks to examine whether brand relationships play a mediating or moderating role on a previously recognized link between the three constructs of trust: satisfaction, brand evaluation, and loyalty.	The study was primarily quantitative with an upfront qualitative phase to assist in the development of the quantitative phase. The cosmetics category and, specifically, lipsticks were selected in this study. The research was conducted in Scotland amongst n=189 women in marketplaces and university campuses.	Brand relationship acts as a mediating variable in the link between satisfaction, trust, and brand loyalty. Consumer-brand relationships can act as a mediator in the formation of loyalty . Brand relationship strength and BRQ were identified as moderators of brand loyalty. Trust and satisfaction appear to be antecedents of brand loyalty in an indirect manner, which Veloutsou (2015) argues could be as an outcome of consumers who would have only selected their preferred brands.
Customer Advocacy	Prahalad & Ramaswamy (2004); Urban (2004); Lawer & Knox (2006)	Lawer and Knox (2006) identified and developed drivers of empowered consumer value: value-for-choice, value-for-involvement, and value-for-knowledge. Furthermore, four interrelated market mechanisms were identified for leveraging customer advocacy namely: focus on customer success, improve marketing context and consumer involvement, foster	No primary research was conducted apart from the development of the framework.	Three frameworks were developed to address drivers of empowered customer value, market mechanisms for leveraging customer advocacy, and customer advocacy brand management.

		knowledge-creating partnerships, and enable choice transparency.		
	Roy (2013)	Roy (2013) sought to understand the relationship between customer advocacy, trust, and affective commitment; the relationship between customer advocacy, customer satisfaction and affective commitment, and the relationship between affective commitment, behavioural loyalty, and positive WOM.	The research design comprised of two stages: first, a qualitative stage where the measurement scale for customer advocacy was developed. Second, a quantitative stage where the research model was tested with a sample of n=582 university students and employees of mobile telecommunication services in India.	Research results indicate that customer advocacy has a positive relationship on customer satisfaction and trust. The relationship between affective commitment and behavioural loyalty tested positively. Both trust and customer satisfaction also tested positively, mediating the relationship between customer advocacy and affective commitment. Perceived service quality also tested positively as mediating the relationship between customer advocacy and customer satisfaction. While customer satisfaction tested positively in mediating the relationship between customer advocacy and behavioural loyalty.
Trust	Morgan & Hunt (1994)	Morgan and Hunt (1994) explored the nature of relationship marketing and posit that successful relationship marketing requires commitment and trust.	A causal model containing 13 hypotheses was developed and tested in the context of automobile relationships.	Correlation analysis supported all 13 hypotheses and structural equation modelling supported 12 out of the 13 hypotheses. Overall results support the theory that commitment and trust are key mediating variables that

		Relationship commitment and trust are identified as mediating variables with five antecedents (relationship termination costs, relationship benefits, shared benefits, communication, and opportunistic behaviour) and five outcomes (acquiescence, propensity to leave, cooperation, functional conflict, and decision-making uncertainty)		contribute to relationship marketing success.
	Kabadayi & Alan (2012).	Kabadayi and Alan (2012) identified a gap in literature relating to the full investigation of brand trust and brand affect within the context of consumer-company relationships in an integrated framework. Key research questions relate to the extent to which brand trust and brand affect influence consumers' brand loyalty and secondly, the mediating effect of brand affect on the relationship between brand trust and brand loyalty.	The data for the study was collected in the form of questionnaires amongst students in Turkey who had experienced a coffee store. A total of 98 respondents were accessed for the study.	The findings indicate that all three hypotheses posited by the Kabadayi and Alan (2012) to be accepted. Brand trust has a positive effect on brand affect; secondly, brand trust has a positive effect on brand loyalty and finally, brand affect mediates the relationship between brand trust and brand loyalty. Overall results show the importance of brand affect and brand trust in loyalty formation.

	Chen & Quester (2015)	Chen and Quester (2015) noted that despite the numerous studies conducted in the field of customer experience, research on customer experience lacks in marketing. The aim of the research by Chen and Quester (2015) is to examine the contribution of love and trust in customer loyalty formation specifically within the context of service or commercial relationships.	The hairdressing industry in China was used as the research context due to the level of interaction with frontline employees. A stratified sampling method was used where n=293 respondents completed the survey.	Both love and trust are significant for customer loyalty. Customer experience of love has a much more positive influence in the formation of customer loyalty. Consumers loyal attitudes and behaviour are influenced by their experience of love.

Chapter 3: Research Methodology

3.1 Research Design

Vogt (2008) argued that research design choice should, in principle, be guided by the research problem. The satisfaction-loyalty conundrum is at the core of the study's research problem. Literature has noted that satisfaction does not equate loyalty and that satisfaction has not been able to explain switching behaviours (Lewis & Soureli, 2006; Schultz & Bailey, 2000). Vogt (2006, cited in Vogt, 2008) described the role of research design as one that involves the collection of evidence to answer the research problem. Vogt (2008) identified seven types of research design based on a continuum from less encroaching approaches requiring no participant interaction to more encroaching approaches requiring both researcher and participant involvement. The seven main types of design are as follows: "document analysis; secondary analysis of data, such as census data; naturalistic observation; surveys; interviews including focus groups; experiments and quasi-experiments; and participant observation" (Vogt, 2008, p.4).

Williams (2007) distinguished between empirical or posteriori knowledge, where a level of evidence exists which can be accepted or challenged as the basis of truth; and non-empirical or priori knowledge which has largely encapsulated philosophical approaches to knowledge creation. Williams (2007) further argued that guiding principles of posteriori and priori knowledge form the theoretical underpinnings of quantitative and qualitative research methods. Krauss (2005) argued that qualitative research, in an effort to create meaning, is grounded on a relativistic, constructivist ontology where there is no objective reality but rather, multiple realities that humans experience based on a phenomenon of interest. The quantitative research paradigm is dominated by positivism, which is grounded in science, where the goal of knowledge is set to describe the phenomena that are experienced in such a manner that will allow for observation and measurement which are viewed as the core drivers of this school of thought (Krauss, 2005). Williams (2007) however argued that meaning in quantitative research is derived objectively through the data collected, where the researcher remains independent of the research. "The methodology of a quantitative research maintains the assumption of an empiricist paradigm" (Creswell, 2003 as cited in Williams, 2007, p.66). Krauss (2005) further argues that the world operates by laws of cause and effect within the positivist epistemology,

that become apparent when applying scientific methods, like deductive reasoning, where theories are hypothesised to be tested. Due to the need to identify the effect of variables on loyalty development, this study adopted a quantitative research design. Barnham (2015) argued that quantitative research derives its data analysis tools and approaches from a validity and reliability perspective from the physical sciences.

Quantitative research, by its nature, is known to measure phenomena with the outcome of explaining facts to behaviour (Barnham, 2015). One of the intents of quantitative research is to validate relationships between variables and develop generalisations that contribute towards theory (Williams, 2007). In unpacking Dubin's (1978) theory-building method, Lynham (2002) conceptualised the method as one with two parts; the first is based on the theoretical underpinnings made of four theory development steps, while the second relates to the research operational side which is also made of four research operation or theory verification steps. Lynham (2002) further argued that following the two-part theory-research cycle and the eight steps applied, the theory-building method is "considered necessary and sufficient to ensure both rigor and relevance in the resulting theory" (p.244).

The four theory development steps involve a process where a theoretical framework is thoroughly built by first identifying the basic concepts resulting in units underlying the theory; second, establishing the laws of interaction applicable to the units relating to the theory with the outcome of establishing relationships between the units; third, determining the boundaries of the theory relating to limitations of the theory; fourth, specifying the system states of the theory relates to the condition under which the theory is operative (Lynham, 2002). The outcome of the first part of Dubin's (1978) two-part theory-research cycle was to ensure that an informed, a conceptual, and theoretical framework is developed (Lynham, 2002). Therefore, in applying the first part of the two-part theory-research cycle to the study, one would posit the following questions in line with the four steps: first, what are the basic concepts or units of a theory for brand loyalty? Second, what laws of interaction are applicable to the units relating to brand loyalty? Third, how can the boundaries of a theory relating to brand loyalty be determined? Fourth, how can the system states of a theory of brand loyalty be identified? The second part of Dubin's (1978) two-part theory-research cycle is the operational side which has the main purpose of verifying or confirming the theoretical framework that would have been completed in the theory development part (Lynham, 2002). The operational side of the research cycle is one that is reiterative and ongoing in nature as it seeks to confirm,

disconfirm, and refine the theory development part. The fifth step in the eight-step research-cycle process involves specifying the propositions of the theory, with the outcome of making predictions from the theoretical framework relating to the values and units of the theoretical framework in the real world (Lynham, 2002). The sixth step involves the identification of empirical indicators of the theory, which involves the measurement of units within the theory (Lynham, 2002). Dubin (1978, as cited in Lynham, 2002) highlighted two types of empirical indicators: first, absolute indicators that would relate to demographic variables such as race, sex, or age and; second, relative indicators such as income, which can be a measure of both economic position and social class position. The seventh step involves constructing the hypotheses to test the theory, which provides the link between the theoretical framework and the researcher-theorists understanding of the real world; while the final step involves the testing of the theory through empirical research (Lynham, 2002). Bacharach (1989, as cited in Voorhees, Brady, Calantone, & Ramirez, 2016) views the reliability and validity of constructs in a research model to be the core requirement and essential for theory building. However, Barnham (2015) critiqued the quantitative philosophical approach on perception in that it assumes objects that are in the outside world as passive. This then leads to the application of science through the use of statistics to establish which connections between perceptions are incidences or real (Barnham, 2015).

The theoretical foundation of this study is based on the social exchange theory which has been identified as the theoretical basis for explaining brand loyalty and brand relationships (Evanschitzky et al., 2012). This study aims to understand loyalty development amongst the South African banked population and Barnham's (2015) methodological task relating to establishing connections on what we assume exists, encapsulates the intended outcome of the study. In this context, the advantage of quantitative research lies in its ability to identify the interrelations between the perceptions and to draw conclusions about the degree to which they are real through the use of statistical techniques. The disadvantage of quantitative research, in this context, will be the lack of understanding the motivations driving behaviour within the construct of loyalty development.

3.2 Data Collection and Sampling

Vogt (2008) highlighted that in addition to developing a research design which provides the roadmap to how the evidence will be gathered, a researcher also needs a sampling strategy that provides an approach on data collection as well as the analysis plan in relation to data interpretation. The study sought to target a sample of actively banked consumer population in South Africa where nonprobability sampling was adopted. Unlike probability sampling, where randomisation is critical as each unit in the population has a known nonzero chance of being selected, in nonprobability sampling, randomisation is not critical in sample selection rather, subjective methods are employed in deciding elements to include in the sample (Etikan, Musa, & Alkassim, 2016).

A convenience sampling method was adopted for the study due to the data collection method, which required that respondents have access to the internet in order to receive the online survey link. Convenience sampling is a type of nonprobability sampling, where members of the target population meet certain practical criteria (Etikan et al., 2016). The practical criteria include elements such as "accessibility, geographical proximity, the willingness of respondents to participate in the study", and availability at a given time (Etikan, et al., 2016, p.2). Finmark Trust (2014) defined banked population as adults aged 16 years and older "who have or use financial products and services provided by a commercial bank regulated by the Reserve Bank". For ethical reasons, the study did accessed respondents who are 19 years and older.

According to the AMPS (2015 B) data, the total number of the banked population in South Africa over the age of 16 who indicated to have accessed the internet over the past 7 days is N=is 17 071 828. The All Media and Product Study (AMPS) (2015 B) is an annual survey conducted by the South African Audience Research Foundation (SAARF), with the data of 2015 being the last set of data collected. A target sample of n=300 respondents was accessed for the main study, while the realised sample was n=351 respondents. Qualtrics was used as the survey platform for the main study. Respondents were invited to participate via the online professional network, LinkedIn, as well as the social media platform, Facebook.

3.3 Data Analysis

3.3.1 Structural Equation Modelling (SEM)

Hu and Bentler (1999) defined SEM as a standard tool applied to scientific disciplines to investigate the "plausibility of theoretical models that might explain the interrelations among a set of variables" (p.2). Within the context of the study, several variables are applied in testing the hypotheses and the interrelations amongst these variables. Therefore, SEM becomes an appropriate technique to apply in terms of the data analysis approach. SEM is applied when relationships between theoretical constructs are under investigation, with the outcome of distinguishing between the theoretical construct and their underlying empirical measurement by multiple observable variables Henseler, 2017).

3.4 Measuring Instrument

The constructs operationalised by El-Manstrly and Harrison (2013) used multi-item scales and not single-item scale as the authors argue that a "single question may be misleading and lacking in context" (p.1842. Churchill (1979) argued that multi-item measures are better than single-item measures especially in the context of investigating behavioural relationships from a fundamental and applied perspective. Parasuraman, Zeithaml, and Berry (1994, as cited in El-Manstrly & Harrison, 2013) argue that multi-scales are preferable when using SEM. The model fit of the measurement scale by El-Manstrly and Harrison (2013) was conducted using the CFA. Steenkamp and Baumgartner (1998) highlight the significance of CFA when collecting data in at least two countries and the same items are used to operationalise the construct. Voorhees et al. (2016) highlighted the significance of multi-item scales in operationalising constructs using discriminant validity at both the construct and item level.

All the items used in this study to measure the constructs were derived from previous studies. First, brand loyalty was measured with the 18-item scale by El-Manstrly and Harrison (2013). The scale adopted from El-Manstrly and Harrison (2013) consists of five items each for cognitive loyalty (e.g. *I believe my preferred bank has more offers than others)* and affective loyalty (e.g. *I like the products and services offered by my preferred bank more than others*), and four items each for conative loyalty (e.g. *I am likely to say positive things about my preferred bank to other people*) and action loyalty (e.g. *I say positive things about my preferred bank to other people*). Satisfaction consists of a 4-item scale, 3 items derived from Roy (2013), e.g.,

Overall, I am satisfied with my preferred bank and a single item derived from Fandos Roig et al. (2009), e.g., *My preferred bank meets my expectations*. Moreover, customer advocacy was measured with a 4-item scale, both of which are adopted from the study conducted by Roy (2013) e.g., *My preferred bank provides unbiased advice that helps me to choose its services and products*. BRQ consists of 6 dimensions from Fournier (1998) as adapted by Franciso-Maffezzoli et al. (2014) e.g., *Because of the advantages it gives me, my preferred bank is important to me*. Brand trust consists of a 5-item scale from Morgan and Hunt (1994, as cited in El-Manstrly & Harrison, 2013) e.g., *My preferred bank can be trusted at all times*. All items of the study were measured using a 7-point Likert scale, where (1) represents strongly disagree and (7) represents strongly agree. El-Manstrly and Harrison (2013) highlighted that 7-point Likert scales provide a wide range of scores. The scale items used for the study stem from different countries and context and, as such, this was noted and taken into consideration.

