

An assessment of brand loyalty of banking clients

Sarel F. Salim

12316520

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Supervisor: Prof C. A. Bisschoff

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ABSTRACT

This study measures brand loyalty of banking clients in South Africa. To do so, the study employs the newly developed brand loyalty conceptual framework of Moolla (2010) from the fast-moving consumer good industry as point of departure, and firstly, test its applicability to banking clients, secondly, adapt the framework where needed, and thirdly, used the adapted framework to measure the brand loyalty levels of the banking clients.

The results show that the Moolla model could be used with minor adaptations in the banking industry, and that the reliability as measured by Cronbach alpha coefficients are acceptable. In measuring the brand loyalty levels, it is clear banking clients are not very loyal, scoring low on all the brand loyalty influences except customer satisfaction (which falls in the fair to good margin).

Key terms: brand loyalty, loyalty influences, conceptual framework, banking industry, Moolla brand loyalty framework, factor analysis.

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1 CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION

Brand loyalty forms the basis of all marketing objectives and marketing drives for bankers - especially in the competitive banking business industry of South Africa. The South African market is controlled by the South African Reserve bank that regulates all activities of the industry (South African Reserve Bank, 2011).

The South African banking industry is mainly operated by registered banks that are controlled locally, as well as foreign controlled banks. All entities are bound to operate within the same legal compliance regulations. A differentiation between retail and commercial banking can be made within this competitive market, whereas retail focuses on consumer products and commercial banking on business banking as known in the market.

The market is mainly dominated by the five big banks that operate in both the sectors in comparison with the other banks that may focus on specific market sectors (Reuters, 2010).

The retail and business banking market mainly offers a similar offering through similar channels that include the following (von Zeuner, 2006):

- Physical channels – “branches”.
- Internet banking.
- Telephone banking.
- Cell phone and WAP banking.
- ATM's.

This forms the channel of service delivery that a consumer experiences and is an influence in the overall expectation and needs of the consumer. This needs to be addressed by marketers to enhance the possibility to deliver a service that will lead to “re-transitioning” and the development of loyalty towards the company and the brand (Phillips, 2009).

The industry can develop Brand loyalty through various measures such as quick service, ensuring quality products, continuous improvement, wide distribution network, etc. to ensure that they meet the market needs (Anon, 1998-2011). Hence the development of products to meet the rural market, Islamic, high earners and private banking client’s needs.

The industry is evolving and new product offerings are developed, but are not enough of a differential element anymore, therefore brands become a key differentiator to enable the bank to gain a competitive advantage in the industry (Silver & Berggren, 2009).

According to Engelbrecht and Möller (2007:13), customers compare perceptions with expectations when judging a firm’s service quality. It therefore stands to reason that in order for retail banks to thrive, both product and service delivery must be adequately aligned with customer expectations to ensure the development of brand loyalty in the bank’s client base.

1.2 PROBLEM STATEMENT

Due to the competitiveness in the banking industry the study will focus on measuring brand loyalty in the banking industry.

The research will also measure the tendency of consumers to switch banks as well as the elements that may prevent them from taking this action.

1.3 OBJECTIVES OF THE STUDY

The main aim of this study is to analyse brand loyalty of business banking users in the South African Industry.

In order to achieve the above, the primary objective and secondary objectives are as follows:

Primary objective

The primary objective of this study is to measure brand loyalty in the banking industry by applying the model developed by Moolla.

Secondary objectives

The secondary objectives are to:

- identify the key influential elements of brand loyalty;
- determine the key factors in relevance to the different banking users;
- determine whether a significant relationship exists between brand loyalty and repurchasing; and to
- determine if cost and hassle are the main factors for users as a limitation to switch banks.

1.4 RESEARCH METHODOLOGY

The research comprises of a literature and an empirical study. The aim is to measure and identify the biggest influences on brand loyalty in the banking industry through the use of a measuring instrument designed by Moolla (Moolla & Bisschoff, 2010).

1.4.1 Phase 1: Literature study

The study is based on a well-developed literature study. This research will be focused on information that already exists, and will include mediums such as:

- Computerised databases;
- Books;
- Research articles;
- Internet search results; and
- Other, such as popular articles and magazines.

The aim of the literature study is to provide an increased body of knowledge on the identified influences consumers experience in the market.

1.4.2 Phase 2: Study population

In research, the word “population” is used to indicate the total number of people, groups or organisations that could be included in the study.

Sampling involves making decisions about which people, settings, events or behaviours to observe. According to Cooper and Emory (1995:196), a population is the total collection of elements about which one wishes to make inferences.

An element is the individual on whom the measurement is done and it is the unit of study. For the purpose of this study, the population is defined as business owners and individuals that have access to internet and email as well as users of social media sites such as Facebook and LinkedIn. The objective of this survey is to administer at least 500 questionnaires to clients with active bank accounts.

1.4.3 Phase 3: Questionnaire

Data collection involved the administering of questionnaires online. The questionnaire developed by Moolla & Bisschoff was used.

The population of the study consists of all South Africans with commercial banking experience. (This means bank clients who operates a business and have a business bank account with a South African bank.)

1.4.4 Phase 4: Statistical Analysis

A statistical analysis of data was conducted in co-operation with the Statistical Consultation Services at the North-West University, focusing on questionnaire validation and data reliability.

1.5 LAYOUT OF THE STUDY

This dissertation consists of four chapters.

Chapter One

In Chapter one, a general introduction to the study is given, providing aims, problem statements and an overview of the market of the study.

Chapter Two

In Chapter two, the different elements of brand loyalty are discussed and its importance relevance. An in-depth literature study on brand loyalty is done and a conceptual framework is presented with the twelve elements that were tested.

Chapter Three

The research methodology and empirical results in the study are discussed in chapter three.

Chapter Four

Chapter four concludes the study with conclusions and recommendations how to improve brand loyalty in the banking industry, whilst also identifying areas for future research.

2 CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

Brand loyalty is affected by numerous factors. This literature study is conducted to determine and elaborate on which factors influence brand loyalty in the banking environment and the key perspectives of consumers on the factors that influence the brand identity, brand offering and brand elements which marketers may use to define and structure the brand communication to consumers via the multiple channels available.

According to Dolak (2006:1), the term “brand” can be summarized as: “an identifiable entity that makes specific promises of value. Thus, one can elaborate that the unique design, sign, symbol, words, or a combination of these assist marketers in creating a brand or brand image that is used in the branding of the company.”

Although a brand may be associated with a logo, phrase or symbol, it is important to realize that the experience a consumer have with a brand, is the promise that a brand have for the consumer. Marketers strive to create an experience with a brand and Castro (2011:1) states that the objectives of a brand should be to:

- Deliver the message clearly;
- Confirm your credibility;
- Connect your target prospects;
- Motivate the buyer emotionally; and
- Concrete user loyalty.

Through the realization of the brand objectives, marketers achieve the result of establishing trust with consumers through the delivery of the promise, which leads to brand strength or brand loyalty. The objective of brand loyalty is to establish trust with consumers to enable marketers and business owners to pin a value to a brand, which will guarantee the company a certain retaining consumer spend in future (Wood 2000).

2.2 THE SOUTH AFRICAN BANKING OVERVIEW

The South African banking is regulated by the various regulations as quoted by the Banking association of South Africa and these regulations include:

- The Banks Act ;
- The National Payment System Act ;
- The Financial Intelligence Centre Act (FICA);
- The Financial Intermediary and Advisory Services Act (FAIS);
- The National Credit Act;
- The Consumer Protection Act;
- The Home Loan and Mortgage Disclosure Act;
- The Competition Act; and
- The Electronic and Communication Act.

Brand loyalty is influenced by these regulations because it sets the minimum standards of the banking service offerings such as the structure of the banking products, the credit guidelines and communication that brand managers need to use. These regulations all influence the basis of banking product offerings to the market.

The South African Financial Forum (SAFF, 2011) lists the directory of banks as financial institutions in South Africa as follows:

- Monetary authority;

- Locally controlled banks;
- Mutual banks;
- Foreign controlled banks;
- Branches of foreign banks;
- Representative offices of foreign banks;
- Other banks;
- Savings and credit co-operatives (SACCOs); and
- Bank related organisations.

Matoti (2010:3) lists the banking category's and banks as per Table 2.1 below, with the summary that the market is formed by 19 registered banks and 2 mutual banks, but also penetrated by foreign controlled banks with representative offices.

Table 2.1 Banks category and listings

Category	Bank
Registered banks – locally controlled	ABSA Bank Limited; African Bank Limited; Bidvest Bank Limited; Capitec Bank Limited; FirstRand Bank Limited; Grindrod Bank Limited; Imperial Bank Limited; Investec Bank Limited; Nedbank Limited; Regal Treasury Private Bank Limited (In liquidation); SasfinBank Limited; Teba Bank Limited; The Standard Bank of South Africa Limited.
Registered banks – foreign controlled	Albaraka Bank Limited; Habib Overseas Bank Limited; HBZ Bank Limited; Islamic Bank Limited (In Final Liquidation); Mercantile Bank Limited; The South African Bank of Athens Limited.

Local branches of foreign banks	Bank of Baroda; Bank Of China Limited Johannesburg Branch (trading as Bank Of China Johannesburg Branch); Bank of Taiwan South Africa Branch; Calyon (trading as Calyon Corporate and Investment Bank), China Construction Bank Corporation – Johannesburg Branch; Citibank N.A.; Deutsche Bank AG; JPMorgan Chase Bank N.A. (Johannesburg Branch); Royal Bank of Scotland (Formerly ABN Amro); Société Générale; StandardChartered Bank - Johannesburg Branch; State Bank of India; The Hongkong and Shanghai Banking Corporation.
Foreign banks with approved local representative offices	AfrAsia Bank Limited; Banco BPI, SA; Banco Espirito Santo e Comercial de Lisboa; Banco Privado Português, S.A.; Banco Santander Totta S.A.; Bank Leumi Le-Israel BM; Bank of Cyprus Group; Bank of India; Barclays Bank Plc; Barclays Private; Clients International Limited; BNP Paribas Johannesburg; Commerzbank AG Johannesburg; Credit Suisse AG; Credit Suisse Securities (Europe) Limited; Ecobank; Export-Import Bank of India; Fairbairn Private Bank (Isle of Man) Limited; Fairbairn Private Bank (Jersey) Limited; First Bank of Nigeria; Fortis Bank (Nederland) N.V.; Hellenic Bank Public Company Limited; HSBC Bank International Limited; Icici Bank Limited; KfW Ipx-Bank GmbH; Lloyds TSB Offshore Limited; Millenium BCP; National Bank of Egypt; NATIXIS Southern Africa Representative Office; Royal Bank of Scotland International Limited; Société Générale Representative Office for Southern Africa; Sumitomo Mitsui Banking Corporation; The Bank of New York Mellon; The Bank of Tokyo-Mitsubishi UFJ, Ltd; The Mauritius Commercial Bank Limited; The Rep. Off. for Southern and Eastern Africa of The Export-Import Bank of China; UBS AG; Unicredit Bank AG; Union Bank of Nigeria Plc; Vnesheconombank; Wachovia Bank, N.A.; Wells Fargo Bank, National Association; Zenith Bank Plc

SOURCE: Matoti (2010:3)

The offerings of the listed registered banks are very similar, and the market leaders in the industry of personal and business banking are known brands such as ASBA, Standard Bank, FNB, Capitec and African Bank. All of these institutions offer current, cheque and savings accounts, amongst others.

