

The determinants of customer loyalty amongst leading South African financial services' brands

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Our major idea behind this study was to clearly predict some factors that are critically related to customer loyalty amongst leading South African financial services' brands with an emphasis on the banking industry. It adopts 17 measurement items derived from five prior studies to develop and then test five hypotheses using the SmartPLS software. Data collection was by means of a convenience sampling. A total of 300 valid responses were used for the final data analysis. We found support for the study's five hypotheses. Our study validates that there is a positive relationship between product/service offering and customer satisfaction (PSO \square CSAT), customer satisfaction and brand trust (CSAT \square BTR) as well as customer loyalty (CSAT \square CLOY), and finally between brand trust and customer loyalty (BTR \square CLOY). H2 (CSER \square CSAT) is also supported meaning that customer service strongly influences customer satisfaction. CSAT path coefficient value of 0.39 has a strong influence on brand trust which in turn, with a path coefficient value of 0.44, positively impacts customer loyalty. Our results illustrate that banks' customers in South Africa value brand trust the most as it has a profound effect on their loyalty to their banks. Consequently, marketing decision-makers need to develop and sustain brand trust if they are to ensure customer loyalty to their banks. Our study complements the extant literature on customer loyalty in the banking sector. In addition, it provides concrete evidence of the major determinants of customer loyalty in an African context.

Key Words: brand trust, customer loyalty, customer satisfaction, customer service, product/service offering, South Africa