Table 2: Measures in the study

Construct	Literature Sources	Dimensions
Brand Loyalty	El-Manstrly and Harrison (2013)	1. Cognitive loyalty 2. Affective loyalty 3. Conative loyalty 4. Action loyalty
Satisfaction	Bayol, Foye, Tellier, & Tenenhaus, 2000; Fornell et al., 1996 (as cited in Roy, 2013) Fandos Roig et al. (2009)	Customer satisfaction
Brand Relationship Quality	Franciso-Maffezolli et al. (2014)	1.Interpendence 2. Intimacy 3. Self-connection 4. Love/passion 5. Commitment
Customer Advocacy	Churchill (1979, as cited in Roy, 2013) scale was used to develop the customer advocacy scale.	Customer Advocacy
Brand Trust	Morgan and Hunt (1994, as cited in El-Manstrly & Harrison, 2013)	Trust

3.5 Ethical Considerations

Vogt (2008) argued that ethical considerations become more prominent "at the intersection of research design and sampling" (p.8). When considering the sampling of the study, the target population are banked consumers, which implies accessing consumers over the age of 19 years and who are actively transacting using banking products and services. The key critical consideration related to the data handling process. Due to the study's online data collection method, the handling of data was of importance. The study considered the legislative requirement of the Protection of Personal Information (POPI) Act as it governs the collection, storage, and processing of personal information (de Bruyn, 2014). The survey platform offered by Qualtrics is secure and the research instrument did not solicit identifiable data such as names or contact details where data could be attributed or compromise the respondent's identity.

3.6 Pilot Study

Hazzi and Maldaon (2015) viewed pilot studies as a key step in the research design, with a core purpose of enhancing the quality and efficiency of the main study. One of the core reasons for conducting a pilot study, amongst others, is to test the adequacy of the research instrument to be used in the planned main study as well as the feasibility of the overall planned main study (Van Teijlingen & Hundley, 2001). Within the context of testing the research instrument, some of the efficiencies gained applies to checking or refining scale items, assessing the feasibility of the logistics relating to the research plan (Hazzi & Maldaon, 2015). A pilot study was conducted prior to the data collection of this study.

3.6.1 Pilot Study Methodology

A convenience sample was accessed for the pilot study in the form of an online survey using the Survey Monkey platform. Respondents were invited by email to participate in the pilot study, where a sample of 39 respondents completed the survey. Baker (1994, as cited in Hazzi & Maldaon, 2015) provides a guideline that generally, 10 – 20% of the main sample size is adequate for conducting a pilot study.

3.6.2 Demographic Profile of Pilot Study Respondents

3.6.2.1 Gender

Figure 2 shows the gender distribution of the pilot study, indicating a slight skew towards female respondents.

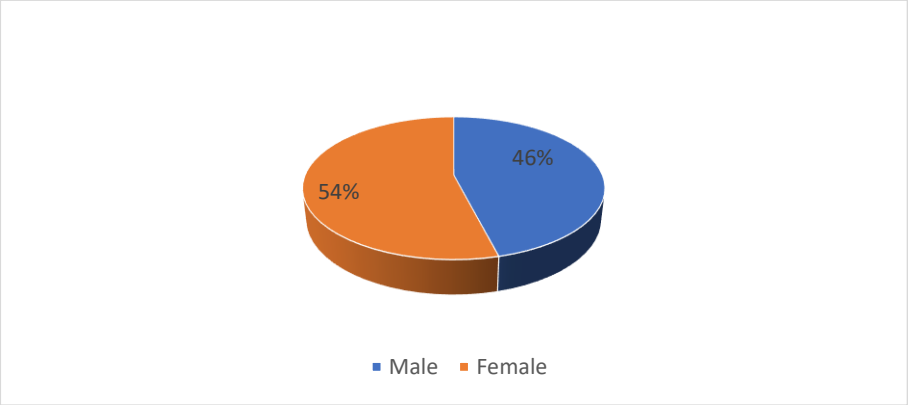


Figure 2: Pilot Study Gender Distribution

3.6.2.2 Age

The age distribution of the pilot study is provided in Figure 3 below. The 35 – 44-year age group represented the majority of the pilot study sample at 41%, this was followed by the 25 – 34-year age group which represented 33%, 19 – 24-year age group represented 13%, while 45 – 54-year age group represented 10%. There was no representation of the 55 – 65-year age group while the 66 years and older age group represented 3% of the pilot study sample.

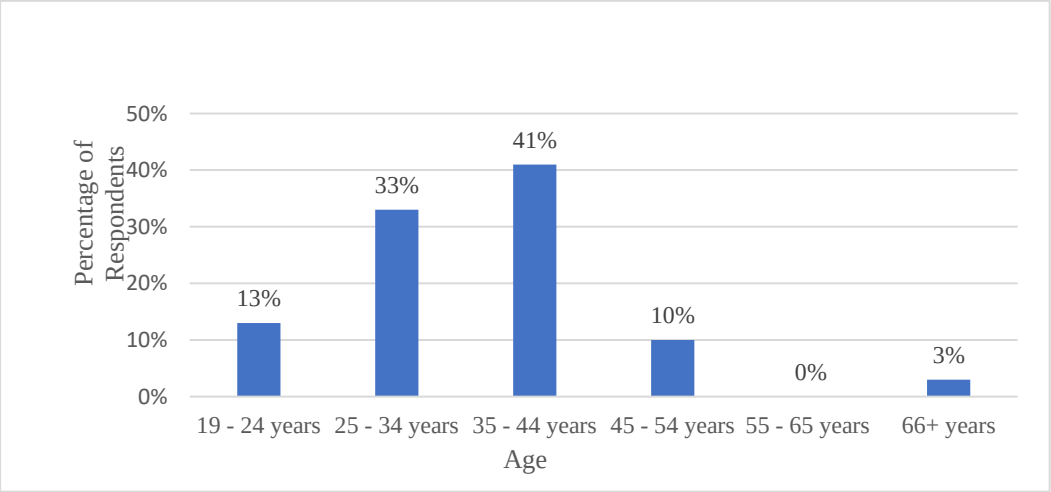


Figure 3: Pilot Study Age Distribution

3.6.2.3 Personal Monthly Income

The personal monthly income distribution of the pilot study respondents is provided in Figure 4 below. Over half of the pilot study sample (54%) earn a personal monthly income above R25 000. 15% of the sample received no income or were unemployed while 31% of the sample earn a personal monthly income between R0 – R25 000.

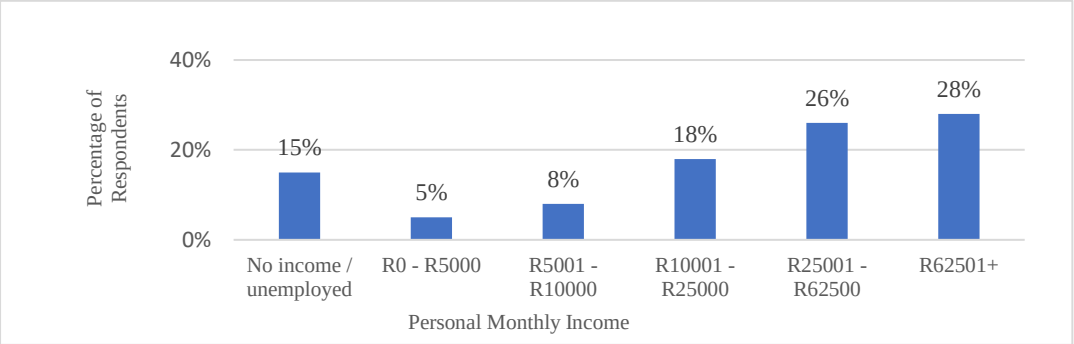


Figure 4: Pilot Study Personal Monthly Income Distribution

3.6.3 Pilot Study Bank Usage

Below, Figure 5 presents bank penetration and main bank usage of the pilot study respondents. FNB has the highest bank penetration (46%) and the highest main bank usage (41%). Capitec has the second highest bank penetration (38%) as well as the second highest main bank usage (15%). Tyme Bank has the third highest bank penetration (23%); however, main bank usage is at 5% mostly after the main traditional banks. Nedbank has the fourth highest bank penetration (18%), with main bank usage at 8% along with Investec, Standard Bank reflecting the same main bank usage. Absa has the fifth highest bank penetration and main bank usage (both at 10%).

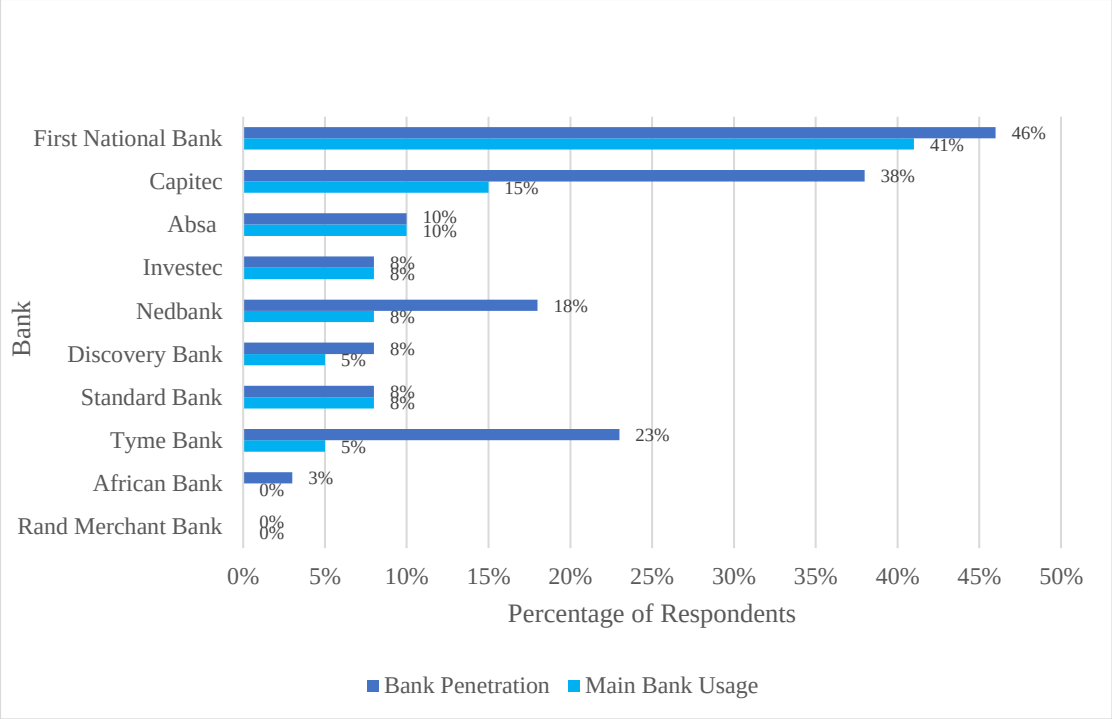


Figure 5: Pilot Study Bank Usage

3.6.4 Results of Pilot Study

The main feedback received from respondents after completing the survey related to the user experience of the survey platform from a mobile phone. The other feedback related to the length of question 7 which, during the pilot study, was programmed as one question and seemed too long for respondents. This was subsequently revised for the main study.

3.6.4.1 Reliability and Validity of Pilot Study

Hazzi and Maldaon (2015) emphasised the importance of reliability testing during pilot studies, even in cases where the questionnaire has been previously validated in other contexts. Reliability of a measure ensures consistency of the measurement when repeated while reliability represents the stability through which the instrument measures the concept (Hazzi & Maldaon, 2105). The reliability outcomes of the pilot study are provided in table 3 below. The composite scores were derived by the sum across all the attributes within the construct.

Table 3: Pilot Study Reliability Outcomes

Construct	Items	Mean	Standard Deviation	Cronbach's Alpha	Inter Item Correlation	Number of Items to Possibly Remove	Items to Possibly Remove
Action Loyalty	4	20.3846	4.0628	0.4903	0.2167		
Affective Loyalty	5	27.0256	5.2989	0.8728	0.5976		
Brand Relationship Quality	6	29.7436	6.5282	0.8692	0.5382		
Brand Trust	5	26.6410	5.4892	0.8835	0.6094		
Cognitive Loyalty	5	24.3333	5.5314	0.7558	0.4308	1	Q7-CGL3
Conative Loyalty	4	20.5641	4.4944	0.7236	0.4120		
Customer Advocacy	4	19.8974	4.1026	0.7485	0.4331		
Satisfaction	4	21.4359	4.8547	0.8591	0.6320		

Cronbach Alpha represents the measure of internal consistency and describes the extent to which the items in the scale measure the construct (Hazzi & Maldaon, 2105). Griffee (2012, as cited in Hazzi and Maldaon, 2015) provided a guideline on reliability values, that 0.3 is the threshold, 0.5 or higher is adequate, while values greater than 0.7 is high. The pilot data indicates Action Loyalty as the only construct to have a Cronbach's alpha of less than 0.7 while the remaining constructs had a value of greater than 0.7. Concerning the inter-item correlation, the attribute Q7-CGL3 (I believe my preferred bank is cheaper than others when I have to buy a service of this type) relating to the Cognitive Loyalty construct had a low inter-item correlation (0,25). De Vaus (2002, as cited in Hazzi and Maldaon, 2015) recommends that correlations less than 0.3 represent weak correlation and researchers should remove that item. However, due to the small sample size achieved in the pilot study, this item was still contained in the main study.

Chapter 4: Presentation of Results

4.1 Introduction

The following chapter presents the overall research results. Data was collected through an online survey using Qualtrics between 9 – 29 June 2020. The invitation to the survey was sent through email, as well as online posts on social networks, Facebook and LinkedIn. This chapter provides descriptive statistics as derived from the demographic profile of the respondents. The validity and reliability of the constructs are then presented through the CFA. The results of the hypotheses testing are then presented.

4.2 Demographic Profile of the Respondents

A total of 424 responses were received, with 73 incomplete responses which were not incorporated in the analysis. The total number of responses therefore resulted in 351 respondents who indicated to have an active bank account that they have utilised in the past three months for personal banking. The 351 responses did not have any missing data on non-demographic variables.

4.2.1. Gender

The gender distribution of the sample is shown in the chart in Figure 6 below. The sample is skewed towards females (64%) while males represent 36% of the sample.

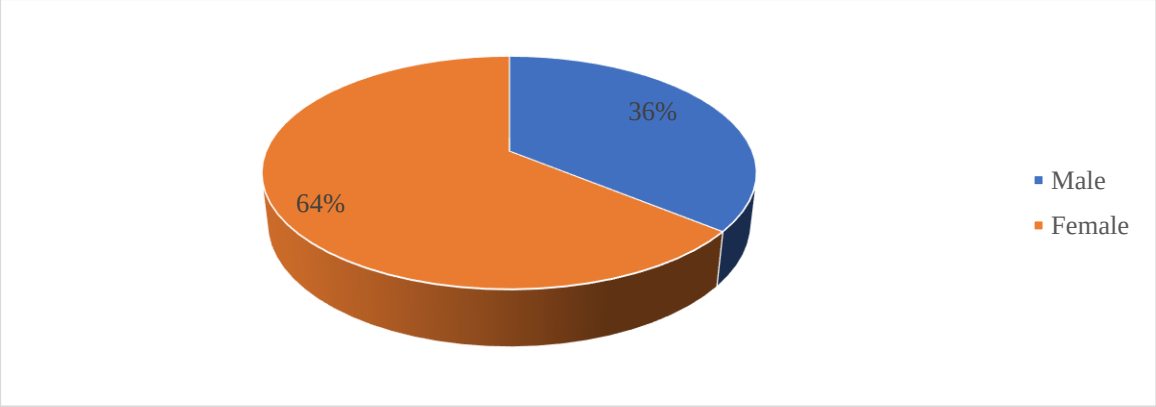


Figure 6: Sample Gender Distribution

4.2.2. Age

The age distribution of the sample is represented in Figure 7 below. A large proportion of the age distribution of the sample is represented by the 25 – 44 years (84%) category, 3% of the sample are aged between 19 – 24 years, and 13% of the sample are aged over 45 years.