2.3 BRAND LOYALTY

Brand loyalty is defined as: “The extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands” (Anon., 2010). Through the repetitive consumption of the brand offering, consumers interact more with the brand and thus experience the relevance of the brand promise.

Hence the importance to note that a brand is both a physical and a perceptual entity. The physical aspect of a brand is found in the physical service offering or the product itself, whereas the perceptual aspect is found in the physiological space and therefore the consumers mind (Castro, 2011).

This implies that brand loyalty is experienced differently by consumers. This places an enormous task on brand managers to ensure that the experience meets the target markets needs, so that it will assist the company to realize the benefits of brand loyalty, such as company sustainability and profitability, and also that new customer acquisition costs are limited to the minimum (Burgess & Harris, 1998).

Research on the measurement of brand loyalty and the influences regarded as important, has been conducted by Moolla (2010:21) and is shown in Figure 2.1.

Figure 2-1: CONCEPTUAL BRAND LOYALTY FRAMEWORK



Source: Moolla (2010:21)

The study by Moolla (in: Moolla and Bisschoff, 2010) identified twelve major influences that are important influences of brand loyalty. A measurement questionnaire for brand loyalty have been developed. The twelve influences identified are:

- Customer satisfaction;
- Switching costs;
- Brand trust;
- Repeat purchase;

- Involvement;
- Perceived value;
- Commitment;
- Relationship proneness;
- Brand affect; and
- Brand relevance.

These influences and their effect on brand loyalty are discussed below.

2.3.1 Customer satisfaction

Customer satisfaction is a highly personal assessment that is greatly influenced by individual expectations. Some definitions are based on the observation that customer satisfaction or dissatisfaction results from either the confirmation or disconfirmation of individual expectations regarding a service or product (Centre for the Study of Social Policy, 2007).

The service industry is faced by a competitive edge in the new technology industry and the market changes constantly forcing marketers to implement measures to assist them in measuring customer service and satisfaction. The definition of customer satisfaction, however, is when the customer is satisfied with a product/service that meets the customer's needs, wants, and expectations (Media Wiew, 2011).

The acronym *COMFORT* can be used to signify the importance of service. COMFORT stands for caring, observant, mindful, friendly, obliging, responsible, and tactful. These characteristics are the most basic attributes of customer service and without them, there cannot be true service of any kind. All of them depend on interpersonal skills, communication, empowerment, knowledge, sensitivity, understanding, and some kind of external behaviour.

A large factor in determining the likelihood of success and profits in an organization, is customer satisfaction. When there is customer loyalty, the

customer retention rate is high and business results tend to follow (Adams, 2003).

Extensive research has been done on the satisfaction of customers related to the service delivery and meeting of expectations. If experience of the service greatly exceeds the expectations clients had of the service, satisfaction will be high, and vice versa. In the service quality literature, perceptions of service delivery are measured separately from customer expectations, and the gap between the two, $P(erceptions) - E(xpectations)$, provides a measure of service quality and determines the level of satisfaction (Thus & Staes, 2008:15).

Given the central importance of expectations, it is important to understand how they are formed (Quality Accounts Commission, 1999).

The basic key factors most commonly seen to influence expectations are described as:

- Personal needs: customers of services will have as a set of key personal needs, that they expect the service to address these needs.
- Previous experience: Previous experience will set the standard of expectation that a customer will expect of future service encounters.
- Word of mouth communications: expectations will be shaped by communications from social sources other than the service provider itself. This can include family, friends and colleagues, as well as the media.

Social Media became a major role player in the creation of expectations as a form of word of mouth communication, whereas almost 65% of expectations are made and found via social networks (Olson, 2009:1).

- Explicit service communications: statements from staff or from leaflets or other publicity material, could have a direct impact on expectations. Good examples are customer charters.
- Implicit service communication: this includes factors such as the physical appearance of buildings, upgrading of service counters and corporate image rejuvenations.

A customer who has the intention to repurchase and recommend is very likely to remain with the company. For a customer to remain loyal, he or she must believe that the firm's service continues to serve the best choice alternative and value for survivors. This will prevent customers to be pricing sensitive (Abdallat & Emam, 2010).

2.3.2 Switching costs/risk aversion

Switching costs are costs induced to economic agents when they change their suppliers. As such, ex-ante homogeneous products become ex-post heterogeneous products. These costs originate from a host of reasons, economic as well as psychological, such as various addictions and cognitive dissonance problems (Kim, Kliger & Vale, 2003:31).

Banks face a trade-off between setting up products that attract new customers from competitors and creating products with higher costs to keep current clients from switching to other competitors. In the banking industry a high risk aversion exists in the higher LSM markets due to the difficulty in moving debit order transactions to other bank accounts.

In the banking industry a high risk aversion exists in the higher LSM markets due to the difficulty in switching banks. An interpretation is that number portability implies a proportional decrease in switching costs. Without number portability, consumers who have numerous correspondents or who carry out many financial transactions, need to inform more parties about their new phone number or bank account (Bouckaert *et al.*, 2010:1).

Chung and Shin (2009:65) state that risks in the switching of banks may be functional, financial, and social or time risks to consumers. These risks can be:

- Functional risk: The risk that the bank's service offerings may not meet the expectations or the bundle of products that the consumer may need.
- Financial risk: The costs in bank charges may differ in certain categories, but the packages offered indicated to consumers that they may save by switching banks.
- Social risk: If the bank "tag" the consumer's elected package as a product to low income earners or private banking extension the consumer may face embarrassment due to social and group pressures.
- Time risk: The time that may elapse in the need of visiting the new bank to open the necessary accounts, notifying institutions of changes in banking details, as well as the time spent to close all the old accounts. The time risk can be linked to physical money losses which is linked to the financial risks in switching banks.

Selnes (2007:28) concluded that when the costs of switching brands are high for the customer, there will be a greater probability that the customer will remain loyal in terms of repeat purchase behaviour, because of the risk or expense involved in switching and of the accompanying decrease in the appeal to move bank accounts to different service providers.

2.3.3 Brand Trust

Brand trust can be defined as: "The confident expectations of the brand's reliability and intentions in situations entailing risk to the consumer." (Gullien, 2003). Different brand messages are communicated to consumers by banks

to create a trusting relationship in the brands - FNB promises: *“How can we help you?”* or ABSA as *“Today, tomorrow, together!”*

A brand is a firm's promise to their customers and it tells them what to expect from their services or products. It often acts as a differentiator of service quality. In addition, trust decreases the perceived risk of using a service. Hence the importance of brand trusts with consumers in a service delivery industry (Chung & Shin, 2009:63).

This dimension of trust is related to the perceived reliability of the information on the brand, the performance of the brand and its aptitude to satisfy consumer needs. The affective component of trust is integrity (Belaid & Behi, 2010:12-15).

Commitment and trust are central factors that contribute to successful relationship marketing, because of their ability to lead indirectly to co-operative behaviour and produce outcomes that promote efficiency, productivity and effectiveness.

It's the fine line that brands have to tread – if one creates high expectations with bold promises, one simultaneously creates a potentially long and hard fall from grace if one doesn't meet those expectations.

To increase customer trust levels, a company may embark on many initiatives, many more than suggested in the Trust Matrix Model. However, the model concentrates on just five, easy-to-remember disciplines that test for character and competence in each key business activity.

Brand trust can be created by implementing disciplines and according to Burns (2009) it emanate from check points of corporate competence and character, yet in their simplicity, serve as clear building blocks to help our employees implement what it takes to build customer trust. The five disciplines are (Burns, 2009):

1. **Be great.** This speaks of competence. Focus on service delivery to customers and always implement excellence as the measurement.
2. **Intend good.** Always strive to our intentions towards our customers are always good. We exist for their benefit first and foremost, recognising that without our customers, we have no business. Looking out for the best interests of our customers is not one-sided, however, it also requires that we ensure the sustainability of our business to meet customer needs, not only now, but also in the future.
3. **Talk straight.** Customers deserve to hear the truth and will not only it enhance the brand experience they have when they buy the products advertised. Even if there was a misunderstanding, trust can be rebuilt by talking straight and encountered the truth about the problems.
4. **Keep promises.** Marketers should focus on operational expertise and supply chain capabilities before having a marketing campaign that promises products/services at a certain price or timeline that the company cannot deliver. Promises form trust and trust influence brand loyalty. Marketers should demonstrate that their company and products as trustworthy through keeping to promises made (Adamson, 2009:1).
5. **Listen.** Companies that listen to customers will be more likely to reach the goal of achieving the brand promise created (Quelch, 2009:1) and they will be more likely to be trusted and thrive in business due to the fact that they listen and offer what is required as a promise.

2.3.4 Repeat purchase

A customer experience different phases in purchasing products and can be influenced by the previous phase. Businesses spend a lot of money on marketing campaigns to convince potential customers to buy their products or make use of their banking services for the first time.

Yet the ultimate goal is to drive a relationship to the point that the experience of the customer leads to repurchase and ultimately brand loyalty. Riley (2009) defines repeat business as encouraging customers who buy for the first time to buy again and again.

The purchasing decision is affected by customer satisfaction of the service delivery of the bank or service provided and is the result of the customers like or dislike of the service after experiencing it. Liu (2005) summarize the phases of affects as per figure 2.2.

Figure 2-2 : REPEAT PURCHASE INFLUENCES



Source: Liu (2005).

Marketers therefore develop alternatives to ensure that they make use of as much mediums as possible to ensure that the repeat purchases/transactional repeats stay with the firm. Many marketers are really only interested in repeat purchase. For them, 'customer loyalty' means customers coming back for more, and they are not too fussy about the reasons why. A program that does it successfully is often called a loyalty program, with little real examination of whether people are being loyal or simply exhibiting short term self-interest (Kapoor, 2010).

According to Riley (2009) it will cost firms 5 to 8 times more to recruit new customers as to maintain a positive and loyal relationship with current customers. It is also important to note that as much as 68% of customers may stop using your services as soon as your service delivery is not up to the brand promise and will therefore result in the loss of repetitive purchases/transactions (Riley, 2009).

2.3.5 Involvement

The involvement construct is crucial when considering the purchasing process used by both individual and business-to-business consumers, and is discussed by both attitudinal and behavioural theorists when addressing the issues of brand loyalty and purchasing (Bennett, Hartel & McColl-Kennedy 2005).

Theoretical arguments suggest that the impact on consumer attitudes will depend on the brand loyalty of the consumers, and the consumer's involvement with the product category (Leclerc & Little, 2000).

Banking products can be classified as high involvement products due to the service delivery and personal contact that consumers have with the products. Bank charges and product types lead to high involvement and consumers consult brochures and marketing material to search for the brand that they might feel will suit their needs.

This lends some support to previous findings that a relationship exists between product involvement and brand loyalty since high involvement means that choosing a bank brand will ultimately result in the limitation of consumers switching brands and the possibility to create brand loyalty through repurchases of the product/services. The results show that consumers' perceptions with respect to different products can differ and that the manifestations of involvement may vary with different products (Quester, Karunaratna & Lim, 2001).

The more involved a business purchaser is in a purchase, the more likely he or she would be loyal to that brand. Involvement with the product category is therefore likely to influence attitudinal loyalty to brands within the category (Russell-Bennett, McColl-Kennedy & Coote, 2007).

2.3.6 Perceived value

Perceived value is defined by Investopedia as: The worth that a product or service has in the mind of the consumer. The consumer's perceived value of a good or service affects the price that he or she is willing to pay for it (Investopedia 2011).

If consumers can receive trustworthy perceived value in the process of product/service consumption, it will create a good brand image, loyalty, profit and competitiveness to a business. This will result in brand loyalty and the enhancement of the brand image to further strengthen the perceived value of the brand in the market (Hyun & Jae Lee, 2011).

Product type also have an impact on consumer's perceived value of a brand and the formulation of the product's impact response a customer will have towards the brand and the message and value perceived from the experience.

Firms are able to enhance customer satisfaction by creating customer value through a lot of means such as providing customers with comparative net value - the effectiveness, efficiency, and differentiation of services - which can be delivered via logistics (Langley & Holcomb, 1992).

2.3.7 Commitment

Numerous definitions is developed on brand and commitment but in standard terms can be summarized as a customer who is committed towards a product/service has an attitude which is durable and impactful (Smith, 2009).

Trust and commitment are considered to be central constructs of relationship marketing. Such a committed consumer is truly brand loyal when a person buys the particular brand again.

In the elaboration on the definition of brand commitment, it is defined by Shuv-Ami (2010) as the degree of attachment to a brand that has four emotional and behavioural underlying constructs:

1. Brand loyalty that is the emotional and behavioural attachment to repurchase or to patronize a preferred brand;
2. The satisfaction construct is the need to reinforce and the consumption of pleasurable experience;
3. The involvement construct is the strength of the affection a customer may have with a specific brand or product offering.
4. The attachment to the brand because other brands are not real alternatives in comparison to the brand used, institutes the performance of the service providers or the products offered.

The commitment to a brand ultimately leads to the result that this means that intention to repurchase and commitment to the brand is more likely to be partially affected by satisfaction with a previous purchase experience, than by the level of importance of the purchase or the prices based on promotions or special offerings.

2.3.8 Relationship proneness

Consumer relationship proneness refers to the idea that some customers are intrinsically inclined to engage in relationships and it has been shown that consumer relationship proneness has a positive impact on commitment and loyalty (De Wulf, Odekerken-Schröder & Lacobucci, 2001).

Bloemer *et al.* (2003:238) states that consumer relationship proneness is a strong determinant of commitment and indirectly of pricing sensitivity in consumers and it may have a direct impact on behavioural intentions of customers.

It is clear that customers who are prepared to have a relationship with a particular brand, will be impacted by relationship proneness to have the willingness to trust the service provider and to commit to the brand.

According to Matting *et al.* (2006:290), it has also been found that different customers will act differently to the proneness to adapt to adapted technology service offerings. Customers' attitudes will determine the openness to adapt new offerings according to their attitude and not only to curiosity and open-mindedness.

This correlates with arguments of Kalipso *et al.* (2009:255) that some customers may not desire a personal relationship, but rather prefer a transaction orientated relationship. They defined these customers as relationship-seekers and relationship-switchers. Seekers that will engage in long term relationships with a willingness to share information and improve processes, with switchers focusing on the outcome of the service and short-term benefits of the relationship through the services offered.

2.3.9 Brand affect

Chaudhuri and Holbrook (2001:82) define brand affect as "a brand's potential to provoke a positive emotional response in the average consumer as a result of its use."

Matzler *et al.* (2006:428) states that brand affect refers to the emotional aspects of customer behaviour and that it can be expected that the higher the pleasure potential of a product the greater its potential to elicit positive emotional response in a consumer will be, as well as a improved possibility to influence brand loyalty of the customer as an emotional response to interacting with the brand.

In the context of building and maintaining brand relationships, brand affect has to be considered as an important antecedent of brand loyalty (Matzler *et al.*, 2006). Marketers should strive to create enjoyable experiences that create

a fulfilled state for a consumer who will exploit the advantages of utilizing brand affect as a brand loyalty influence (Chaudhuri & Holbrook, 2001).

2.3.10 Brand relevance

Owolabi (2011:1) defines brand relevance as the ability of brand to be pertinent and applicable to the needs of society, environment, culture and values of consumers in order for it to be sustainable. The concept of brand relevance encompasses ability of product or service to appeal to target market, starting from problem recognition to the consumption phase.

According to Aaker (2011) brand relevance of a brand only occurs when the following three conditions are met:

- A product or service or subcategory exists or emerges.
- There is a perceived need or desire from a specific customer segment for a new product category or subcategory.
- The brand is in the set that segments consider to be material to the product or subcategory.

The brand's relevance will only take place when a customer's need is satisfied with the differentiation of the product to compete with competitors' similar product offerings, but with different attributes that is relevant to the need of the customer.

Simister (2011) states that companies can create brand relevance by forming a new category to create a tighter focused strategy towards a narrower group of customers. The creation of a strategy that is focused on a narrow set of customers will be much more appealing and therefore will be enhancing the preference of the brand to the targeted customers.

2.4 CONCLUSION

This chapter reviewed literature of the South African Banking industry including the formation, regulatory forces as well as a short overview of the product offering. This overview sets the scene in which the study of brand loyalty was performed, namely the banking industry.

The second part of the chapter consists of a literature review on the brand loyalty, its influences and how these influence contributes to brand loyalty. A general overview of the definition and elements of the selected brand loyalty influences were discussed. The recently researched and compiled framework by Moolla (2010) served as guideline, and these brand loyalty influences were discussed. The possible application of each of these brand loyalty influences, as applied in this study, to the banking industry are also investigated. The complete conceptual framework by Moolla is also presented as developed within the fast-moving consumer good industry.

The next chapter will discuss the research methodology, results and statistical analysis of the research data collected.

3 CHAPTER THREE: RESEARCH METHODOLOGY AND RESULTS

3.1 INTRODUCTION

This chapter presents the empirical results of the study, and reports on the findings of the literature research where a number of brand loyalty influences have been identified. These influences are validated, and then measured. More specifically, this chapter focuses on the following aspects:

- Research methodology;
- Statistical analysis; and
- Discussion of the results.

The research methodology describes the population, the sample and how the data was collected. In addition, it also explains the electronic platforms used to collect the data.

The second section of the chapter deals with the statistics used. In this part it is shown that the conceptual framework by Moolla (2010) is validated by means of factor analysis and tested for reliability by using Cronbach alpha coefficients, before the actual measurement of brand loyalty by means of inferential statistics. Finally, the results employs the data and statistics discussed to validate, to calculate the reliability coefficients, and to report on the importance of the selected brand loyalty influences and its measuring items.

3.2 RESEARCH METHODOLOGY

The data was collected by means of a structured questionnaire developed by Moolla (Moolla & Bisschoff, 2010) to measure brand loyalty. A 7-point Likert

scale was used in the questionnaire (strongly disagree to strongly agree). The questionnaire appears in Annexure A. The population of the study consists of all South Africans with commercial banking experience. (This means bank clients who operates a business and have a business bank account with a South African bank.) No sampling technique was used, and data was collected until the minimum required of responses have been reached (150).

The questionnaires were electronically distributed to the respondents by using the social media platforms Twitter and Facebook. All the respondents had access to the Internet and completed the questionnaires online via a hosted questionnaire platform. The questionnaire was hosted on the Qualtrics.com questionnaire service provider's domain. Respondents were directed to the online questionnaire and all the data was captured as soon as the questionnaire was completed by the respondent.

In addition to the social media, an email database obtained from personal references was used to further distribute the questionnaires. A total of 196 fully completed questionnaires were received back.

The data were then analysed with a statistical program called: Statistical Package for the Social Sciences (SPSS) version 18.

3.3 RESULTS

3.3.1 Demographic profile

The demographic profile is summarized in tables 3.1 and 3.2. Table 3.1 summarizes the demographic profile of the respondents' general profile and table 3.2 the banking profile of the respondents.