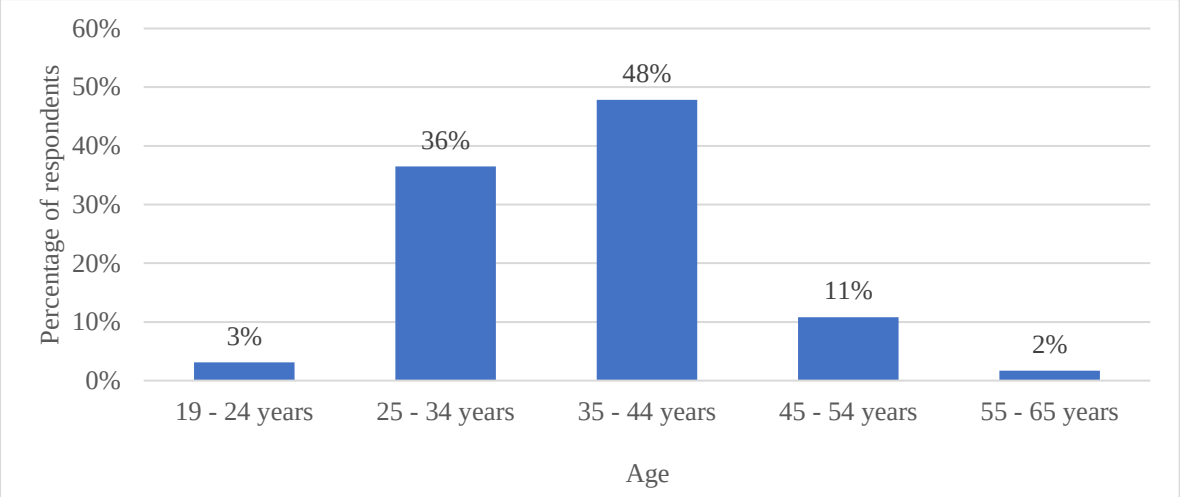


Figure 7: Sample Age Distribution

4.2.3 Ethnic Group

Figure 8 presents the racial distribution of the sample. The Black African ethnic group represents 76% of the sample, while the White ethnic group is represented by 11% of the sample, followed by 7% of the Indian / Asian ethnic group, and 5% from the Coloured ethnic group. 1% of the sample did not indicate their ethnicity.

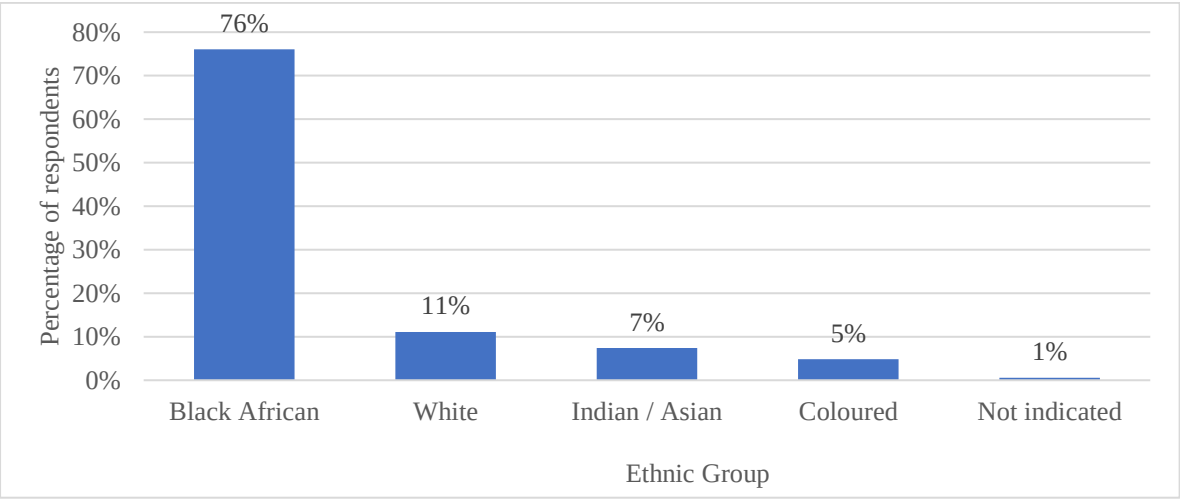


Figure 8: Sample Ethnic Group Distribution

4.2.4 Personal Monthly Income

The personal monthly income (before tax) distribution of the sample is provided in Figure 9. A large proportion of the sample has a personal monthly income over R10 000, this is represented by 84% of the sample. The personal monthly income breakdown is such that 20% have a personal monthly income of between R10 000 – R25 000; 35% of the sample have a personal monthly income of between R25 001 – R62 500, while 29% of the sample's personal monthly income is over R62 501. This income distribution could potentially be driven by the use of the professional network (LinkedIn) that was accessed to also invite participants. 8% of the respondents indicated that they receive no income or are unemployed, while 8% of the sample have a personal monthly income of between R0 – R10 000.

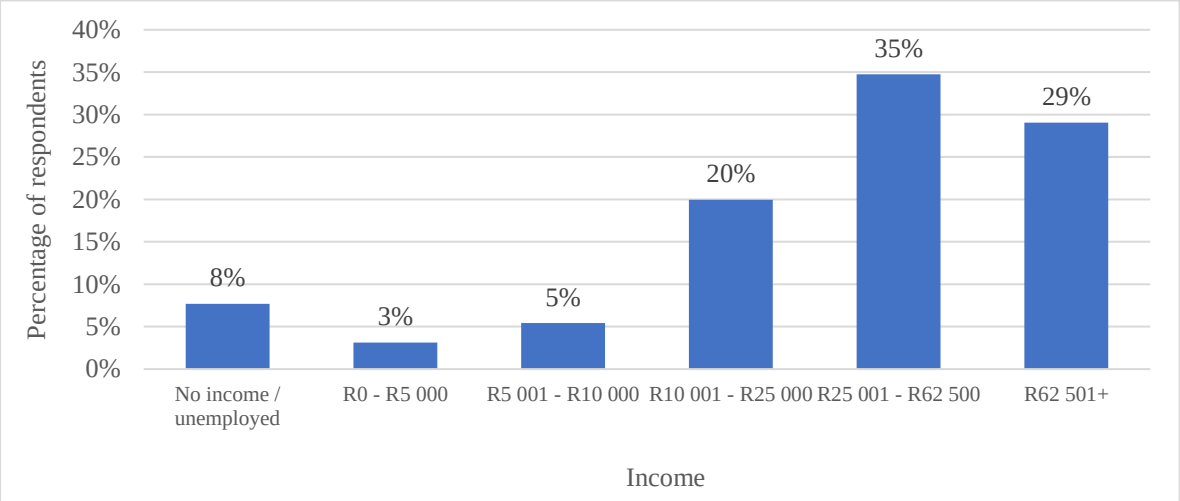


Figure 9: Sample Personal Monthly Income Distribution

4.2.5. Highest Level of Education

Figure 10 presents the sample's highest education level. 38% of the sample indicated to have obtained a postgraduate degree, 21% have obtained a bachelor's degree, and 27% have obtained a diploma. This represents 86% of the sample have obtained a diploma or higher level of education. 12% of the sample obtained a matric, 1% have attained high school, and 1% did not indicate their highest education level.

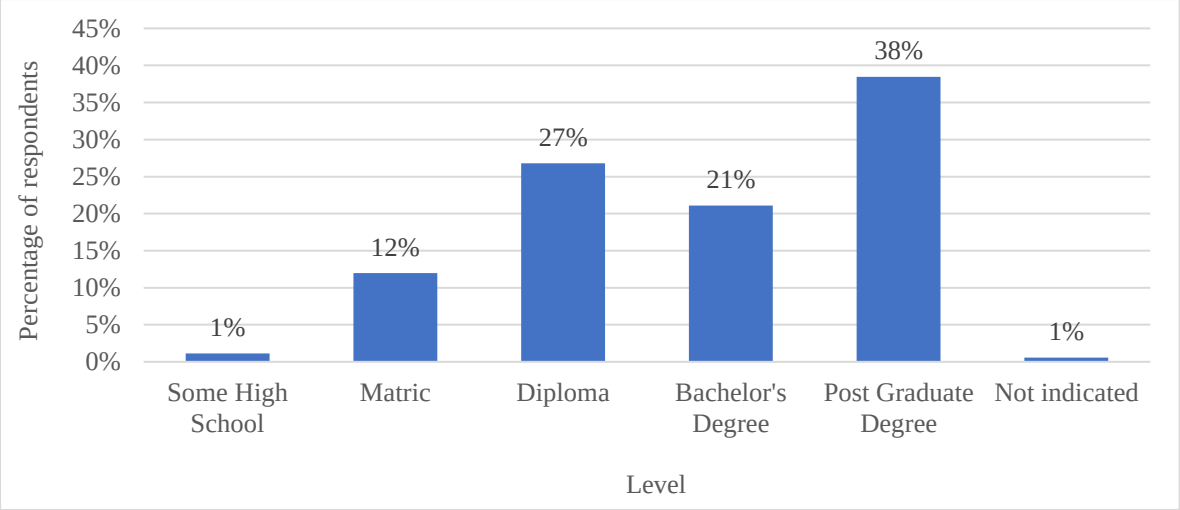


Figure 10: Sample Highest Level of Education

4.2.6 Provincial Breakdown

Table 4 shows the provincial breakdown of the sample. The provincial representation is skewed towards Gauteng, with 84% of the sample indicating as residing in the Gauteng province.

Table 4: Sample Provincial Breakdown

Province	**%**
Eastern Cape	1%
Free State	1%
Gauteng	84%
Kwa-Zulu Natal	3%
Limpopo	1%
Mpumalanga	3%
North West	5%
Western Cape	2%
Not Indicated	1%

4.3 Bank Usage

Figure 11 shows the results of bank penetration. It was shown that First National Bank (FNB) has the highest bank penetration of 42%. This was followed by Capitec (25%), then Nedbank (22%), Standard Bank (20%), and Absa (10%). The main bank usage figures show FNB still on first position (37%), followed by Capitec (17%), then Standard Bank and Nedbank (both at 16%).

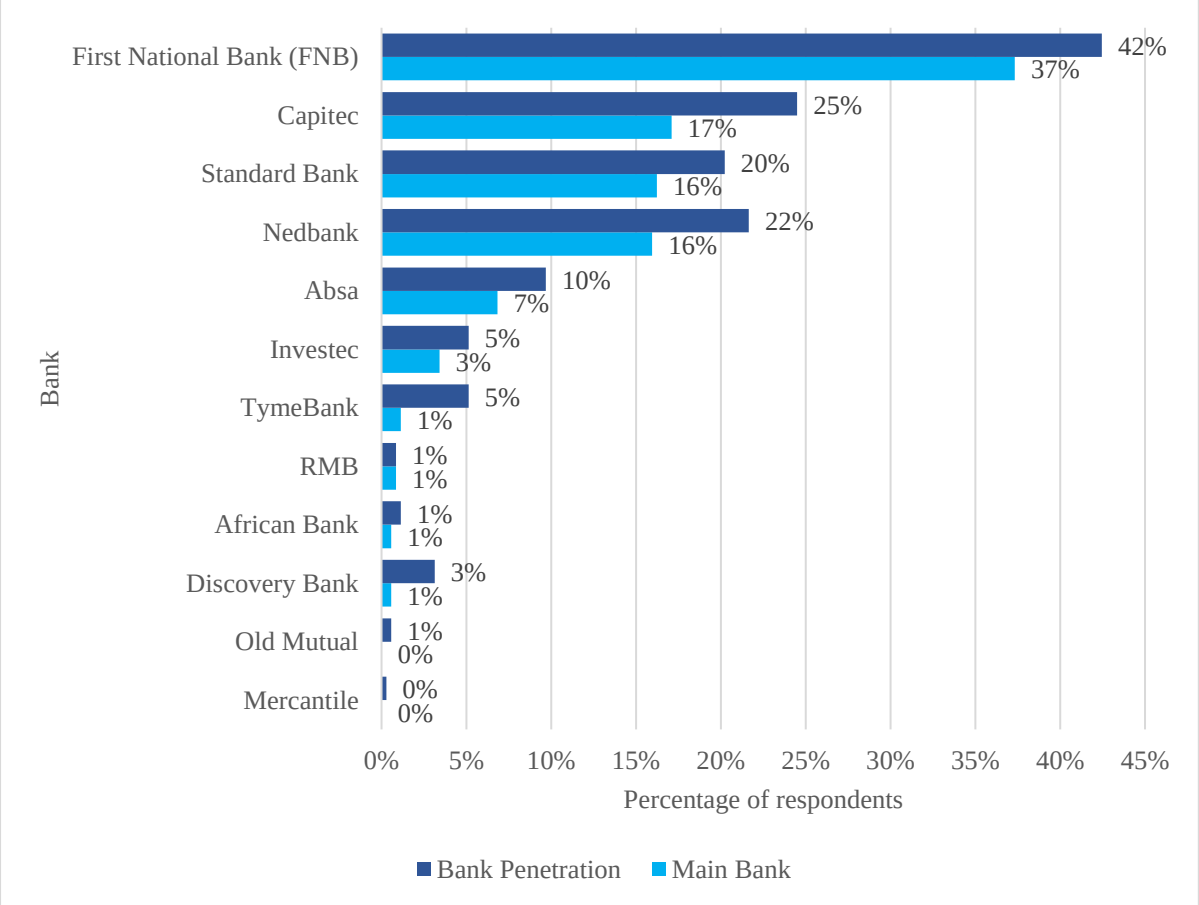


Figure 11: Bank Penetration versus Main Bank Usage

4.4 Summary Table of Respondents Demographic Profile

Table 5: Summary of respondents' profile (N=351)

Factors	Frequency	%	Factors	Frequency	%
Gender			**Province**		
Male	126	35.90	Eastern Cape	2	0.57
Female	225	64.10	Free State	4	1.14
Age			Gauteng	295	84.05
19 – 24 years	11	3.13	Kwa-Zulu Natal	9	2.56
25 – 34 years	128	36.47	Limpopo	3	0.85
35 – 44 years	168	47.86	Mpumalanga	10	2.85
45 – 54 years	38	10.83	North West	18	5.13
55 – 65 years	6	1.71	Western Cape	8	2.28
66+ years	0	0.00	Not Indicated	2	0.57
Ethnic Group			**Education**		
Black African	267	76.07	Some High School	4	1.14
Coloured	17	4.84	Matric	42	11.97
Indian / Asian	26	7.41	Diploma	94	26.78
White	39	11.11	Bachelor's Degree	74	21.08
Not Indicated	2	0.57	Post Graduate Degree	135	38.46
			Not Indicated	2	0.57
Income					
No income / unemployed	27	7.69			
R0 – R5 000	11	3.13			
R5 001 – R10 000	19	5.41			
R10 001 – R25 000	70	19.94			
R25 001 – R62 500	122	34.76			
R62 501+	102	29.06			

4.5 Measurement Model Validation

The measurement model of SEM is the CFA, which is a confirmatory statistical technique primarily applied to a "hypothesised model to estimate a population covariance matrix that is compared with the observed covariance matrix" (Schreiber, Nora, Stage, Barlow & King, 2006, p.323). SEM allows for the analysis of theoretical propositions regarding the relationship between constructs and terms of the extent of their linkages and the directionality of significant relationships (Schreiber et al., 2006). The fundamental aspect of the CFA is the examination of the hypothesised relationships coefficients and the extent to which the hypothesised model is a good fit for the observed data (Schreiber et al., 2006).