Table 3.1: DEMOGRAPHIC PROFILE OF RESPONDENTS

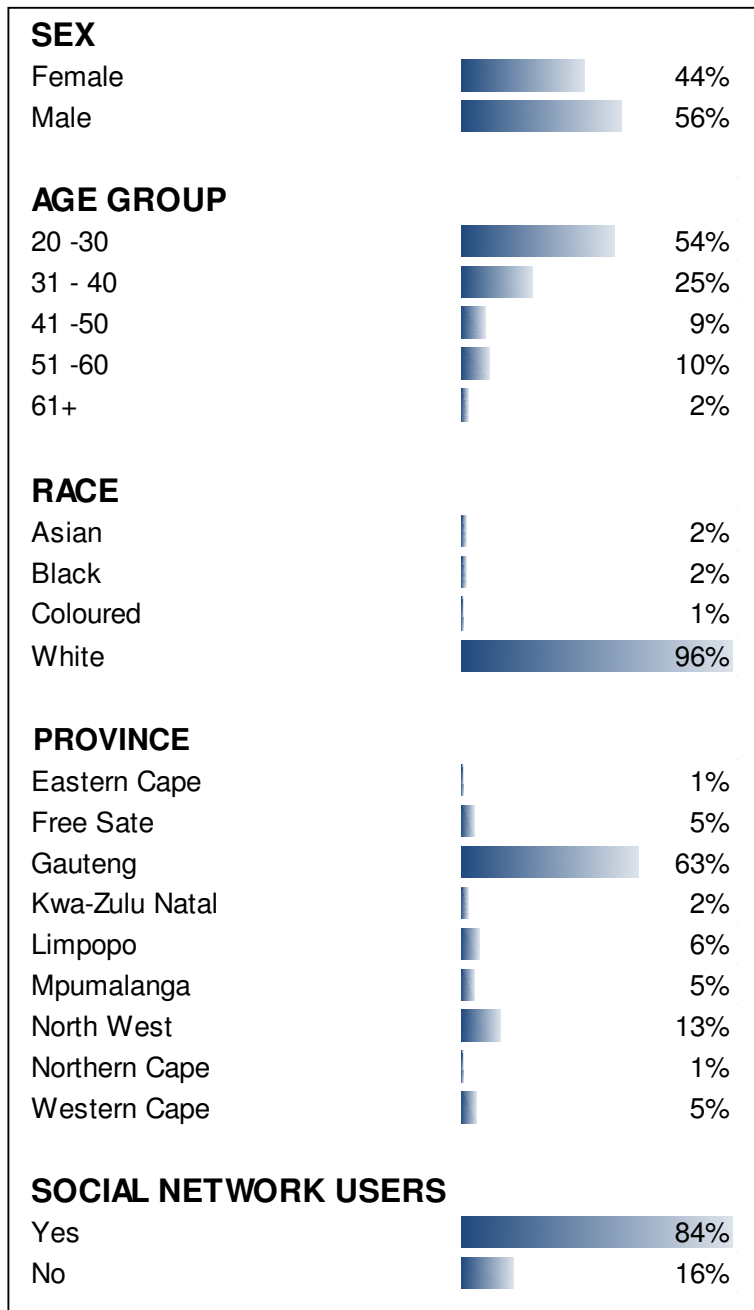
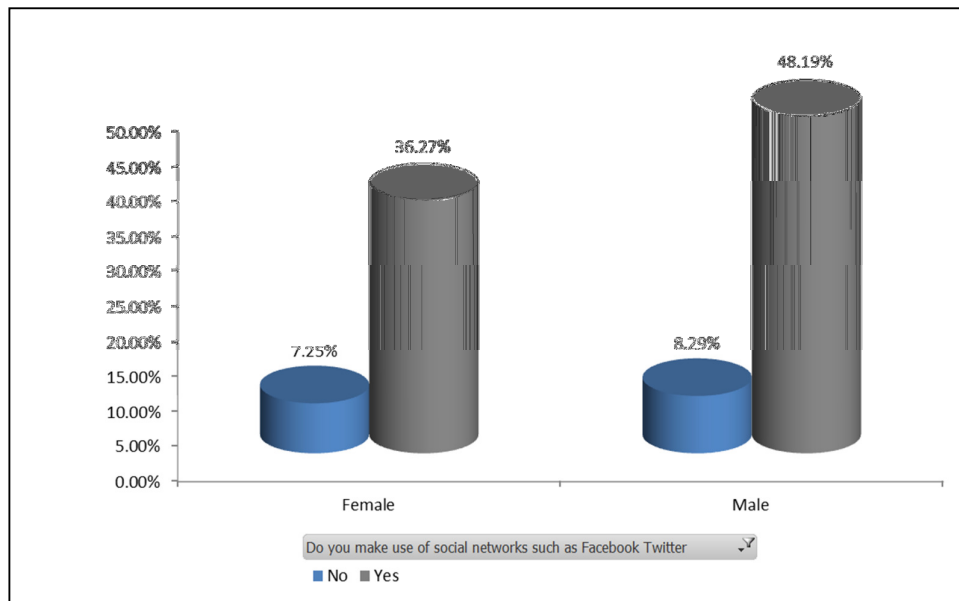


Table 3.1 summarizes the respondents as an almost even split between males and females, with approximately 80% of the respondents between the age of 20 and 40 years. The majority of the respondents are white and reside in Gauteng with the North West as the second most respondents.

Social media was used and a medium of electronic socializing familiar for the majority of respondents. Figure 3.1 below indicates that more females than males use social networking.

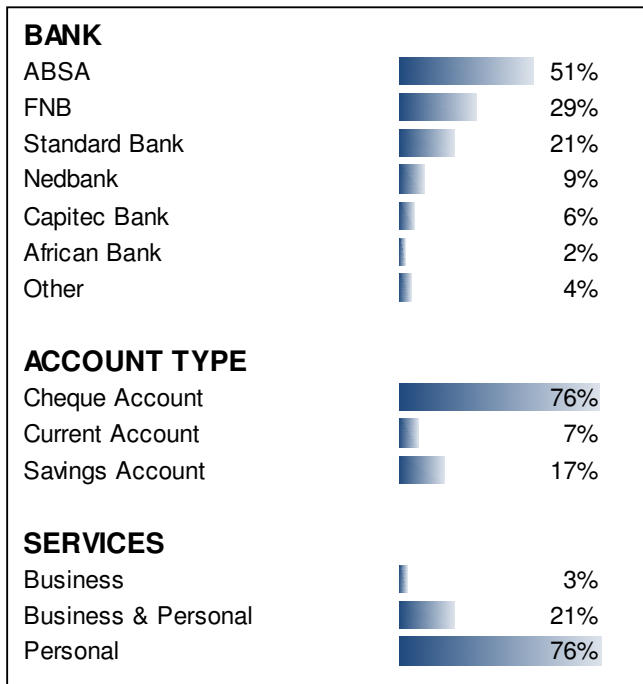
Figure 3-1: SOCIAL NETWORKING PROFILE



The profile of the banking products which the respondents used is summarized below as per table 3.2, with ABSA as the leading service provider to the respondents at 51%.

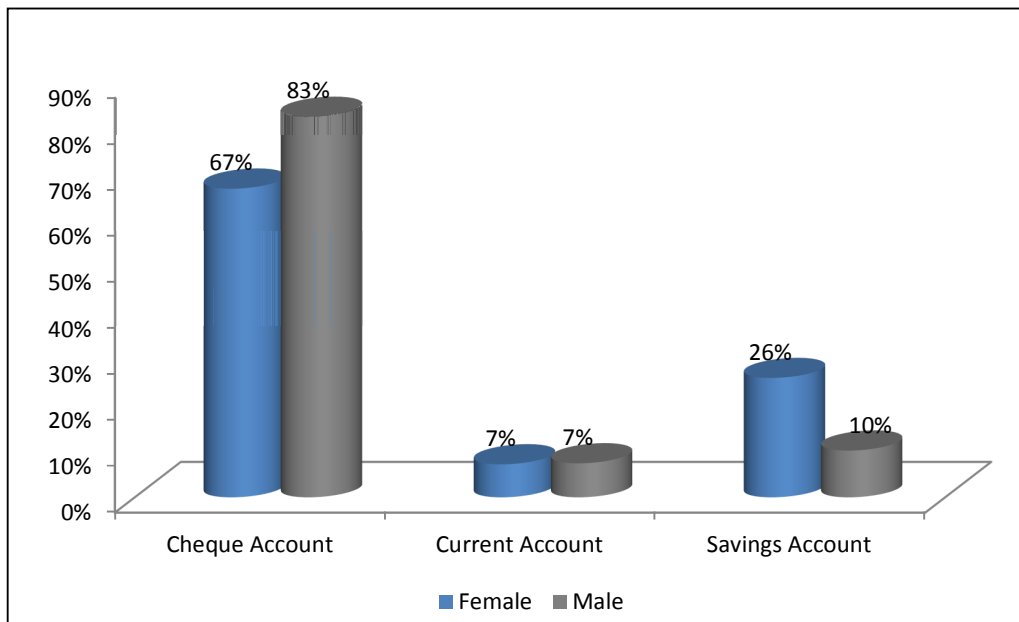
It is of utmost importance for the service providers to ensure that they implement and adjust marketing strategies to incorporate social media as a major part of their communication platform while dealing with consumers.

Table 3.2: BANKING PROFILE OF RESPONDENTS



To understand the different usage of account types, a comparison was done to indicate the preferred account type per gender as shown in Figure 3.2 below. From the respondents in this study, it is clear that males (83%) favour cheque accounts more, than females (67%), while females (26%) favour savings accounts in relation to males (10%).

Figure 3-2: SOCIAL NETWORKING PROFILE



3.4 VALIDITY OF RESEARCH INSTRUMENTS

The validity of the questionnaire was determined by the use of exploratory factor analysis. Factor analysis is an interdependence technique in that an entire set of interdependent relationships are examined without making the distinction between dependent and independent variables.

The suitability of using factor analysis as a validation tool was checked by applying the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and the Barlett's Test of Sphericity. The measurements are strived to measure the KMO at ≥ 0.70 and the Barlett's significance at 0.005 . The KMO assesses the assumptions whether there appears to be some underlying (latent) structure in the data. .

The Bartlett's test of sphericity was employed to test the null hypothesis that the items in the questionnaire correlation matrix are uncorrelated and therefore all null hypothesis will be rejected because of the strength of the p-

values $p < 0.001$ (Balogun *et al.*, 2010). By selecting a p-value, $p < 0.005$, the research will prove that the correlation matrix does not have an identical matrix (Field, 2000).

3.4.1 Customer satisfaction (CUS)

The customer satisfaction questions are summarized in table 3.3.

Table 3.3: KMO and Bartlett Test – Customer Satisfaction

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	317.874
	df	10
	Sig.	.000

The KMO score is greater than the 0.700 requirement with 0.713 and the Bartlett's score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

Table 3.4: Factor analysis of Customer Satisfaction

		Component
		1
CUS02	Distinctive product attributes in my Bank keep me brand loyal	0.86
CUS05	I attain pleasure from the Bank brands I am loyal towards	0.85
CUS01	I am very satisfied with the listed Bank brands I purchase / Use	0.79
CUS03	My loyalty towards a particular Bank brand increases when I am satisfied about that brand	0.64
CUS04	I do not repeat a purchase if I am dissatisfied about a particular Bank brand	0.37

The factor analysis of the customer satisfaction influence indicates that all the questions loaded onto one factor. All the questions have favourable factor loadings (exceeding 0.40) except one (CUS04). This means that this question (CUS04) needs to be deleted from the analysis because of its low factor loading (lower than the required minimum of 0.40). The total variance explained is 52.8% after CUS04 has been omitted from the analysis. This means that Customer satisfaction is adequately measured by questions CUS01, CUS02, CUS03 & CUS05..