Ullman and Bentler (2012) provided a four-stage process of modelling, which includes model specification (relating to the specific hypotheses to be tested), model estimation (relating to the population parameters estimation to minimize the difference between the observed and estimated population covariance matrices), model evaluation (assessing the overall fit and significance of particular parameters of the model), and model modification (relevant in cases of improving fit in exploratory work and testing hypotheses in theoretical work).

In terms of the model specification, Figure 1 provides the conceptual model with the hypothesised relationships to be tested. Figure 12 below provides the hypothesised CFA model, where the CFA was conducted using IMB Amos version 21. Weston and Gore (2006) highlighted three types of parameters that can be specified: directional effects, variances, and covariances. Directional effects describe the relationship between the factor loading and path coefficients (Weston & Gore, 2006). The standardised regression weights shown in Figure 12 represents the factor loadings. The results revealed that there are several items with low factor loading. The lowest loadings obtained are .370 linking item ACL3 (*I have spent more money at my preferred bank than at other banks*) to the Action Loyalty construct; .427 linking item CGL3 (*I believe my preferred bank is cheaper than others when I have to buy a service of this type*) to the Cognitive Loyalty Construct; .470 linking item ACL4 (*I have bought more products and services from my preferred bank than from other banks*) to the Action Loyalty Construct; .561 linking item COL3 (*I intend to continue to use my preferred bank if its prices increase somewhat*) to the Conative Loyalty construct; .572 linking item COL4 (*I am likely to spend more at my preferred bank than at other banks*) to the Conative Loyalty construct. These items

were pruned to improve the validity of the model. All remaining factor loading are within the parameters of higher or fall, just below the .7 standard (Hair et al., 2006 as cited in El-Manstrly & Harrison, 2013).

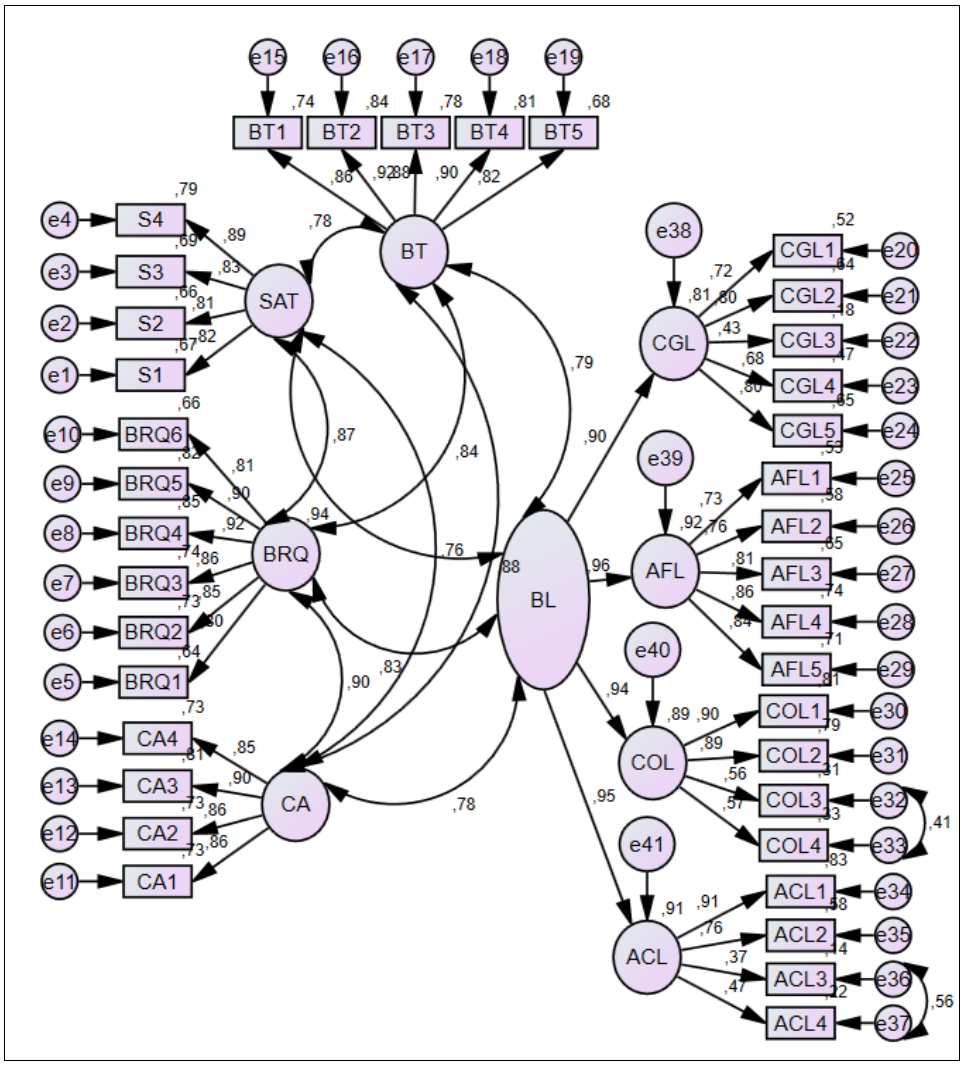


Figure 12: Hypothesised CFA Model (before pruning)

The final model after pruning is illustrated in Figure 13.

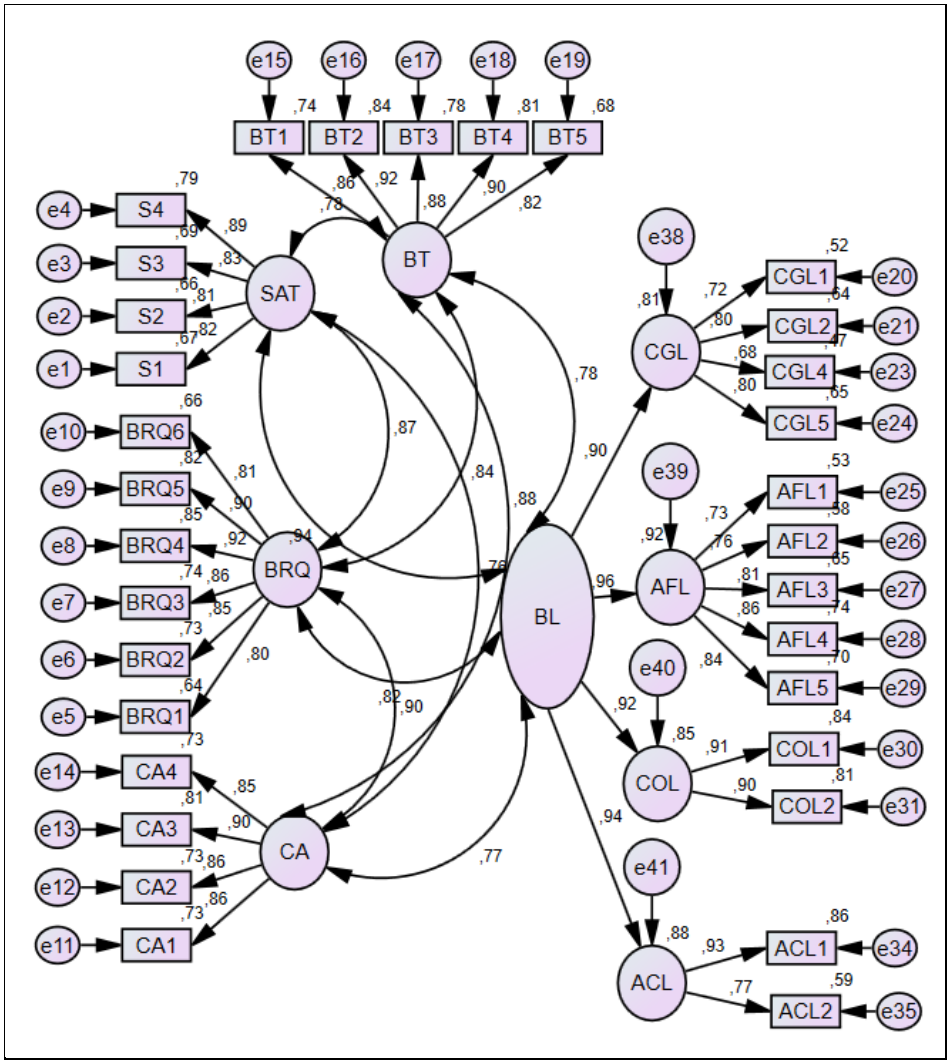


Figure 13: Final CFA Model (after pruning)

Table 6 summarises the final factor composition after pruning, the factor loadings, CR scores, Cronbach's Alpha values (α), and the AVE.

Table 6: Final Construct Composition

Items		**Factor Loading**	**CR**	**α**	**AVE**
Satisfaction			**.91**	**.90**	**.70**
S1	Overall, I am satisfied with my preferred bank	.82			
S2	I am delighted with the value-added services from my preferred bank	.82			
S3	My preferred bank is very close to my ideal bank	.83			
S4	My preferred bank meets my expectations	.89			
Brand Relationship Quality			**.94**	**.94**	**.74**

BRQ1	Because of the advantages it gives me, my preferred bank is important to me	.80			
BRQ2	I feel close to my preferred bank	.85			
BRQ3	My preferred bank makes me feel good and keep my self-esteem high	.86			
BRQ4	I feel passionate about my preferred bank	.92			
BRQ5	My preferred bank means a lot to me	.91			
BRQ6	My preferred bank treats me like a special customer rather than just another customer	.81			
Customer Advocacy			**.92**	**.92**	**.75**
CA1	My preferred bank provides unbiased advice that helps me choose its products and services	.86			
CA2	My preferred bank gives honest and open information and advice about their products and services and competitors' products/ services	.86			
CA3	My preferred bank keeps my best interests in mind	.90			
CA4	My preferred bank is a customer advocate	.85			
Brand Trust			**.94**	**.94**	**.77**
BT1	My preferred bank can be trusted at all times	.86			
BT2	My preferred bank can be counted on to do what is right	.92			
BT3	My preferred bank is very dependable	.88			
BT4	My preferred bank has high integrity	.90			
BT5	My preferred bank is very competent	.82			
Brand Loyalty			**.96**	**.95**	**.87**
Cognitive Loyalty				**.84**	
CGL1	I believe my preferred bank has more offers than others	.72			
CGL2	The service of my preferred bank is better than others of its class	.80			
CGL4	I consider my preferred bank my first choice when I need banking services	.68			
CGL5	My preferred bank provides me with superior service quality compared to others in its category	.80			
Affective Loyalty				**.90**	
AFL1	I have grown to like my preferred bank more than other banks	.71			
AFL2	I like the products and services offered by my preferred bank more than others	.76			
AFL3	To me, my preferred bank is the one whose services I enjoy using the most	.80			
AFL4	Compared to other banks, I am happy with the services that my preferred bank provides	.86			
AFL5	I am usually pleased with my purchase decisions from my preferred bank	.84			
Conative Loyalty				**.90**	
COL1	I am likely to say positive things about my preferred bank to other people	.91			

COL2	I would recommend my preferred bank to someone else who seeks my advice	.90			
Action Loyalty				**.82**	
ACL1	I say positive things about my preferred bank to other people	.93			
ACL2	I encourage friends and relatives to use my preferred bank	.77			

4.5.1 Model Fit and Evaluation

The third stage of the four-stage process of modelling as highlighted by Ullman and Bentler (2012) relates to the evaluation of the overall fit of the model. Weston and Gore (2006) highlight that the "objective of the model fit, and evaluation is to determine whether the associations measured and latent variables in the estimated model adequately reflect the observed associations in the data" (p.741). Bentler and Bonett (1980, as cited in Hu & Bentler, 1999) emphasise that fit indices were designed to avoid some of the problems associated with the overall test of fit (the χ^2 statistic) specifically relating to issues of sample size and distributional misspecification. However, there has been considerable debate regarding the parameters on what constitutes acceptable value for fit indices (Hu & Bentler, 1999; Marsh, Hau & Wen, 2004; Weston & Gore, 2006).

The model fit indices for the final CFA model are summarised in Table 7 below. Hu and Bentler (1999) note that the application of SEM begins with the model specification to be estimated and the primary goals are the assessment of goodness of fit and estimation of parameters of the hypothesised model. Hoyle and Panter (1995, as cited in Weston & Gore, 2006) recommend that researchers report several indices of overall fit. Table 7 presents both absolute fit indexes (Goodness-of-fit (GFI) and Adjusted Goodness-of-fit (AGFI) (Bentler, 1983, as cited in Hu & Bentler, 1999); the root mean square approximation (RMSEA) (Steiger & Lind, 1980, as cited in Hun & Bentler, 1999); incremental fit indexes (Bentler & Bonett, as cited in Hu & Bentler, 1999); the Tucker-Lewis Index (TLI) and Bentler's Comparative Fit Index (CFI) (Hu & Bentler, 1999). Hu and Bentler (1999) argued that an "adequate cutoff criterion for a fit index should result in a minimum Type I (i.e., the probability of rejecting the null hypothesis when it is true) and Type II error (i.e., the probability of accepting the null hypothesis when it is false)" (p.5).

Hu and Bentler (1999) highlighted the difficulty in designating a definitive cutoff value for each of the fit indexes due to conditions relating to the actual type of index, sample sizes, and

distributions. Empirical findings suggests that fit indices not meeting the previous requirements (i.e., CFI ≥ .90, RMSEA ≤ .10, and SRMR ≤ .10) as stipulated by Hu and Bentler (1995, as cited in Weston & Gore, 2006) would likely not be acceptable and indicates that model with indices exceeding the new criteria (i.e., CFI ≥ .95, RMSEA ≤ .06, and SRMR ≤ .08) would be acceptable (Hu & Bentler, 1999). Marsh and Hau (1996, as cited in Hu & Bentler, 1999) provided decision rules based on GFI > .90. Weston and Gore (2006) referred to GFI as analogous to R^2 and explained the variance accounted for in the entire model. The results from Table 7 indicate both the GFI and AGFI to be below the acceptable range. RMSEA corrects for a model's complexity, where an "RMSEA value of .00 indicates that the model exactly fits the data" (Weston & Gore, 2006, p.742). Hu and Bentler (1995, as cited in Weston & Gore, 2006) previously provided a guideline of RMSEA ≤ .10 and this subsequently was revised to ≤ 0.06 (Hu & Bentler, 1999). The results of Table 7 reflect an RMSEA of 0.082, which is within the parameters previously stipulated in Hu and Bentler (1995, as cited in Weston & Gore) but slightly below the revised parameters. "While .06 is estimated to indicate a close-fitting model, values larger than .10 are indicative of poor fitting models" (Brown & Cudeck, 1993 as cited in Ullman & Bentler, 2012, p.671). Marsh and Hau (1996, as cited in Hu and Bentler, 1999) provided decision rules on Nonnormed Fit Index (NNFI) > .90, which, according to Hu and Bentler (1999), may be useful in some solutions but may often lead to inappropriate decisions in other solutions. The results from Table 7 indicate an acceptable range for both NFI and NNFI. Bentler's (1990, as cited in Weston & Gore, 2006) CFI "compares the improvement of fit of the model over a more restricted model, referred to as the independence or null model, which specifies no relationships among variables where the ranges vary from 0 to 1.0, with values close to 1.0 indicating better fit" (Weston & Gore, 2006, p.742). Hu and Bentler (1999) recommended a cutoff value of .95 for CFI.