3.4.2 Switching costs (SCR)

The switching cost questions are summarized in table 3.5. The KMO score is slightly lower than the 0.700 requirement with 0.680 but the Bartlett's score equally satisfactory at 0.000.

Table 3.5: KMO and Bartlett Test – Switching Costs

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.680
Bartlett's Test of Sphericity	Approx. Chi-Square	200.894
	df	10
	Sig.	.000

The factor analysis of the switching cost influence indicates that there are two separate factors within the influence itself. Therefore the switching cost influence is characterized by sub-factor 1 consisting of questions SCR01, SCR03 and SCR02, while sub-factor 2 consists of questions SCR04 and SCR05. All the questions have high factor loadings.

Table 3.6: Factor analysis of Switching cost

	Question	Component	
		1	2
SCR02	I avoid switching Bank brands due to the risks involved	.877	
SCR01	I do not switch Bank brands because of the effort required to reach a level of comfort	.817	
SCR03	I do not switch Bank brands because of the high cost implications	.737	
SCR04	I prefer not to switch Bank brands as I stand to lose out on the benefits from loyalty programmes		.857
SCR05	I switch Bank brands according to the prevailing economic conditions		.685

The total variance explained is 68.2% with sub-factor 1 explaining 45.48% and sub-factor 2 explaining 22.72% of the variance.

3.4.3 Brand trust (BTS)

The Brand Trust KMO and Bartlett scores are summarized in table 3.7.

Table 3.7 : KMO and Bartlett Test – Brand Trust

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.768
Bartlett's Test of Sphericity	Approx. Chi-Square	424.702
	df	6
	Sig.	.000

The KMO score is larger than the 0.700 requirement with 0.768 and the Bartlett's score equally satisfactory at 0.000. This means that the data can be used to perform a factor analysis.

Table 3.8: Factor analysis of Brand trust

	Question	Component
		1
BTS01	I trust the Bank brands I am loyal towards	.916
BTS02	I have confidence in the Bank that I am loyal to	.915
BTS03	The Bank brands I purchase/use has consistently high quality	.836
BTS04	The reputation of a Bank brand is a key factor in me maintaining brand loyalty	.651

All the questions loaded onto one factor. All the questions have high factor loadings. The total variance explained is at 69.9%.

3.4.4 Repeat purchase (RPR)

The Repeat Purchase KMO and Bartlett scores are summarized in table 3.9.

Table 3.9: KMO and Bartlett Test – Repeat Purchase

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.677
Bartlett's Test of Sphericity	Approx. Chi-Square	156.250
	df	6
	Sig.	.000

The KMO score is slightly lower than the 0.700 requirement with 0.677 and the Bartlett's score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

Table 3.10: Factor analysis of Repeat purchase

	Question	Component
		1
RPR02	I maintain a relationship with a Bank brand in keeping with my personality	.812
RPR04	I have a passionate and emotional relationship with the Bank brands I am loyal to	.775
RPR03	I maintain a relationship with a Bank brand that focuses and communicates with me	.752
RPR01	I prefer to maintain a long term relationship with a Bank brand	.576

The factor analysis of the repeat purchase influence indicates that the entire set of questions have factor loadings that exceed the required 0.4 and therefore no questions should be excluded. In addition, all these questions loaded onto one factor which mean- that the influence is pure. The total variance explained is 53.9%.

3.4.5 Involvement (INV)

The involvement KMO and Bartlett scores are summarized in table 3.11.

Table 3.11: KMO and Bartlett Test – Involvement

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.557
Bartlett's Test of Sphericity	Approx. Chi-Square	170.100
	df	6
	Sig.	.000

The KMO score is lower than the 0.700 requirement with 0.557 and the Bartlett's score equally sufficient at 0.000. The data is, therefore, satisfactory to use in factor analysis.

Table 3.12: Factor analysis of Involvement

	Question	Component	
		1	2
INV01	Loyalty towards a Bank brand increases the more I am involved with it	.920	
INV02	Involvement with a Bank brand intensifies my arousal and interest towards that brand	.908	
INV03	I consider other Bank brands when my involvement with my Bank brand diminishes		.854
INV04	My choice of a Bank brand is influenced by the involvement others have with their Bank brand		.790

The factor analysis of the involvement influence indicates that there are two sub-factors within the influence. Sub-factor 1 consists of the questions INV01 and INV02, while sub-factor 2 consists of INV03 & INV04. The cumulative variance explained is 77.26% with the two sub-factors explaining 48.43% and 28.83% of the variance respectively.

3.4.6 Perceived Value (PVL)

The Perceived Value KMO and Bartlett scores are summarized in table 3.13.

Table 3.13: KMO and Bartlett Test – Perceived Value

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.570
Bartlett's Test of Sphericity	Approx. Chi-Square	140.860
	df	6
	Sig.	.000

The KMO score is slightly lower than the 0.700 requirement with 0.570 and the Bartlett's score equally sufficient at 0.000. Although below the desired 0.700 value, a KMO value of 0.570 does not disqualify the data from being

used in factor analysis. It does, however, signals caution to the adequacy of the sample (Field, 2007:735).

Table 3.14: Factor analysis of Perceived Value

	Question	Component	
		1	2
PVL02	I have an emotional attachment with the Bank brands I am loyal towards	.898	
PVL04	The Bank brands that I am loyal to enhances my social self-concept	.894	
PVL03	Price worthiness is a key influence in my loyalty towards Bank brands		.835
PVL01	My Bank brand loyalty is based on product quality and expected performance		.807

The factor analysis identifies two sub-factors in the perceived value influence. Sub-factor 1 consists of the questions PVL02 and PVL04, while sub-factor 2 consists of the questions PVL03 & PVL01. The two factors explain a cumulative variance 75.19% with the two sub-factors explaining 47.79% and 27.40% of the variance, respectively.

3.4.7 Commitment (COM)

The Commitment KMO and Bartlett scores are summarized in table 3.15.

Table 3.15: KMO and Bartlett Test – Commitment

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.765
Bartlett's Test of Sphericity	Approx. Chi-Square	283.798
	df	10
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.765 and the Bartlett's score equally sufficient at 0.000. This means that the data is suitable for factor analysis.

Table 3.16: Factor analysis of Commitment

	Question	Component
		1
COM03	I identify with the Bank brands that I use and feel as part of the brand-community	.825
COM01	I have pledged my loyalty to particular Bank brands	.823
COM04	The more I become committed to a Bank brand, the more loyal I become	.818
COM02	I do not purchase/sample other Bank brands if my Bank brand is unavailable	.573
COM05	I remain committed to a Bank brand even through price increases and declining popularity	.545

The factor analysis of the commitment influence indicates that the entire set of questions has a factor loading exceeding 0.4 and can be used and therefore none of the questions should be excluded. All these questions loaded onto one factor, thus representing a pure influence.

The total variance is measured at 53.06% with the one factor measured.

3.4.8 Brand affect (BAF)

The Brand Affect KMO and Bartlett scores are summarized in table 3.17.

Table 3.17: KMO and Bartlett Test – Brand affect

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.640
Bartlett's Test of Sphericity	Approx. Chi-Square	88.453
	df	3
	Sig.	.000

The KMO score is slightly lower than the 0.700 requirement with 0.677 and the Bartlett's score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

Table 3.18: Factor analysis of Brand affects

	Question	Component
		1
BAF01	I attain a positive emotional response through the usage of my Bank brand	.823
BAF02	The Bank brands that I am loyal towards makes a difference in my life	.776
BAF03	I am distressed when I am unable to use/purchase a particular Bank brand	.724

The factor analysis of the brand affect influence indicates that the entire set of questions has factor loadings that exceed the required 0.4 and therefore no questions should be excluded. In addition, all these questions loaded onto one factor which means that the influence is pure. The total variance explained is 60.11%.

3.4.9 Brand relevance (BRV)

The Brand relevance KMO and Bartlett scores are summarized in table 3.19.

Table 3.19: KMO and Bartlett Test – Brand relevance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.766
Bartlett's Test of Sphericity	Approx. Chi-Square	224.289
	df	6
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.765 and the Bartlett's score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

Table 3.20: Factor analysis of Brand relevance

	Question	Component
		1
BRV02	The Bank brands that I am loyal towards have freshness about them and portray positive significance	.867
BRV01	The Bank brands that I am loyal towards stand for issues that actually matters	.772
BRV04	The Bank brands that I am loyal towards are constantly updating and improving so as to stay relevant	.765
BRV03	I know that a Bank brand is relevant through the brand messages communicated.	.729

All the questions loaded onto one factor. All the questions have high factor loadings. The total variance explained is at 61.62%.

3.4.10 Brand performance (BPF)

The Brand Performance KMO and Bartlett scores are summarized in table 3.21.

Table 3.21: KMO and Bartlett Test – Brand performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.570
Bartlett's Test of Sphericity	Approx. Chi-Square	23.268
	df	3
	Sig.	.000

The KMO score is slightly lower than the 0.700 requirement with 0.570 and as per the Perceived Value in point 3.3.2.6, the data will be used in factor analysis with the acknowledgement that the adequacy of the data Bartlett's score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

Table 3.22: Factor analysis of Brand Performance

	Question	Component
		1
BPF02	I will switch Bank brand loyalty should a better performing Bank brand be available	.749
BPF03	I am loyal only towards the top performing Bank brand	.703
BPF01	I evaluate a Bank brand based on perceived performance	.593

The factor analysis of the brand performance influence identifies one factor. In addition, all three the questions have factor loadings that exceed 0.4 and can be used and, therefore, none of the questions should be excluded.

The total variance is explained at 46.91% with the one factor measured.

3.4.11 Culture (CUL)

The Culture KMO and Bartlett scores are summarized in table 3.23.

Table 3.23: Table 3.23: KMO and Bartlett Test –Culture

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.635
Bartlett's Test of Sphericity	Approx. Chi-Square	239.610
	df	6
	Sig.	.000

The KMO score is slightly lower than the 0.700 requirement with 0.635 and the Bartlett's score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

Table 3.24: Factor analysis of Culture

	Question	Component
		1
CUL02	My loyalty towards a Bank brand is based on the choice of Bank brand used by my family	.806
CUL04	Family used Bank brands indirectly assure brand security and trust	.801
CUL01	My choice of Bank brands are in keeping with the choice made by other members in my race group	.765
CUL03	Religion plays a role in my choice and loyalty of Bank brands	.703

The factor analysis of the culture influence identifies one factor. All the questions have factor loadings that exceed 0.4; therefore, none of the questions should be excluded.