Table 7: Model Fit Indices

Absolute Fit Indexes	**Acceptable Value**	**Value**	**Outcome**
GFI	>0.9	0.78	Below acceptable range
AGFI	>0.9	0.74	Below acceptable range
RMSEA	<0.06	0.08	Slightly acceptable range
NFI	>0.9	0.88	Acceptable
NNFI (TLI)	>0.9	0.90	Acceptable
CFI	>0.95	0.90	Acceptable

Table 8 provides the standardised estimates for path coefficients which, according to Weston and Gore (2006), may be interpreted as regression coefficients. Standardised estimates allow the relationships among latent variables to be compared (Weston & Gore, 2006).

Table 8: Correlation Matrix

Construct	Mean	SD	**CR**	**AVE**	**1**	**2**	**3**	**4**	**5**
1. Customer Advocacy	4.87	1.44	0.92	0.75	**0.87**				
2. Brand Relationship Quality	4.97	1.40	0.94	0.74	0.90	**0.86**			
3. Brand Trust	5.34	1.31	0.94	0.77	0.88	0.85	**0.88**		
4. Brand Loyalty	5.47	1.13	0.96	0.87	0.77	0.82	0.78	**0.93**	
5. Satisfaction	5.43	1.26	0.91	0.71	0.76	0.87	0.78	0.95	**0.84**

Note: N = 351; SD = standard deviation; values off the diagonal are square root of the AVE

4.5.2 Validity and Reliability

Fornell and Larcker (1981) recommend measurement models to have a satisfactory level of validity and reliability, prior to testing for a significant relationship in a structural model. Table 9, in Appendix D, summarises the Composite Reliability (CR), Average Variance Extracted (AVE), Maximum Shared Variance (MSV), and Maximum Reliability (MaxR (H)). Henseler (2017) defined internal consistency reliability as the quantified "amount of random measurement error contained in the construct scores that serve as stand-ins for the latent variables" (p.185). The CR represents the reliability of all items of each of the constructs or factors (Bagozzi & Yi, 2012). According to Nunnally and Bernstein (1994, as cited in Henseler, 2017), a minimum reliability value of 0.7 is recommended. The results of Table 9, in Appendix D, indicate composite scores above this minimum value, indicating high and acceptable reliability for all five constructs.

Fornell and Larcker (1981) defined the AVE as the measure which "measures the amount of variance that is captured by the construct in relation to the amount of variance due to measurement error" (p.45). An AVE of less than .50 indicates that the validity of the individual indicators and the construct is inadequate while values above .50 indicate convergent validity (Fornell & Larcker, 1981). The AVE, as presented in Table 9 in Appendix D, indicates that

convergent validity is supported. This suggests that indicator of a construct have high convergence or high variance in common (El-Manstrly & Harrison, 2013).

Voorhees et al. (2016) highlight that the AVE versus shared variance (SV) method is a method introduced by Fornell and Larcker (1981) to test discriminant validity by comparing the AVE estimate for each construct to the shared variance between the construct and all other constructs in a model. "If a construct's AVE is greater than the shared variance between it and all other constructs, then discriminant validity is said to be achieved" (Voorhees et al., 2016, p.124). In the application of this method to the outcomes of Table 9, the AVE estimate of each of the constructs is less than the maximum shared variance therefore not indicating discriminant validity.

4.6 Hypothesis Testing Using Structural Equation Modelling (SEM)

SEM is an important mechanism of linking philosophy of scientific criteria to theoretical and empirical research (Bagozzi & Yi, 2012). Table 10 provides the fit indices for the final model with absolute fit indexes, Goodness-of-fit (GFI), and Adjusted Goodness-of-Fit to be below the acceptable range as prescribed by Hu and Bentler (1999). The prescribed parameter for GFI and AGFI is slightly below the acceptable range. The RMSEA value of 0.08 is slightly within the acceptable range of ≤ 0.06 (Hu & Bentler, 1999). The NFI and NNFI are within the decision rules (NNFI > .90) highlighted by Hu and Bentler (1999). The CFI is also within an acceptable range of >.09 (Weston & Gore, 2006).

Table 10: Final Model Fit Indices

Absolute Fit Indexes	**Acceptable Value**	**Value**	**Outcome**
GFI	>0.9	0.78	Below acceptable range
AGFI	>0.9	0.74	Below acceptable range
RMSEA	<0.06	0.08	Slightly acceptable range
NFI	>0.9	0.87	Slightly below acceptable range
NNFI (TLI)	>0.9	0.90	Acceptable
CFI	>0.9	0.91	Acceptable

The R^2 values, as per results from Table 11, indicate that BRQ and customer advocacy explained 79,4% of the variance in brand loyalty (R^2 = 0,794). Also, satisfaction, BRQ, customer advocacy, and brand trust explained 90,7% of the variation in brand loyalty (R^2 = 0,907). Hair et al. (2011) emphasised that R^2 values of 0.75 (for endogenous latent variables) are described as substantial for marketing research studies. To assess the hypotheses, the SEM was fitted with the items that were retained in the final CFA model. The results are presented in Figure 14.

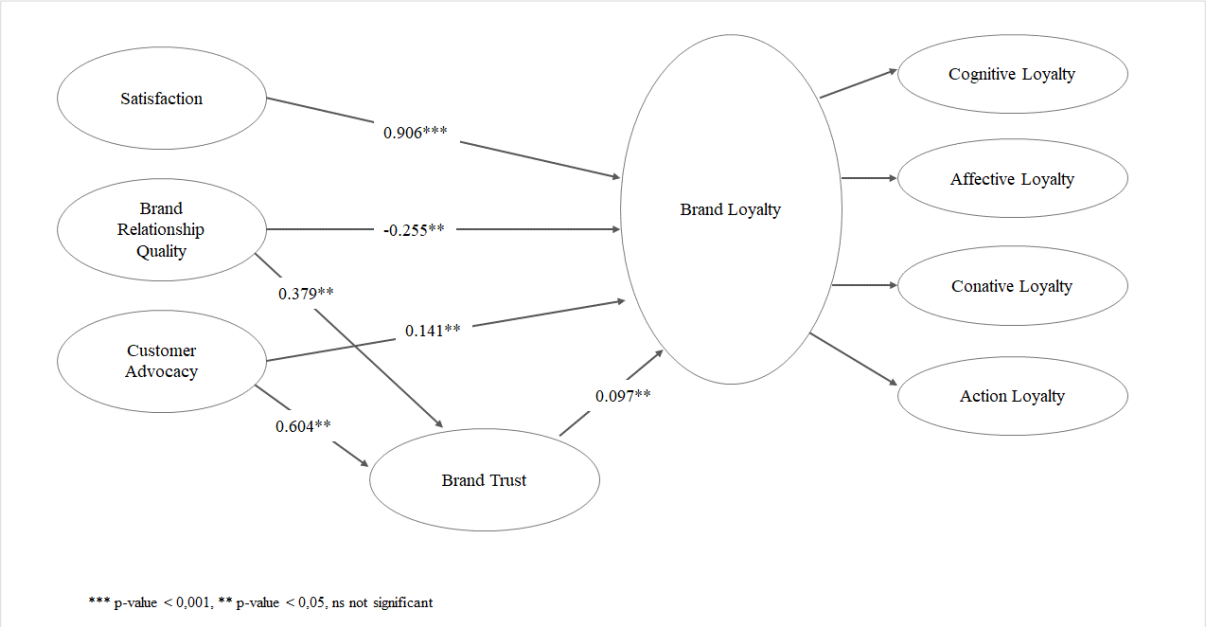


Figure 14: Structural Equation Model (SEM)

The regression weights are presented in tables 11 - 12.

Table 11: SEM Model – Regression Weights

Hypotheses / Path Analysis			**Estimates**	**Standardized Estimates**	**T-value**	**P-value**	**R-square**	**Hypothesis Supported**
Satisfaction	→	Brand Loyalty	.906	.954	9.111	***	0.907	Supported
Brand Relationship Quality	→	Brand Loyalty	-.255	-.297	-2.353	.019		Not Supported
Customer Advocacy	→	Brand Loyalty	.141	.195	2.012	.044		Supported
Brand Trust	→	Brand Loyalty	.097	.136	1.991	.046		Supported
Brand Relationship Quality	→	Brand Trust	.379	.315	3.677	***	0.794	Supported

Customer Advocacy	⟶	Brand Trust	.604	.597	6.713	***		Supported

SEM model fit: $\chi^2(471)$= 1514,974, GFI = 0.778, AGFI = 0.740, RMSEA = 0.082, NFI = 0.875, NNFI (TLI) = 0.899, CFI = 0.909
*Notes: *** Indicates that p < 0.001; p < 0.05*

4.6.1 Mediation analysis

Literature has supported the role of trust, loyalty, and mutual commitments as cornerstones of the social exchange theory (Cropanzano & Mitchell, 2005; Morgan & Hunt, 1994; Sahin et al., 2011). Given the role of trust as a key driver in sustaining consumer-brand relationships and driving loyalty, the study sought to examine the mediating effect of brand trust on the relationship between BRQ and brand loyalty as well as the mediating effect of brand trust on the relationship between customer advocacy and brand loyalty.

Baron and Kenny (1986, as cited in Zhao, Lynch, & Chen, 2010) confirmed that evidence of mediation is strongest when there is an indirect effect without a direct effect (referred to as "partial mediation"); however, the authors refer to it as "full mediation" where both conditions are present. Table 12 shows the results from the bootstrap test of the indirect effects that was conducted using the SEM model. For the direct effects, the results indicate that BRQ has a significant but negative impact on brand loyalty while customer advocacy has a significant positive effect on brand loyalty. The indirect effects of brand trust as a mediator between the relationship between BRQ and brand loyalty as well as customer advocacy and brand loyalty were found to be both insignificant. Given the recommendations from Baron and Kenny (1986, as cited in Zhao et al., 2010), the direct effects are significant while the indirect effects are not significant, resulting in no mediation.

Table 12: Direct and Indirect Effects for Mediation Testing

Hypotheses / Path Analysis	**Direct Effect**	**Direct Effect P-value**	**Indirect Effect**	**Indirect Effect P-value**	**Result**	**Hypothesis Supported**
BRQ ⟶ BT ⟶ BL	-0.297*	0.019	0.043 (ns)	0.154	No mediation	Not supported
CA ⟶ BT ⟶ BL	0.195*	0.044	0.081 (ns)	0.142	No mediation	Not supported

Notes: *=p-value < 0.05 ns = "Not significant"

4.6.2 Summary of the Hypotheses Testing

4.6.2.1. Hypothesis 1 (H1): Satisfaction has a positive effect on brand loyalty

Results presented in Table 11 indicates that satisfaction ($\beta = 0.954$, t-value = 9.111, $p < 0.001$) has a significant and positive impact on brand loyalty. The relationship is significant because the p-value is less than 0.001, and positive because the standardised coefficient for satisfaction ($\beta = 0.954$) is greater than zero. This implies that a unit change in satisfaction will result in a 0.954 change in brand loyalty, with other variables being held constant, thus implying that H1 is supported. It is concluded that satisfaction has a positive effect on brand loyalty.

4.6.2.2 Hypothesis 2 (H2): BRQ has a positive effect on brand loyalty.

It can be noted from Table 11 that BRQ ($\beta = -0.297$, t-value = -2.353, $p = 0.019$) has a significant and negative impact on brand loyalty. The relationship is negative because the standardised coefficient for BRQ is less than zero ($\beta = -0.297$, t-value = -2.353, $p = 0.019$). This implies that a unit change in BRQ will result in a 0.297 change in brand loyalty, with other variables being held constant. The relationship is significant because the p-value is less than 0.05. H2 is not supported since the relationship is negative as opposed to the hypothesised positive relationship.

4.6.2.3a Hypothesis 3a (H3a): BRQ has a positive effect on brand trust

It can be noted from Table 11 that BRQ ($\beta = 0.315$, t-value = 3.667, $p < 0.001$) has a significant and positive impact on brand trust. The relationship is positive because the standardised coefficient for BRQ is greater than zero ($\beta = 0.315$, t-value = 3.667, $p < 0.001$). This implies that a unit change in BRQ will result in a 0.315 change in brand trust, with other variables being held constant. The relationship is significant because the p-value was less than 0.05. Therefore, H3a is accepted. It is thus concluded that BRQ has a positive effect on brand trust.

4.6.2.3b Hypothesis 3b (H3b): Brand trust mediates the relationship between BRQ and brand loyalty

The results from Table 12 indicate that the indirect impact of BRQ on brand loyalty (β = 0.043, p = 0.154) is not significant. It is concluded that brand trust does not mediate the relationship between BRQ and brand loyalty. Thus, H3b is not supported.

4.6.2.4 Hypothesis 4 (H4): Customer advocacy has a positive effect on brand loyalty

Results presented in Table 11 indicate that customer advocacy (β = 0.195, t-value = 2.012, p-value = 0.044) has a significant and positive impact on brand loyalty. The relationship is significant because the p-value is less than 0.05, and positive because the standardised coefficient for customer advocacy (β = 0.195, t-value = 2.012, p-value = 0.044) is greater than zero. This means that a unit change in customer advocacy will result in a 0.195 change in brand loyalty with other variables being held constant. Thus, H4 is supported. It is concluded that customer advocacy has a positive effect on brand loyalty.

4.6.2.5a Hypothesis 5a (H5a): Customer advocacy has a positive effect on brand trust

It can be noted from Table 11 that customer advocacy (β = 0.597, t-value = 6.713, p < 0.001) has a significant and positive impact on brand trust. The relationship is positive because the standardised coefficient for customer advocacy is greater than zero (B = 0.597, t-value = 6.713, p < 0.001). This implies that a unit change in customer advocacy will result in a 0.597 change in brand trust with other variables being held constant. The relationship was significant because the p-value was less than 0.05. Therefore, H5a is accepted. It is concluded that customer advocacy has a positive effect on brand trust.

4.6.2.5b Hypothesis 5b (H5b): Brand trust mediates the relationship between customer advocacy and brand loyalty

The results presented in Table 12 indicate that the indirect impact of customer advocacy on brand trust (β = 0.081, p = 0.142) is not significant. Therefore, H5b is not supported. It is concluded that brand trust does not mediate the relationship between customer advocacy and brand loyalty.

4.6.2.6 Hypothesis 6 (H6): Brand trust has a positive effect on brand loyalty

Results presented in Table 11 indicate that brand trust (β = 0.136, t-value = 1.991, p = 0.046) has a significant and positive impact on brand loyalty. The relationship is significant

because the p-value is less than 0.05, and positive because the standardised coefficient for brand trust ($\beta = 0.136$, t-value = 1.991, $p = 0.046$) is greater than zero. This implies that a unit change in brand trust will result in a 0.136 change in Brand loyalty, with other variables being held constant. Thus, implying that H6 is supported. It is also concluded that brand trust has a positive effect on brand loyalty.

Table 13: Summary of hypotheses

Hypothesis		Outcome
H1	Satisfaction has a positive effect on brand loyalty	Supported
H2	BRQ has a positive effect on brand loyalty	Not Supported
H3a	BRQ has a positive effect on brand trust.	Supported
H3b	Brand trust mediates the relationship between BRQ and brand loyalty	Not Supported
H4	Customer advocacy has a positive effect on brand loyalty	Supported
H5a	Customer advocacy has a positive effect on brand trust	Supported
H5b	Brand trust mediates the relationship between customer advocacy and brand loyalty	Not Supported
H6	Brand trust has a positive effect on brand loyalty	Supported

Chapter 5: Discussion of the Results

5.1 Introduction

This chapter focuses on further analysis and discussion of the research results. The first chapter laid out the five research questions which, first, sought to identify the key drivers of brand loyalty in the South African retail banking sector; second, the extent to which satisfaction on its own guarantees brand loyalty; third, the extent to which BRQ influences brand loyalty; fourth, the extent to which customer advocacy influences brand loyalty; fifth, the role of trust in mediating the relationship between BRQ, customer advocacy, and brand loyalty. The second chapter presented a review of the literature, where the theoretical foundations of the social exchange and interrelationship theories were discussed along with the supporting literature for the hypotheses development. The third chapter presented the research methodology and design for the study while the fourth chapter focussed on the presentation of the results.

The premise of this chapter is to discuss the results by focussing on the impact that the demographic variables contained in the surveyed sample could have had on the overall results as presented in the fourth chapter. The core focus of the chapter is on the discussion and interpretation of the results and also highlighting linkages with previous studies as well as some theoretical evidence from literature.

5.2 Demographic Discussion

The demographic composition of the total sample of 351 respondents had a gender skew towards females (64%). South African population estimates for mid-year 2019 indicate that 51.2% of the population is represented by females (Statistics South Africa, 2019). In considering demographic variables such as gender, education, and income, Mittal and Kamakura (2001, as cited in Seiler, Rudolf, & Krume, 2013) empirical findings identified that women have a higher probability of repurchasing the same brand for a given level of satisfaction than men. Contradicting these insights are the empirical findings from Caruana (2002, as cited in Seiler et al., 2013) which found that customers exhibit statistically significant lower satisfaction ratings with increasing levels of education, while no effect was found relating to the influence of gender. The educational profile of the sample was represented by individuals who have post-matric qualifications (86,32%) with a skew towards those who have

a post-graduate degree (38,46%). A similar skew, in terms of income, is also apparent where 63,82% of the sampled respondents indicate to receive a personal monthly income over R25 000.

The age group accessed for the study was largely represented by 25 – 44-year olds, who accounted for 84% of the sample. The ethnic group representation was skewed towards the black African ethnic group, representing 76% of the sample. This dynamic and representation are in line with the population proportions observed in South Africa where the black African ethnic group represents 80,7% of the total population (Statistics South Africa, 2019). The provincial distribution of the sample weighed heavily towards the Gauteng province, with 84% of the respondents residing in there. Gauteng has the highest proportion of the South African population, with 25,8% of the population residing in the province (Statistics South Africa, 2019).

5.3 Discussion of the results

5.3.1 Satisfaction and brand loyalty

The study sought to understand the extent to which satisfaction on its own would guarantee loyalty. The relationship between satisfaction and brand loyalty is supported by the study and is further aligned with the findings from previous studies (Bayol et al., 2000; Fandos Roig et al., 2009; Fornell et al., 1996; Fraering & Minor, 2013; Lewis & Soureli, 2006; Oliver, 1999; Yadav et al.,2018). Satisfaction has been measured as per the parameters defined by Oliver (1999) that for satisfaction to affect loyalty, it needs to be at an aggregated level and cumulatively experienced. The scale items generated for satisfaction include overall satisfaction with the respondents' main bank as well as assess their levels of expectations. The high factor loading for the statement (S4), "My preferred bank meets my expectations" as per Table 6, is indicative of the importance and necessity of measuring expectations according to the view provided by Churchill (1979) that "if actual consequences equal or exceed expected consequences, the consumer is satisfied" (p.67). Past studies have proved the direct relationship between satisfaction and loyalty, which is indicative of the notion that overall evaluations, such as satisfaction influence consumer behaviour (Schirmer et al., 2018).

Within the service industry context, a study by Bayol et al. (2000) in the mobile phone industry identified customer satisfaction as a key driver of loyalty. Satisfaction has been identified as an important predictor of loyalty (Schirmer, Ringle, Gudergan, & Feistel, 2018). In the study conducted by Yadav et al. (2018) in the Indian banking sector, satisfaction was identified to play a prerequisite role in loyalty development given that a consistent level of satisfaction over time builds brand trust which then culminates into loyalty (Yadav et al., 2018). Also, a study by Fandos Roig et al. (2009) in Spain's banking sector identified satisfaction as the variable with the greatest influence on intentional loyalty.

These results are however contradictory to the view of Baumann et al. (2011), whose argument relates to the paradigm of satisfaction leading to loyalty in financial services. The basis of the argument made by Baumann et al. (2011) relates to the strength of satisfaction in the association with loyalty and is somewhat also related to the problem statement of this study regarding the satisfaction-loyalty conundrum. Jones and Sasser (1995, as cited in Baumann et al., 2011) established that satisfied customers do defect due to variety seeking and similarly, Baumann et al. (2011) also highlighted that some satisfied customer also switch banks. The high correlation between satisfaction and loyalty, as per the findings of this study, is indicative of satisfaction as an antecedent and hygiene factor that drives loyalty in the South African retail banking context.

5.3.2 Brand relationship quality and brand loyalty

Fournier (1998) argued that brands can serve as viable relationship partners and that consumer-brand relationships are valid at the level of lived experience. Fournier (1998) drew parallels between BRQ and brand loyalty as both constructs aim to strengthen the connection between a consumer and brand. Ackermann and Van Ravesteyn (2006) argued that relying on pricing and costs as points of differentiation is not a sustainable strategy, considering the importance of building mutual relationships with customers in banking. To maintain a sustainable competitive advantage, brand relationships become an imperative for customer retention in banks (Barnes & Howlett, 1998 as cited in Ackermann & Van Ravesteyn, 2006; Roy & Eshghi, 2013). "For loyalty, it is not only how satisfied you keep your customers, but how many satisfied customers you keep" (Reichheld, 2001, p.127 as cited in Ackermann & Raversteyn, 2006, p.150).

While the current study only accessed consumers within a retail banking context, findings from a study conducted by Ackermann and Van Ravesteyn (2006) amongst business banking customers in South Africa revealed that relationship banking offering positively influences customer loyalty. The study also indicated that customers who receive a relationship banking offering are more willing to refer their banker to others (Ackermann & Van Ravesteyn, 2006). Brand relationships are underpinned with consumers' attitudes and emotional connection towards brands, and consumer-brand relationships need to be understood within different contexts and across different consumer groups and sub-cultures (Veloutsou, 2015).

The study sought to identify the extent to which BRQ influences brand loyalty and contrary to empirical findings identifying the positive effect of BRQ and brand loyalty (Fournier, 1998; Francisco-Maffezzolli et al., 2014; Jung & Soo, 2012), the findings from this study indicate BRQ to have a significant but negative effect on brand loyalty. This is perhaps indicative of the retail banking's inability or lack of concerted effort to drive affective relations with existing customers, considering the nature of the affective attributes as operationalised and adapted from Fournier (1998). Ackermann and Van Ravesteyn (2006) argued that while the previous view of relationship banking was largely functional and focussed on transactional offerings, the relationship aspect though costly sales and service strategy is important in enhancing customer loyalty. This finding is potentially indicative of the lack of affective relations in the South African banking context, which could have impacted the negative effect of BRQ on brand loyalty.

5.3.3 Brand relationship quality and brand trust

The basic tenet of the social exchange theory is the premise that relationships evolve over time into more enhanced levels and forms of trust, loyalty, and mutual commitment (Cropanzano & Mitchell, 2005). Jung and Soo (2012) viewed trust and commitment as critical to the formation of relationship quality. Trust relates to the consumer's confidence in the brand's reliability and the extent to which the consumer can depend on the brand (Jung & Soo, 2012). Evanschitzky et al. (2012) viewed trust, commitment, and satisfaction not only underpinning relationship marketing but also positively influencing consumers' emotions,

intentions, and behaviour. The findings of this study support this view in that BRQ had a positive effect on brand trust.

Trust plays a critical role in forming the depth and strength of relationship quality which, if sustained, also positively increases customer's loyalty levels (Jung & Soo). Yadav et al. (2018) definitions of trust are largely influenced by Rotter (1967, as cited in Yadav et al., 2018) articulation of trust in that it relates to an "individual's expectancy against others' promise or statement" (p.40). Yadav et al. (2018) highlighted two components regarding this definition: first, the notion of expectation based on a promise and second, the consumer's intention to rely on the promise or proposition. Relationship quality is also critical within the context of financial services as it is characterised by intangibility and highly complex financial products and solutions which results in customers experiencing challenges and possibly low levels of confidence when evaluating between options (Fernandes & Pinto, 2019). Mosley (2007, as cited in Nysveen et al., 2013) argued that service experiences, relative to product brand experiences, have a higher level of complexity in that they require interpersonal interactions, and relationship quality is also critical within this context.

5.3.4 Brand trust, brand relationship quality and brand loyalty

Morgan and Hunt (1994) emphasised that relationship marketing is characterised by marketing activities that focus on establishing, developing, and maintaining a successful relationship where both commitment and trust are identified as effective for the success of these relationships. Trust, as defined by Morgan and Hunt (1994), relates to the confidence that one party has on the integrity and reliability of the exchange party. Empirical results from Morgan and Hunt (1994) support the theory that commitment and trust are key mediating variables that contribute to relationship marketing success. Ramaseshan and Stein (2014) also view strong consumer-brand relationships to be sustained by trust, attachment, and commitment as important relational constructs.

The results of this study indicate a positive and significant relationship between BRQ and brand trust. However, a significant but negative relationship emerged between BRQ and brand loyalty. Whilst the fifth research question partly sought to establish the mediating effect of trust in the relationship between BRQ and brand loyalty, the mediation analysis indicated

the indirect effect of brand trust on BRQ and brand loyalty to be insignificant, thus indicating no mediation. The outcomes pertaining to the mediating effect of brand trust contradict views of Wong, Hung, and Chow (2007), who emphasised the importance of trust and satisfaction during service encounters as critical in relationship building. Wong et al. (2007) further highlight that relationship quality is the best predictor of a customer's future interaction with a financial services provider.

Ramaseshan and Stein (2014) findings indicate brand experience to have a significant and positive effect on both brand attachment and brand commitment, but not on brand trust. Ramaseshan and Stein (2014) attribute the lack of effect of brand experience on brand trust due to the high level of involvement and multiple experiences required from a consumer to build trust with a brand. Empirical findings from Veloutsou (2015) indicate brand relationship as a mediating variable between trust, satisfaction, and brand loyalty. Veloutsou (2015) research outcomes indicate that while conceptually, brand relationships do not change the link between brand evaluation, trust, and satisfaction on loyalty, trust and satisfaction appeared to be antecedents in an indirect manner. In unpacking the role of trust in loyalty development within the banking context, El-Manstrly and Harrison (2013) empirical results indicated a stronger link between trust and earlier stages of loyalty (cognitive and affective stages) relative to the later stages (conative and action loyalty). The findings from El-Manstrly and Harrison (2013) indicate the importance of trust in forming relationships within the complex stage of evaluation in financial services. This potentially provides some indication on the possibility of trust playing a role at the beginning of relationship formation in the South African banking context rather than once the relationships have been established and service offerings have been experienced.

5.3.5 Customer advocacy and brand loyalty

Urban (2004) viewed advocacy as a major step that organisations are taking to evolve their relationships with customers. The customer's experience also becomes relevant within service interactions such as retail banking. Wolf (2007, as cited in Frow & Payne, 2007) defines the 'perfect customer experience' as one that would yield advocacy, referrals, retention, and profitable growth. Fandos Roig et al. (2009) emphasised that the most beneficial outcome of loyal customers comes in the form of a referral from customers who acts a sales force, where

a customer who joins a company as an outcome of referral tends to be more loyal than those who join for other reasons.

Empirical results from the study conducted in financial services by Fandos Roig et al. (2009) presented intentional loyalty as having a direct positive effect on behavioural loyalty of the consumer. El-Manstrly and Harrison (2013) identified that the question relating to the likelihood to recommend result in the net promoter score as a strong indicator of conative loyalty; therefore, indicating that recommendation by customers positively affects conative loyalty. Findings from Roy and Eshghi (2013) identified both attitudinal and behavioural loyalty influencing customer advocacy intentions positively. The premise of the fourth research question was to establish the extent to which customer advocacy influences brand loyalty and the results of this study further support the empirical results of previous studies (El-Manstrly & Harrison, 2013; Fandos Roig et al., 2009; Roy & Eshghi, 2013) on the relationship between customer advocacy and brand loyalty. Lewis and Soureli (2006) stressed that loyalty formation in banking is a multifaceted construct where dimensions such as recommendations and advocacy amongst others have been found to play an important role.

Sweeney, Payne, Frow, and Liu (2020) described advocacy behaviour as one that transcends the conventional recommendation approach but rather the proactive behaviour characterised by advocates in so far as they not only persuade others but also provide positive recommendations online in the form of feedback. Sweeney et al. (2020) developed a scale that provides a range in terms of differentiating between different levels of advocacy where the authors argue that strong advocates are more likely to show loyalty and transact more relative to moderate advocates than those that just spread positive word-of-mouth.

5.3.6 Customer advocacy and brand trust

Urban (2004) highlighted trust as a key dependency on customer advocacy and emphasises the importance of open and honest communication in building trust-based relationships. Lawer & Knox (2006) viewed the role of customer advocacy as one that aims to build deeper relationships with customers by earning their trust and commitment through open and honest dialogue. According to a study by Zhang and Liu (2017) conducted amongst mobile phone users, the findings show that respondents who indicated higher levels of brand trust also

indicated higher levels of repurchase, lower levels of negative brand perceptions, and spread positive word-of-mouth about the brand.

Findings from the current study indicate that customer advocacy has a significant and positive effect on brand trust. These findings further support the results from Roy (2013), where customer advocacy presented a positive direct impact on customers' trust. Empirical findings from Yeh (2013) indicated that customer advocacy is strengthened by an organisation's ability to elevate trust and satisfaction.

5.3.7 Brand trust, customer advocacy and brand loyalty

Urban (2004) highlighted the reciprocal effect of customer advocacy on trust, loyalty, and present or future purchases. Trust has been established as a key dependency for customer advocacy to be developed and sustained (Urban, 2004; Yeh, 2013). Customer advocates also reciprocate this exchange in the form of loyalty provided the service experience is optimal (Yeh, 2013). Roy and Eshghi (2013) highlighted the current dynamics of marketing shifting from push marketing to relationship and trust-based advocacy marketing. Firms that can shift operations to act in the best interests of their customers honestly and transparently, will gain favourable outcomes in the form of customer advocates (Roy & Eshghi, 2013). The favourable outcomes relate to customers who reciprocate the exchange with trust, repeat purchases, loyalty, and referrals (Roy & Eshghi, 2013).

Findings from Roy (2013) indicate a mediating role of trust in the relationship between affective commitment and customer advocacy. The fifth research question also aimed to understand the mediating role of trust in the relationship between customer advocacy and brand loyalty. The results from this study indicate that the indirect effect of customer advocacy, through brand trust, is not significant. When considering the impact of technological advances in the development and entrenchment of a more connected, informed, and empowered consumer, this has led to vulnerabilities regarding brand trust (Lawer & Knox, 2006). The findings from this study indicate the significant and positive effect of customer advocacy and brand loyalty as well as customer advocacy and brand trust. These outcomes are in line with Roy (2013) findings; however, brand trust was found to have a non-mediating effect on the relationship between customer advocacy and brand loyalty. These findings indicate that within

the South African retail banking context, customer advocacy is sufficient on its own to have a positive effect on brand loyalty, independent of other mediating factors.