The total variance explained is 59.27%.

3.4.12 Relationship proneness (RPS)

The relationship proneness KMO and Bartlett scores are summarized in table 3.25.

Table 3.25: KMO and Bartlett Test – Relationship proneness

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.511
Bartlett's Test of Sphericity	Approx. Chi-Square	46.600
	df	10
	Sig.	.000

The KMO score is slightly lower than the 0.700 requirement with 0.511 and although below the desired 0.700 value, a KMO value of 0.570 does not disqualify the data from being used in factor analysis. It does, however, signals caution to the adequacy of the sample (Field, 2007:735). Bartlett's score results a satisfactory 0.000 score.

Table 3.26: Factor analysis of Relationship proneness

	Question	Component	
		1	2
RPS03	I always sample new Bank brands as soon as they are available	.808	
RPS02	I do not necessarily purchase the same Bank brands all the time	.732	
RPS05	Loyalty programmes are reason I repeat Bank brand purchases	.453	.452
RPS04	I establish a Bank brand purchasing pattern and seldom deviate from it		.784
RPS01	My loyalty towards Bank brands are purely habitual		.634

Table 3.26 results in question RPS05 falling into both the factors, and therefore, needs to be removed from the factor analysis as it dual loads.

Table 3.27: Factor analysis of Relationship proneness (Rotated)

	Question	Component	
		1	2
RPS02	I always sample new Bank brands as soon as they are available	.813	
RPS03	I do not necessarily purchase the same Bank brands all the time	.798	
RPS04	I establish a Bank brand purchasing pattern and seldom deviate from it		.786
RPS01	My loyalty towards Bank brands are purely habitual		.753

The factor analysis of the Relationship proneness influence extracts two factors from the Varimax rotated matrix. All the questions in both factors have factor loadings that exceed the required minimum of 0.4. Questions RPS02 & RPS03 loaded onto factor 1 and questions RPS04 & RPS01 loaded onto

factor 2. The total variance as explained is 63.61%, with factor 1 explaining 32.91%, while factor 2 explains 30.70% of the variance.

3.5 RELIABILITY OF RESULTS

The reliability and internal consistency of the data are measured by the Cronbach Alpha coefficient (α).

George and Mallery (2003:231) provide the following rules of thumb: “ $\alpha > .9$ – Excellent, $\alpha > .8$ – Good, $\alpha > .7$ – Acceptable, $\alpha > .6$ – Questionable, $\alpha > .5$ – Poor, and $\alpha < .5$ – Unacceptable”. While increasing the value of Alpha is partially dependent upon the number of items in the scale, it should be noted that this has diminishing returns. It should also be noted that new factors were measured and scales/factors with a Cronbach’s Alpha higher than 0.5 were measured and accepted (Hair et al. 2005).

The reliability of the brand loyalty influences is measured and summarised in table 3.28. The table shows the code of the influence, influence description, Cronbach Alpha coefficients, and the number of items.

Table 3.28: Reliability of the influences and their factors

CODE	DESCRIPTION	Questions	Cronbach's Alpha	N of Items
CUS	Customer Satisfaction	All	0.71	4
SCR - 1	Switching Costs	Q1,Q2,Q3	0.77	3
SCR - 2	Switching Costs	Q4,Q5	0.42	2
BTS	Brand Trust	All	0.63	4
RPR	Repeat Purchase	All	0.77	4
INV - 1	Involvement	Q1,Q2	0.82	2
INV - 2	Involvement	Q3,Q4	0.54	2
PVL - 1	Perceived Value	Q2,Q4	0.78	2
PVL - 2	Perceived Value	Q1,Q3	0.54	2
COM	Commitment	All	0.77	5
RPS - 1	Relationship Proneness	Q3,Q2	0.47	2
RPS - 2	Relationship Proneness	Q4,Q1	0.35	2
BAF	Brand Affect	All	0.66	3
BRV	Brand Relevance	All	0.27	4
BPF	Brand Performance	All	0.66	3
CUL - 2	Culture	Q1,Q4	0.77	4

From this table it is clear that some of the factors did not return satisfactory reliability coefficients (above the lower 0.60 level of reliability). This indicates that these factors should be regarded as lower order reliable factors (Field, 2007:668).

However, in defence of the lower Cronbach Alpha coefficients, Cortina (1993) (in Field, 2007:668) states that even a reliability coefficient of 0.28 can be

regarded as significant, especially if reverse scores (negative scores) are present within the factor (Field, 2007:669).

A low Alpha coefficient simply indicates that the factor is less likely to present itself if the study is to be repeated when subjected in a different application setting. Therefore, these factors (see the table below) should be interpreted bearing in mind this limitation.

The following brand loyalty influences are deemed to be reliable of lower order because they have low reliability coefficients ($\alpha < 0.58$). The unreliable influences are shown in table 3.29 below.

Table 3.29: Influences with lower order reliability

CODE	DESCRIPTION	Cronbach's Alpha	N of Items
BRV	Brand Relevance	0.27	4
RPS -2	Relationship Proneness	0.35	2
SCR - 2	Switching Costs	0.42	2
RPS -1	Relationship Proneness	0.47	2

3.6 IMPORTANCE OF RESEARCH VARIABLES

The questionnaire is designed on a 7-point Likert scale to measure the influences of brand loyalty and is based on the following options which a respondent could have selected from the calculated index:

- Strongly Agree (1)
- Agree (2)
- Somewhat Agree (3)
- Neither Agree nor Disagree (4)
- Somewhat Disagree (5)
- Disagree (6)

- Strongly Disagree (7)

The mean values from the Likert scale results that summarizes the influences of Brand loyalty of Banking clients are summarized in table 3.29 and the influences are discussed in points 3.3.4.1 to point 3.3.4.13 below.

The Likert scales mean values have been adapted into a percentage value to enhance the interpretation of the results i.e. 70% high level of agreement to a question and ultimately the influence on brand loyalty. The percentages are interpreted as follows (Bisschoff & Hough, 1995 in Bisschoff & Lortiet 2008)):

- < 60% : Lower importance; Dissatisfaction; Immediate action required.
- 60%-75% : Important; Satisfaction; Develop to become excellent.
- >75% : Very important; Very satisfied/Excellent; Maintain to stay on top.

3.6.1 Customer satisfaction (CUS)

The mean scores per influence's questions set are summarized below in table 3.30 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.30: Mean scores of Customer satisfaction

CODE	QUESTION	Mean %
CUS01	I am very satisfied with the listed Bank brands I purchase/Use	63.12
CUS02	Distinctive product attributes in my Bank keep me brand loyal	59.18
CUS03	My loyalty towards a particular Bank brand increases when I am satisfied about that brand	72.60
CUS05	I attain pleasure from the Bank brands I am loyal towards	62.34

Questions CUS01, CUS03 and CUS05 are all above the unsatisfactory level of 60%, while CUS02 falls below this lower margin. This means that all the

questions need to be improved and further developed, but question CUS02 requires special managerial efforts to improve loyalty. The mean for Customer satisfaction is 64.31%

3.6.2 Switching costs (SCR)

The mean scores of the switching costs influence's questions set are summarized below in table 3.31 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.31: Mean scores of switching costs

CODE	QUESTION	Mean %
SCR01	I do not switch Bank brands because of the high cost implications	51.72
SCR02	I do not switch Bank brands because of the effort required to reach a level of comfort	58.75
SCR03	I avoid switching Bank brands due to the risks involved	49.04
SCR04	I switch Bank brands according to the prevailing economic conditions	30.55
SCR05	I prefer not to switch Bank brands as I stand to lose out on the benefits from loyalty programmes	40.43

All the questions fall below the unsatisfactory level of 60%, while SCR04 falls below this 35% and although all the questions need to be improved SCR04 and SCR05 require special managerial efforts.

The low means indicate that all the questions need to be improved and further developed with the mean for switching cost at 46.10%

3.6.3 Brand trust (BTS)

The mean scores of the Brand Trust influence's questions set are summarized below in table 3.32 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.32: Mean scores of Brand trust

CODE	QUESTION	Mean %
BTS01	I trust the Bank brands I am loyal towards	64.36
BTS02	I have confidence in the Bank that I am loyal to	63.99
BTS03	The Bank brands I purchase/use have consistently high quality	61.71
BTS04	The reputation of a Bank brand is a key factor in me maintaining brand loyalty	64.54

All the Questions are above the unsatisfactory level of 60%, and this means that all the questions can be further developed to become excellent. The mean for Brand trust is 63.65%.

3.6.4 Repeat purchase (RPR)

The mean scores of the Repeat purchase influence's questions set are summarized below in table 3.33 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.33: Mean scores of Repeat purchase

CODE	QUESTION	Mean %
RPR01	I prefer to maintain a long term relationship with a Bank brand	71.14
RPR02	I maintain a relationship with a Bank brand in keeping with my personality	54.21
RPR03	I maintain a relationship with an Bank brand that focuses and communicates with me	65.45
RPR04	I have a passionate and emotional relationship with the Bank brands I am loyal to	43.52

Questions RPR01 and RPR03 are above the unsatisfactory level of 60%, while RPR 02 and RPR04 falls below this lower margin. This means that all the questions need to be improved and further developed, but question RPR

02 and RPR04 require special managerial efforts to improve loyalty. The mean for Repeat purchase is 58.58.

3.6.5 Involvement (INV)

The mean scores of the Involvement influence's questions set are summarized below in table 3.34 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.34: Mean scores of Involvement questions

CODE	QUESTION	Mean %
INV01	Loyalty towards a Bank brand increases the more I am involved with it	59.93
INV02	Involvement with a Bank brand intensifies my arousal and interest towards that brand	54.43
INV03	I consider other Bank brands when my involvement with my Bank brand diminishes	55.83
INV04	My choice of a Bank brand is influenced by the involvement others have with their Bank brand	48.01

All the questions fall below the unsatisfactory level of 60%, while INV01 to a rounded figure is equal to the required 60% with the rest of the questions set that fall below. Although all the questions need to be improved question INV04 requires special managerial efforts.

The low means indicate that all the questions need to be improved and further developed with the mean for Involvement at 58.58%.