Apart from the non-mediating effect of brand trust, as per the findings of this study, BRQ had a significant negative effect on brand loyalty. The relevance of trust in relational exchanges has been discussed through the literature (Fernandes & Pinto, 2019; Morgan & Hunt, 1994; Rasheed & Abadi, 2014; Wong et al., 2007; Yadav et al., 2018) in shaping and forming both brand relationships and customer advocacy. Roy (2013) argued that customer advocacy requires service organisations to build relationships based on transparency and trust through mutual dialogue. The positive effect of customer advocacy on brand loyalty, as per the findings of this study, serves to support this view. The findings further indicate that brand trust does not predict the relationship between BRQ and brand loyalty and between customer advocacy and brand loyalty, despite the direct positive effect it has on both BRQ and customer advocacy. The opportunity within the South African retail banking context would be leveraging on customer advocacy to build more positive brand relationships. Urban (2005) highlighted advocacy as the major transformational step in evolving relationships between firms and customers especially as a catalyst for driving customer power. Further to this, Urban (2005) argued that the "new consumer behaviour will be based on transparency and trusted advice" (p.158).

5.3.8 Brand trust and brand loyalty

Trust has been identified as a foundational antecedent for building brand relationships and fostering relationship marketing (Jung & Soo, 2012; Lewis & Soureli, 2006; Morgan & Hunt, 1994) as well as brand loyalty (Chen & Hester, 2015; El-Manstrly & Harrison, 2013; Rasheed & Abadi, 2014; Veloutsou, 2015; Zhang & Liu, 2017). The role of trust and transparency is not only important for sustaining brand relationships but also enabling loyalty to be cultivated (Lawer & Knox, 2006).

The findings from this study indicate a significant and positive relationship between brand trust and brand loyalty. This is further supported by similar findings specifically from the banking industry (Bhat, Darzi, & Parrey, 2018; El-Manstrly & Harrison, 2013; Lewis & Soureli, 2006; Rasheed & Abadi, 2014). A critical component of brand relationships, which is significant in building brand loyalty especially within a financial services context, is trust, which is deemed important in building relationships (Ramaseshan & Stein, 2014). Developing

and maintaining trust in banking relationships is important due to the intangibility of services, as it reduces the perceived risk associated with these activities and interactions (Kesharwani & Bisht, 2012; Roy & Eshghi, 2013, as cited in Yadav et al., 2018).

The relevance of trust in relational exchanges becomes important due to trust enabling satisfaction, reducing transactional costs associated with information searching and establishes relationships between a customer and service provider with the ultimate goal of enduring the relationship and building loyalty (Yadav et al., 2018). Ranaweera and Prabhu (2003, as cited in Bhat et al., 2018) emphasised that trust is a more significant emotion than satisfaction and argued that trust better predicts loyalty, which is key for customer retention.

Chapter 6: Conclusions and Recommendations

6.1 Introduction

The final chapter presents the conclusions and recommendations for the study. Firstly, the theoretical and practical implications of the study are discussed. This is followed by the concluding remarks of the study which also seeks to address the research questions stipulated under Chapter 1. To conclude, the study limitations and suggestions for future research are also outlined.

6.2 Theoretical implications

The theoretical grounding of this study relates to the social exchange and interpersonal relationship theories. A core principle of the social exchange theory is based on the premise that relationships that evolve over time may result in more enhanced forms shaped by trust, loyalty and mutual commitments (Cropanzano & Mitchell, 2005). This study further contributes towards the theoretical underpinnings of the social exchange theory by providing empirical evidence of the nature of exchange relations within the South African retail banking context. Trust is considered an important construct in understanding the outcomes of an exchange relationship (Palmatier, Dant & Grewal, 2007 as cited in Shanka & Buvik, 2019; Morgan & Hunt, 1994; Cropanzano & Mitchell, 2005). Within the context of exchange relationships and the desired outcomes of trust, loyalty and mutual commitment, two key insights stemming from the results of the study emerge. Firstly, the results indicate that within the South African retail banking context, BRQ is challenged given its significant, but yet negative effect on brand loyalty. The second insight relates to the positive effect that BRQ had on brand trust. Shanka and Buvik (2019) argue that relational exchange requires trust given the risk involved in reciprocity. The perceived risk involved in financial transactions further requires that trust be developed and maintained in banking relationships (Kesharwani & Bisht, 2012, as cited in Yadav et al., 2018). The literature on customer advocacy especially within the South African banking context is limited, providing some opportunity for further studies to focus on the concept of customer advocacy. When considering the argument presented by Urban (2004) on the reciprocal nature of customer advocacy and its outcome in driving loyalty, there are parallels to be drawn in terms of how the social exchange theory operationalises reciprocity as the rule of exchange (Cropanzano & Mitchell, 2005). The interlink between

trust, relationship quality and customer advocacy is further highlighted by Urban (2004). The researcher argues that higher levels of trust have a direct relationship with brand recommendation which has positive effects on reducing acquisition costs and evolves the nature of relationships between the customer and company (Urban, 2004).

The study adds to the current and extensive literature on loyalty and further validates Oliver (1997) loyalty phases which were operationalised and adapted from El-Manstrly and Harrison (2013) within the context of retail banking in South Africa. El-Manstrly and Harrison (2013), in their directions for future research, proposed the replication of their service loyalty measurement scale in other cultural contexts, and this study provided a different context to the original UK service context. The study further adds to the findings from El-Manstrly and Harrison (2013) on the validation of the service loyalty scale. The study by Harris and Goode (2004) on online book and airline services also successfully operationalised the four-facet measure of loyalty as posited by Oliver (1997). The study further aligns with the premise of loyalty as a multidimensional construct encapsulating cognitive, affective, conative, and behavioural dimensions. The study further provides insights into the South African consumer behaviour in terms of brand relationship development, to the extent of demonstrating the nature of interactions with retail banks. When considering the importance of interdependence as one of the three characteristics of interpersonal relationships as identified by Smit et al. (2007), the findings indicate that the shape and form of the reciprocal exchange between customers and banks is questionable to the extent that it drives a negative effect on brand loyalty.

6.3 Practical Implications

The study provides marketing professionals in retail banking environments with key insights relating to some foundational elements that need to be delivered in terms of driving loyalty amongst main banked customers. Customer loyalty remains a strategic imperative and objective for managers (Schirmer et al., 2018).

The first practical implication is that the service loyalty scale can be used to further enhance and develop segmentation models. In their recommendations of the practicality of the service loyalty scale, El-Manstrly and Harrison (2013) highlighted the operationalisation of the scale in providing insights into segmenting customers according to their loyalty phase. Russel-Bennett and Bove (2001, as cited in El-Manstrly & Harrison, 2013) argued for segmentation

based on attitudes and purchase behaviour. The service loyalty scale encapsulates both attitudes and behaviours and could therefore be used by marketing professionals to understand customer profitability levels and identify the most effective marketing strategies for each phase with the end outcome of nurturing behavioural loyalty (El-Manstrly & Harrison, 2013). In addition to using the service loyalty scale to guide segmentation model development, the scale can be used as a benchmark for both competitor and industry performance in an effort to further build more robust loyalty measurements and measure performance at both an attitudinal and behavioural levels (El-Manstrly & Harrison, 2013).

Second, marketing professionals need to unpack the nature and depth of BRQ that customers have with the banks, as the findings from the study found this to have a significant but negative effect on brand loyalty. Market research studies amongst consumers would be required to further unpack the psychological, sociocultural, and relational drivers behind this dynamic. Furthermore, considerations can be given in the reward structures or programmes allocated to existing customers. When considering the reciprocal nature of relational exchanges, rewards can become a potential vehicle for further building affective exchanges with customers. Blau (1964, as cited in Shanka & Buvik, 2019) defined social exchange as a "voluntary action of individuals who are motivated by the reward they expect to gain from others" (p.58). This therefore gives emphasis on the expectations involved regarding rewards.

Third, co-creation with customers will be vital especially within a digitised environment, and fostering honest and open dialogue with customers will enable the development of trusted advisors who can advocate for their banks (Urban, 2005). Prahalad and Ramaswamy (2014) focused on consumer-company interactions as one which places co-creation activities and experiences at the core of value creation and exchange between the consumer and company. This places emphasis on brands and companies to not only focus solely on pushing product-centric approaches but considering the consumer in the process of value creation through co-creation. Through a deliberate effort of ensuring the customer's success by understanding their needs and unmet needs, banks have the opportunity to further enhance relationships with their customers and build trusted advisors (Urban, 2005; Yeh, 2013). Aligning with customer needs within the context of an empowered customer provides further opportunities to entrench sustainable and competitive advocacy strategies (Urban, 2005).

Finally, the role of trust cannot be underestimated in building loyalty, especially within the highly complex and intangible context of financial services. Again, emphasis on honest, open, two-way communication is key in terms of ensuring that trust can build deeper and

more meaningful brand relationships which can translate into loyalty (Urban, 2004). Banks can further enhance their relationship quality with customers by building trust through the development of employee training programmes which can empower employees with more knowledge and competence, thus instilling confidence with the customers (Lewis & Soureli, 2006). In their practical recommendations, Shanka and Buvik (2019) call for managers to treat trust as the "firm's most valuable intangible asset" (p.69). Exchange relations can be built on a "combination of external (setting the promise), internal (enabling the promise), and interactive (delivering the promise) facets of exchange relationships" (Vieira, 2008, as cited in Shanka & Buvik, 2019, p.69). This therefore requires a holistic approach in building, maintaining and growing customers as well as their relationships with their banking partners.

6.4 Conclusion

Against the backdrop of an industry that is undergoing significant transformational changes in the form of technological advances impacting distribution strategies, competitor pressures and new entrants, this study sought to understand brand loyalty development in the South African retail banking industry. The research purpose is focussed on understanding the drivers of loyalty by considering the relationship between satisfaction, BRQ, customer advocacy, and the mediating effect of brand trust. The research problem is anchored on the satisfaction-loyalty conundrum which relates to how satisfaction and loyalty do not move in tandem (Oliver, 1999), and satisfaction has not been able to sufficiently explain switching behaviours of satisfied customers. In summary, the results of this study supported five out of the eight hypothesised relationships which are supported by similar findings from previous learnings and further highlight the strategic importance of loyalty in the banking sector. The most interesting outcomes of the study relate to the negative effect of BRQ on brand loyalty as well as the non-mediating effect of brand trust. The negative effect of BRQ contradicts learnings from previous studies and therefore calls for further investigation. The non-mediating effect of brand trust is also an insight that would need to be considered further in future studies within the South African retail banking context.

Loyalty, as a retention vehicle and source of brand equity, is a complex, multidimensional concept which this study sought to decipher. The research questions which the study seeks to answer are aligned with the conceptual model that presents the hypothesised

relationships as guided by the literature. In addressing the first research question regarding the key drivers of brand loyalty in the South African banking sector, the study found that satisfaction, customer advocacy and brand trust to have a significant and positive effect on brand loyalty. The study further validated the service loyalty measurement scale presented by El- Manstrly and Harrison (2013) from Oliver (1997) four loyalty phases. The validation of this scale is significant in that whilst it was conducted within the banking sector in the UK, the cultural context of the two geographies are significantly different. The demographic composition of the accessed sample in this study indicated some representation with the South African population representations; however, the skew towards education and income is noteworthy. The second research question that the study sought to address related to the extent to which satisfaction guarantees brand loyalty on its own. Whilst the study did find a significant effect of satisfaction on brand loyalty, this was not the only construct to have influenced brand loyalty in a significant manner as per the results of the study. This, however, does not negate the importance of satisfaction in driving loyalty in a high involvement category such as banking. Furthermore, the results of the study further indicate the banking sector's ability to meet their client's expectations in the overall experience. The third research question related to the influence of BRQ on brand loyalty and this presented the most interesting outcome which indicated BRQ to have a significant, but negative effect on brand loyalty. When considering the affective nature of Fournier (1998) BRQ dimensions, it is interesting to note that these may be influenced by negative emotions towards the banking experience. However, the positive effect of BRQ on brand trust as per the results of the study, does present opportunities for the banking sector to further build upon in so far as the relationships evolve over time to more enhanced forms of mutual commitment and loyalty. The fourth research question related to the extent to which customer advocacy influenced brand loyalty and the results of the study found a positive relationship between customer advocacy and brand loyalty. The key role that the interconnected and empowered consumer is playing within the digital context, further emphasises the need to further build advocacy-based strategies. The relevance of trust in relational exchanges and as anchored in the social exchange theory is paramount. In line with the fifth research question relating to the mediating role of trust in the relationship between BRQ, customer advocacy and brand loyalty, the study did not establish nor support any mediating role between these relationships. The study supports views presented by Urban (2005) on advocacy providing a transformational conjuncture in driving more effective brand relationships anchored on customer centricity.

6.5 Limitations of the study

First, the data collection process for the study was done using an online professional network channel, LinkedIn, as well as social media channel, Facebook. This could have potentially contributed towards the evident skews noted in personal monthly income, region, and education levels. The generalisability relating to the results would need to be cautioned due to the demographic skews presented. Second, considering the construct of BRQ, the study could have included a question on the duration of the relationship. The latter could also serve as a recommendation for future studies. Third, the study only focussed on the retail banking sector; therefore, the results can only be interpreted within this context. Fandos Roig et al. (2009) noted that banking presents very particular conditions; therefore, replication of the study in a different service sector might yield interesting or varying nuances.

6.6 Direction for future research

Future research studies could potentially further investigate the BRQ construct and include additional variables such as duration of the relationship with the bank or service provider as well as establish whether the customer has a relationship or private banker (in the B2C context). Second, hypotheses based on demographic variables (i.e. education, income, or age) could potentially be included in future models. Third, variables such as commitment, service quality, and digital behaviour could be incorporated as additional constructs to investigate, especially in light of the current context of the industry. Fourth, future studies could potentially investigate the same variables with a different service sector such as the telecommunications industry. Finally, given the considerable investment that retail banks make into loyalty and rewards programmes, future studies could investigate the impact of such interventions on similar variables that are investigated in this study.

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Appendices

Appendix A: Survey Cover Letter

Dear Sir / Madam,

My name is Cleopatra Taoana and I am a Masters student in Strategic Marketing at Wits Business School, Johannesburg. As part of my studies, I have to undertake a research project, and I am investigating brand loyalty in the South African retail banking sector under the supervision of Dr. Emmanuel Quaye. This research project aims to ascertain your opinions and perceptions relating to your experience with retail banks.

As part of this project, I would like to invite you to take part in an online survey. The survey will take no longer than 15 minutes to complete.

There will be no personal costs to you if you participate in this project. You will not receive any direct benefits from participation but there are no disadvantages or penalties if you do not choose to participate or if you withdraw from the study. You may withdraw at any time or not answer any question if you do not want to. The response that you provide on the online survey will be completely confidential and anonymous as it will not be asking for your name or any identifying information. The information you provide will be held securely and not disclosed to anyone else.

The link to the survey may be accessed below

https://wits.eu.qualtrics.com/jfe/form/SV_4Ji5ucUMCf2lWRf

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you (optional). If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University

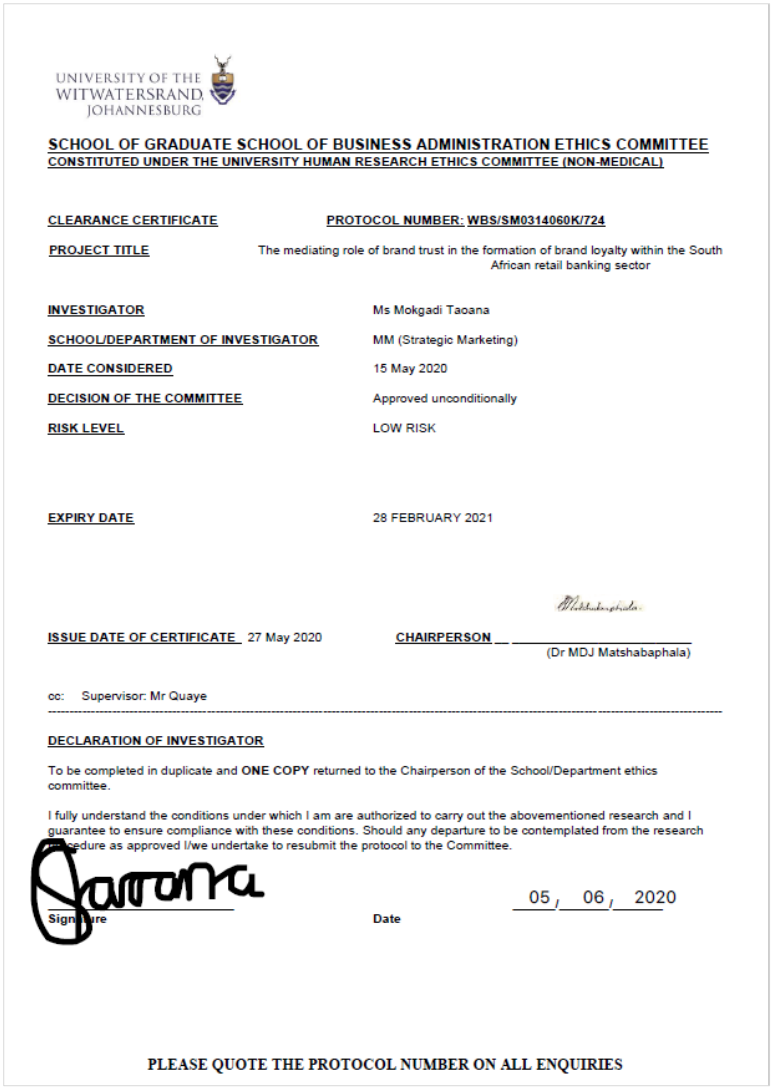
Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrec-medical.researchoffice@wits.ac.za

Yours sincerely,
Cleopatra Taoana

Researcher:
Cleopatra Taoana, 0314060k@students.wits.ac.za, +27 738849972.
Protocol Number: WBS/SM0314060K/724

Supervisor:
Emmanuel Quaye, emmanuel.quaye@wits.ac.za

Appendix B: Ethics Clearance Certificate



UNIVERSITY OF THE WITWATERSRAND JOHANNESBURG

SCHOOL OF GRADUATE SCHOOL OF BUSINESS ADMINISTRATION ETHICS COMMITTEE
CONSTITUTED UNDER THE UNIVERSITY HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)

CLEARANCE CERTIFICATE **PROTOCOL NUMBER: WBS/SM0314060K/724**

PROJECT TITLE The mediating role of brand trust in the formation of brand loyalty within the South African retail banking sector

INVESTIGATOR	Ms Mokgadi Taoana
SCHOOL/DEPARTMENT OF INVESTIGATOR	MM (Strategic Marketing)
DATE CONSIDERED	15 May 2020
DECISION OF THE COMMITTEE	Approved unconditionally
RISK LEVEL	LOW RISK
EXPIRY DATE	28 FEBRUARY 2021

ISSUE DATE OF CERTIFICATE 27 May 2020 **CHAIRPERSON** _____
(Dr MDJ Matshabaphala)

cc: Supervisor: Mr Quaye

DECLARATION OF INVESTIGATOR

To be completed in duplicate and **ONE COPY** returned to the Chairperson of the School/Department ethics committee.

I fully understand the conditions under which I am are authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.

Signature Date 05 / 06 / 2020

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

Appendix C: Research Instrument

	Demographic Profile	
1.	Gender	Male
		Female
2.	Age	19 – 24 years
		25 – 34 years
		35 – 44 years
		45 – 54 years
		55 – 65 years
		66+ years
3.	Ethnic Group	Black African
		Coloured
		Indian / Asian
		White
		Other (specify)
4.	Province	Eastern Cape
		Free State
		Gauteng
		Kwa-Zulu Natal

		Limpopo
		Mpumalanga
		North West
		Northern Cape
		Western Cape
5.	Personal Monthly Income (before tax and deductions)	No income/ Unemployed
		R0 – R5,000 per month (R0 – R60,000 per year)
		R5,001 – R10,000 per month (R60,012 – R120,000 per year)
		R10,001 – R25,000 per month (R120,012 – R300,000 per year)
		R25,001 – R62,500 per month (R300,012 – R750,000 per year)
		R62501+ per month (R750,012+ per year)
6.	Highest level of education	Some high school
		Matric
		Diploma
		Bachelor's Degree
		Post Graduate Degree
7.	Do you have a bank account that you have used over the past 3 months	Yes
		No *(survey to close if this option is selected)*

8.	Which of the following banks do you currently use for your personal banking services?	Absa
		African Bank
		Capitec
		Discovery Bank
		First National Bank
		Investec
		Nedbank
		Standard Bank
		Tyme Bank
		Other (specify)
9.	What is your most preferred bank for your personal banking services?	Absa
		African Bank
		Capitec
		Discovery Bank
		First National Bank
		Investec
		Nedbank
		Standard Bank
		Tyme Bank
		Other (specify)

Note: Preferred bank represents the bank selected in Question 9 above

		Strongly Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat Agree	Agree	Strongly Agree
	Cognitive Loyalty							
1.	I believe my preferred bank has more offers than others	1	2	3	4	5	6	7
2.	The service of my preferred bank is better than other of its class	1	2	3	4	5	6	7
3.	I believe my preferred bank is cheaper than others when I have to buy a service of this type	1	2	3	4	5	6	7
4.	I consider my preferred bank my first choice when I need a service of this type	1	2	3	4	5	6	7
5.	My preferred bank provides me with superior service quality compared to others in its category	1	2	3	4	5	6	7
	Affective Loyalty							
1.	I have grown to like my preferred bank more than other service providers	1	2	3	4	5	6	7
2.	I like the products and services offered by my preferred bank more than others	1	2	3	4	5	6	7

		Strongly Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat Agree	Agree	Strongly Agree
3.	To me, my preferred bank is the one whose services I enjoy using the most	1	2	3	4	5	6	7
4.	Compared to other service providers I am happy with the services that my preferred bank provides	1	2	3	4	5	6	7
5.	I am usually pleased with my purchase decisions from my preferred bank	1	2	3	4	5	6	7
	Conative Loyalty							
1.	I am likely to say positive things about my preferred bank to other people	1	2	3	4	5	6	7
2.	I would recommend my preferred bank to someone else who seeks my advice.	1	2	3	4	5	6	7
3.	I intend to continue to use my preferred bank if its prices increase somewhat	1	2	3	4	5	6	7
4.	I am likely to spend more money at my preferred bank than at other service providers.	1	2	3	4	5	6	7
	Action Loyalty							
1.	I say positive things about my preferred bank to other people	1	2	3	4	5	6	7

		Strongly Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat Agree	Agree	Strongly Agree
2.	I encourage friends and relatives to use my preferred bank	1	2	3	4	5	6	7
3.	I have spent more money at my preferred bank than at other banks	1	2	3	4	5	6	7
4.	I have bought more products and services from my preferred bank than from other banks	1	2	3	4	5	6	7
	Satisfaction							
1.	Overall, I am very satisfied with my preferred bank	1	2	3	4	5	6	7
2.	I am delighted with the value-added services from my preferred bank	1	2	3	4	5	6	7
3.	My present bank is very close to my ideal bank	1	2	3	4	5	6	7
4.	My preferred bank meets my expectations	1	2	3	4	5	6	7
	Brand Relationship Quality							
1.	Because of the advantages it gives me, my preferred bank is important to me	1	2	3	4	5	6	7

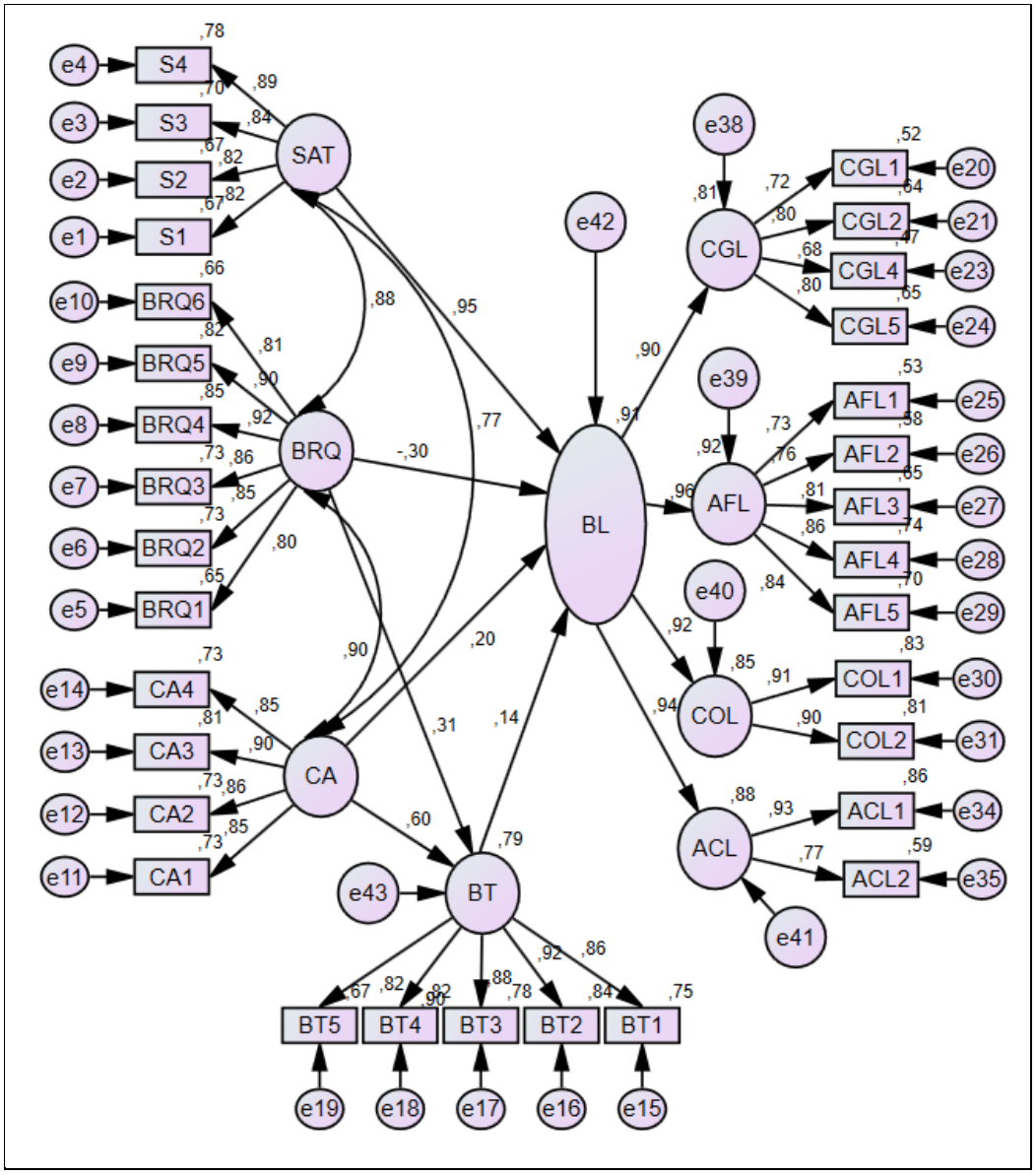
		Strongly Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat Agree	Agree	Strongly Agree
2.	I feel close to my preferred bank	1	2	3	4	5	6	7
3.	My preferred bank makes me feel good and keeps my self-esteem high	1	2	3	4	5	6	7
4.	I feel passionate about my preferred bank	1	2	3	4	5	6	7
5.	My preferred bank means a lot to me	1	2	3	4	5	6	7
6.	My preferred bank treats me like a special customer rather than just another customer	1	2	3	4	5	6	7
	Customer Advocacy							
1.	My preferred bank provides unbiased advice that helps me to choose its services and products	1	2	3	4	5	6	7
2.	My preferred bank gives honest and open information and advice about their services and products and competitors' services / products	1	2	3	4	5	6	7
3.	My preferred bank keeps my best interests in mind	1	2	3	4	5	6	7

		Strongly Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat Agree	Agree	Strongly Agree
4.	My preferred bank is a customer advocate	1	2	3	4	5	6	7
	Trust							
1.	My preferred bank can be trusted at all times	1	2	3	4	5	6	7
2.	My preferred bank can be counted on to do what is right	1	2	3	4	5	6	7
3.	My preferred bank is very dependable	1	2	3	4	5	6	7
4.	My preferred bank has high integrity	1	2	3	4	5	6	7
5.	My preferred bank is very competent	1	2	3	4	5	6	7

Appendix D: Table 9: Composite Reliability, Average Variance Extracted, Maximum Shared Variance and Maximum Reliability

	CR	AVE	MSV	MaxR(H)
CA	0.92	0.75	0.81	0.93
BRQ	0.94	0.74	0.81	0.95
BT	0.94	0.77	0.78	0.95
BL	0.96	0.87	0.89	0.97
SAT	0.91	0.71	0.89	0.91

Appendix E: Structural Equation Model



Appendix F: Direct and Indirect Effect of Brand Relationship Quality and Customer Advocacy on Brand Loyalty

			Independent Variable				
Effect Type	**Dependent Variable**		**CA**	**BRQ**	**SAT**	**BT**	**BL**
Total Effect	BT	95% CI Lower Bounds	,322	,118	,000	,000	,000
		Estimate	,597	,315	,000	,000	,000
		95% CI Upper Bounds	,842	,680	,000	,000	,000
		P-value	,002	,017	...	...	...
	BL	95% CI Lower Bounds	,072	-,519	,734	-,037	,000
		Estimate	,277	-,254	,954	,136	,000
		95% CI Upper Bounds	,350	-,031	1,151	,233	,000
		P-value	,014	,047	,001	,211	...
Direct Effect	BT	95% CI Lower Bounds	,322	,118	,000	,000	,000
		Estimate	,597	,315	,000	,000	,000
		95% CI Upper Bounds	,842	,680	,000	,000	,000
		P-value	,002	,017	...	...	...
	BL	95% CI Lower Bounds	-,007	-,559	,734	-,037	,000
		Estimate	,195	-,297	,954	,136	,000
		95% CI Upper Bounds	,309	-,077	1,151	,233	,000
		P-value	,121	,013	,001	,211	...
Indirect Effect	BT	95% CI Lower Bounds	,000	,000	,000	,000	,000
		Estimate	,000	,000	,000	,000	,000
		95% CI Upper Bounds	,000	,000	,000	,000	,000
		P-value	-	-	-	-	-
	BL	95% CI Lower Bounds	-,011	-,004	,000	,000	,000
		Estimate	,081	,043	,000	,000	,000
		95% CI Upper Bounds	,150	,140	,000	,000	,000
		P-value	,142	,154	...	...	...