3.6.6 Perceived value (PVL)

The mean scores of the Perceived value influence's questions set are summarized below in table 3.35 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.35: Mean scores of Perceived value

CODE	QUESTION	Mean %
PVL01	My Bank brand loyalty is based on product quality and expected performance	70.34
PVL02	I have an emotional attachment with the Bank brands I am loyal towards	43.59
PVL03	Price worthiness is a key influence in my loyalty towards Bank brands	66.74
PVL04	The Bank brands that I am loyal to enhance my social self-concept	44.10

Questions PVL01 and PVL03 are above the unsatisfactory level of 60%, while PVL02 and PVL04 falls below this lower margin.

This means that all the questions need to be improved and further developed, but question PVL02 and PVL04 require special managerial efforts to improve loyalty. The mean for Perceived Value is 56.19.

3.6.7 Commitment (COM)

The mean scores of the Commitment influence's questions set are summarized below in table 3.36 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.36: Mean scores of Commitment

CODE	QUESTION	Mean %
COM01	I have pledged my loyalty to particular Bank brands	43.08
COM02	I do not purchase/sample other Bank brands if my Bank brand is unavailable	43.08
COM03	I identify with the Bank brands that I use and feel as part of the brand-community	49.96
COM04	The more I become committed to a Bank brand, the more loyal I become	54.71
COM05	I remain committed to a Bank brand even through price increases and declining popularity	47.91

All the questions fall below the unsatisfactory level of 60% and the low means indicate that all the questions need to be improved and further developed with the mean for commitment at 58.58%.

3.6.8 Relationship proneness (RPS)

The mean scores of the Relationship proneness influence's questions set are summarized below in table 3.37 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.37: Mean scores of Relationship proneness

CODE	QUESTION	Mean %
RPS01	My loyalty towards Bank brands is purely habitual	54.12
RPS02	I do not necessarily purchase the same Bank brands all the time	48.28
RPS03	I always sample new Bank brands as soon as they are available	26.24
RPS04	I establish a Bank brand purchasing pattern and seldom deviate from it	51.90

All the questions fall below the unsatisfactory level of 60% and the low means indicate that all the questions need to be improved and further developed with the mean for Relationship proneness at 45.13%.

3.6.9 Brand affect (BAF)

The mean scores of the Brand affect influence's questions set are summarized below in table 3.38 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.38: Mean scores of Brand affect

CODE	QUESTION	Mean %
BAF01	I attain a positive emotional response through the usage of my Bank brand	49.42
BAF02	The Bank brands that I am loyal towards makes a difference in my life	48.42
BAF03	I am distressed when I am unable to use/purchase a particular Bank brand	46.36

All the questions fall below the unsatisfactory level of 60% and the low means indicate that all the questions need to be improved and further developed with the mean for Brand affect at 48.07%.

3.6.10 Brand relevance (BRV)

The mean scores of the Brand relevance influence's questions set are summarized below in table 3.39 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.39: Mean scores of Brand relevance

CODE	QUESTION	Mean %
BRV01	The Bank brands that I am loyal towards stands for issues that actually matters	50.59
BRV02	The Bank brands that I am loyal towards has freshness about them and portray positive significance	55.69
BRV03	I know that a Bank brand is relevant through the brand messages communicated.	56.34
BRV04	The Bank brands that I am loyal towards are constantly updating and improving so as to stay relevant	63.40

Questions BRV01, BRV02 and BRV03 are all below the unsatisfactory level of 60%, while BRV04 falls above this lower margin.

This means that all the questions need to be improved and further developed, but questions BRV01, BRV02 and BRV03 require special managerial efforts to improve loyalty. The mean for Brand relevance is 56.50%

3.6.11 Brand performance (BPF)

The mean scores of the Brand performance influence's questions set are summarized below in table 3.40 and indicates the importance of a question on the Brand loyalty of Bank clients.

Table 3.40: Mean scores of Brand performance

CODE	QUESTION	Mean %
BPF01	I evaluate a Bank brand based on perceived performance	63.58
BPF02	I will switch Bank brand loyalty should a better performing Bank brand be available	56.27
BPF03	I am loyal only towards the top performing Bank brand	45.71

Question BPF01 are above the unsatisfactory level of 60%, while BPF02 and BPF03 falls below this lower margin. This means that all the questions need to be improved and further developed, but question BPF02 and BPF03 require special managerial efforts to improve loyalty. The mean for Customer satisfaction is 55.19%.

3.6.12 Culture (CUL)

The mean scores of the Culture influence's questions set are summarized below in table 3.41 and indicate the importance of a question on the Brand loyalty of Bank clients.

Table 3.41: Mean scores – CUL questions

CODE	QUESTION	Mean %
CUL01	My choice of Bank brands is in keeping with the choice made by other members in my race group	30.84
CUL02	My loyalty towards an Bank brand is based on the choice of Bank brand used by my family	41.10
CUL03	Religion plays a role in my choice and loyalty of Bank brands	29.16
CUL04	Family used Bank brands indirectly assure brand security and trust	44.10

All the questions fall below the unsatisfactory level of 60% and the low means indicate that all the questions need to be improved and further developed with the mean for Brand Affect at 48.07%.

3.7 SUMMARY MEAN VALUES

The mean value of the brand loyalty influences is summarized in table 3.42 below and in figure 3.6.

Table 3.42: Mean scores – Brand Loyalty Influences

DESCRIPTION	Influence %
Customer Satisfaction	64.31
Switching Costs	46.10
Brand Trust	63.65
Repeat Purchase	58.58
Involvement	54.55
Perceived Value	56.19
Commitment	47.75
Relationship Proneness	45.13
Brand Affect	48.07
Brand Relevance	56.50
Brand Performance	55.19
Culture	36.30

All the influences are summarized and analysed as per the interpretation of Bisschoff and Hough (1995) (in: Bisschoff & Lotriet, 2008) whereas the influences Customer Satisfaction and Brand Trust is above the satisfactory level of 60% and are seen as important influences that influence Brand loyalty of banking clients.

Influences Switching Costs, Repeat Purchase, Involvement, Perceived Value, Commitment, Relationship Proneness, Brand Affect, Brand Relevance, Brand Performance and Culture are all below the unsatisfactory level of 60 and this means that all the questions need to be improved and further developed, but influences Culture and Relationship Proneness require special managerial efforts to improve loyalty.

The low means of 80% of the influences indicate that all the influences need to be improved and further developed with the mean for Brand Loyalty Influences at 54.87%.

Figure 3-3: BRAND LOYALTY INFLUENCE

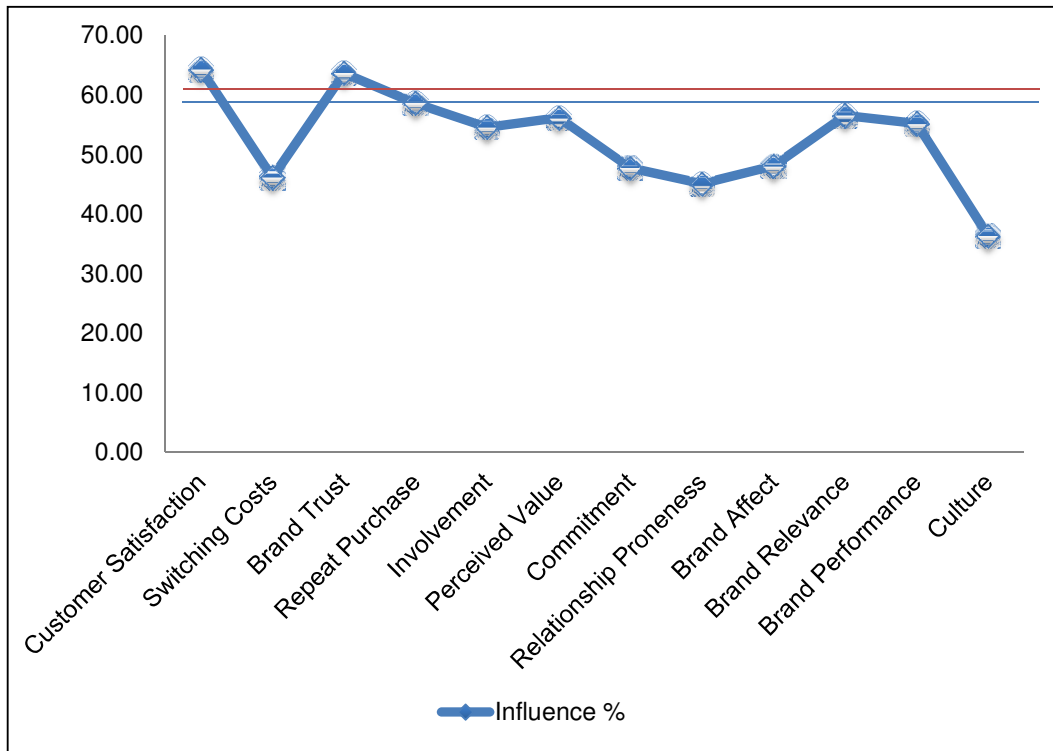


Figure 3.3 illustrates the means of the influences with a marker line on the satisfactory level of 60% of the level of agreement of respondents on the questions that influence brand loyalty.

It is illustrated that the influences Involvement, Brand Performance, Perceived Value, Brand Relevance and Repeat Purchase is marginally lower than the 60% satisfactory level with the means averaging between 55 – 58.5% and with special managerial effort and attention that can be managed into a satisfactory level of 60%.

3.8 CONCLUSION

This chapter presented the empirical results of the study. The results showed that the conceptual framework to measure brand loyalty by means of the twelve brand loyalty influences is a valid tool to use in the banking industry. The framework could be applied with minor alterations to measure brand loyalty of the banking clients by means of a structured questionnaire in the social network arena.

Chapter four is the final chapter of this report, and it consists of conclusions and recommendations, and also presents the adapted framework to measure brand loyalty in the banking industry. Chapter four concludes this research project.

4 CHAPTER FOUR: CONCLUSION & RECOMMENDATIONS

4.1 INTRODUCTION

This chapter presents the conclusions and recommendations based on the results of the study. The chapter concludes the study by presenting the adapted framework to measure brand loyalty in the banking industry and by providing possible avenues of further research.

4.2 CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations of this study are dealt with in the order that each conclusion is followed by its own recommendation. This means that conclusion 1, for example, leads to recommendation 1.

Regarding the validity of the questionnaire and the reliability of the data it can be concluded that:

CONCLUSION 1(a)

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and the Barlett's Test of Sphericity are suitable measures to determine if exploratory factor analysis could be employed to analyse the data.

CONCLUSION 1(b)

Factor analysis was an appropriate statistical tool to use in this study. The factors that were extracted explained satisfactory variance in all 12 influences. The factor analysis identified that within four influences two sub-influences existed.

CONCLUSION 1(c)

The data for this study are reliable as confirmed by the Cronbach Alpha coefficients.

RECOMMENDATION 1

It is recommended that the questionnaire developed by Moolla (Moolla & Bisschoff, 2010) to measure brand loyalty of FMCG products can be used as point of departure to measure brand loyalty of banking products. In this regard, the minor adaptations to the questionnaire for use in the banking industry (as per this study), should be adhered to.

Regarding the brand loyalty influences, the following conclusions can be made:

CONCLUSION 2

All the brand loyalty influences have been confirmed by the statistical analysis to be valid influences to measure brand loyalty in the banking industry as well. Some of the specific questions (for example within customer satisfaction the question CUS04) are discarded. This leads to the conclusion that although all the influences are confirmed, some of the influences are measured slightly different in the banking industry than in the FMCG industry.

RECOMMENDATION 2

It is recommended that the adapted questionnaire be used when measuring brand loyalty in the banking industry. Do not use the FMCG questionnaire as it will not be as accurate in its measurement as the adapted questionnaire that resulted from this study.

CONCLUSION 3

Four of the brand loyalty influences have identified sub-influences within them. This leads to the conclusion that some influences are dualistic in nature, while others represent a single influence.

RECOMMENDATION 3

It is recommended that the results be interpreted in such a way that it incorporate the fact that some influences are dualistic in nature and that they represent two sub-influences. Each sub-influence should thus be interpreted individually to determine its importance and influence on brand loyalty.

Regarding the importance of the influence on brand loyalty in the banking sector, it can be concluded that:

CONCLUSION 4

All the brand loyalty influences are important and have grand means in excess of 35.1 (See Figure 3.3). However, the most important brand loyalty influence is customer satisfaction while the least important one is culture. The mean of all the brand loyalty influences is 54.87.

RECOMMENDATION 4

It is recommended that management should focus their managerial actions on the more important brand loyalty influences first, as these would render the best results. Once these influences are excellent services, managerial input can focus on those influences of lower importance.

Finally, with regard to future research, it can be concluded that:

CONCLUSION 5

Although this study did have a favourable response of 196 respondents, it is still not representative on the South African population. It is thus concluded

that although this study is a valuable step forward to measure brand loyalty in the banking industry, it is just the first step.

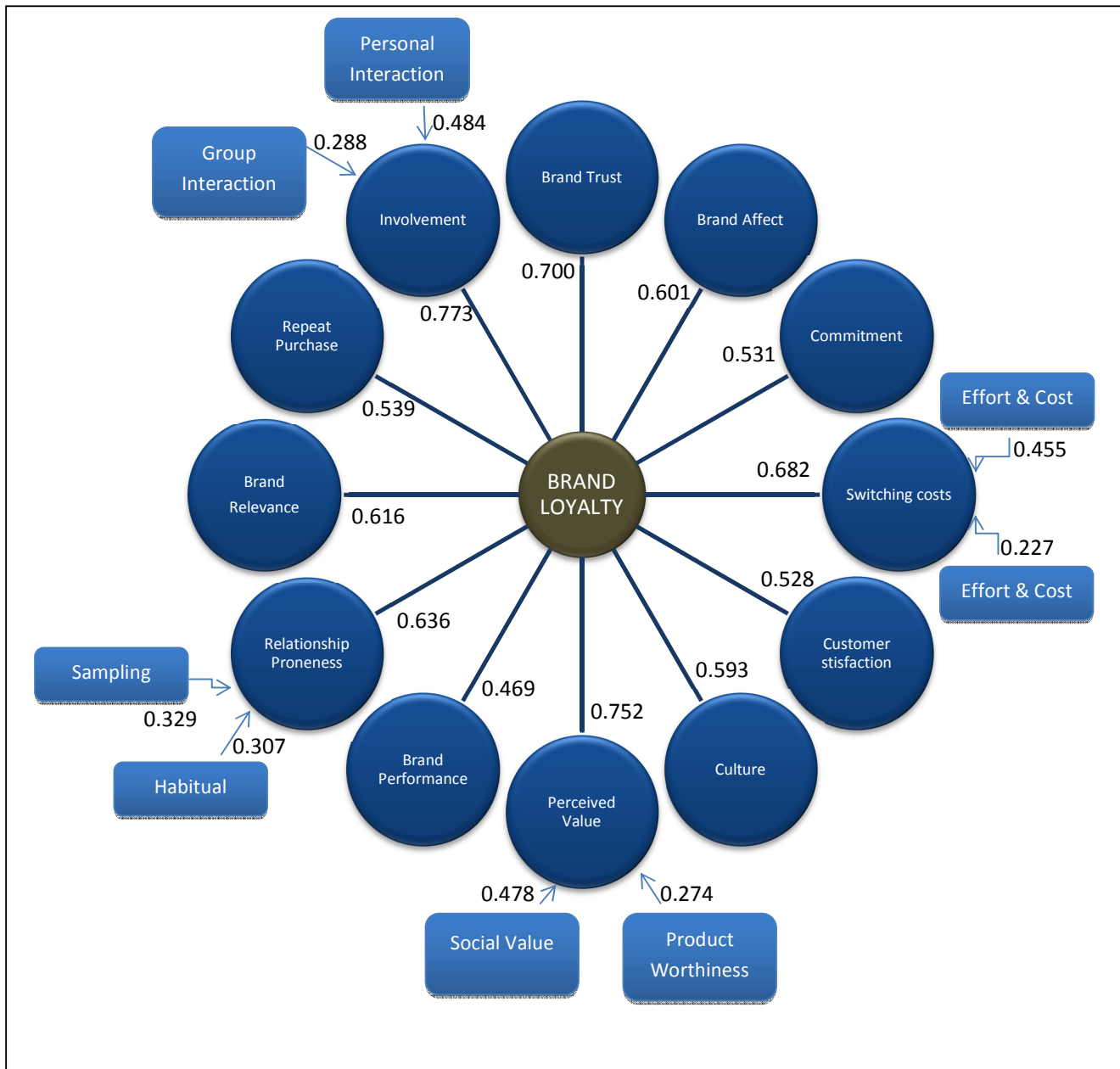
RECOMMENDATION 5

It is recommended that the study should be repeated on a larger scale so that the results obtained from this study, be either confirmed or further refined.

4.3 BRAND LOYALTY MODEL IN THE BANKING INDUSTRY

The adapted model to measure brand loyalty in the banking industry are shown in Figure 4.1

Figure 4-1 : CONCEPTUAL BANKING BRAND LOYALTY FRAMEWORK



4.4 AREAS FOR FUTURE RESEARCH

The following areas have been identified for future research:

- Continued research in the banking industry on a larger scale to either confirm or refine the findings of this study;
- Similar research from the model developed by Moolla into other industries (using the original Moolla questionnaire and model); and
- Comparative analysis between this study and the original one in order to determine which of the questions that measure each brand loyalty influence, are the more important ones, and which of them are of less importance. In this way the individual influences can be defined and measured more crisply.

4.5 SUMMARY

In this study the concept of brand loyalty measurement was researched with the aim to determine whether the FMCG brand loyalty model can be employed in the banking industry. If so, could it be applied as it is, or does the model require some modifications to better fit the banking industry.

Chapter One elaborated on the purpose of the study and emphasised the objectives of this study. Primary and secondary objectives were listed to set the required outcomes of this study. This chapter also provided an elucidation of the structure to be pursued in following chapters.

Chapter Two is based on an overview of brand loyalty through a literature study of what is known in the field of brand loyalty. The chapter elaborated on the literature of the 12 major brand loyalty influences, after a comprehensive overview was given of the current Banking environment in South Africa as well as the product offerings offered to consumers.

Chapter Three covered the research methodology, statistical analysis and the discussion of the empirical results. This chapter elaborated on the methods

used to gather the results. A comprehensive data analysis was done in the form of data validation, data reliability checks and importance of data.

Factor comparison was accomplished by means of the Pearson correlation coefficient, while reliability and validity was tested by means of Cronbach Alpha and Bartlett's test of sphericity. The appropriateness of factor analysis in this study was examined by Kaiser-Meyer-Olkin.

The final chapter, chapter 4, draws conclusions, offers some recommendations and has identified some areas for future research. The chapter also presented the final adapted model for measuring brand loyalty in the banking industry.

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APPENDIX ONE: QUESTIONNAIRE

MBA - BRAND LOYALTY (SF SALIM)

AGE GROUP Age group

- ☐ 20 -30 (1)
- ☐ 31 - 40 (2)
- ☐ 41 -50 (3)
- ☐ 51 -60 (4)
- ☐ 61+ (5)

SEX Sex

- ☐ Male (1)
- ☐ Female (2)

PROVINCE Your province of residence

- ☐ Gauteng (1)
- ☐ KwaZulu-Natal (2)
- ☐ Eastern Cape (3)
- ☐ Western Cape (4)
- ☐ Northern Cape (5)
- ☐ North West (6)
- ☐ Limpopo (7)
- ☐ Mpumalanga (8)
- ☐ Free State (9)

ETHNICITY Ethnicity

- ☐ Black (1)
- ☐ White (2)
- ☐ Coloured (3)
- ☐ Asian (4)

BANK With which bank do you bank?

- ☐ ABSA (1)
- ☐ FNB (2)
- ☐ Standard Bank (3)
- ☐ Nedbank (4)
- ☐ Capitec Bank (5)
- ☐ African Bank (6)
- ☐ Other (7) _____

SEGMENT What banking service do you use?

- ☐ Personal (1)
- ☐ Business (2)
- ☐ Business & Personal (3)

Acc Your account type?

- ☐ Cheque Account (1)
- ☐ Savings Account (2)
- ☐ Current Account (3)

Social Do you make use of social networks such as Facebook & Twitter

- ☐ Yes (1)
- ☐ No (2)

CUS01 I am very satisfied with the listed Bank brands I purchase/Use

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUS02 Distinctive product attributes in my Bank keep me brand loyal

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUS03 My loyalty towards a particular Bank brand increases when I am satisfied about that brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUS04 I do not repeat a purchase if I am dissatisfied about a particular Bank brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUS05 I attain pleasure from the Bank brands I am loyal towards

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

SCR01 I do not switch Bank brands because of the high cost implications

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

SCR02 I do not switch Bank brands because of the effort required to reach a level of comfort

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

SCR03 I avoid switching Bank brands due to the risks involved

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

SCR04 I switch Bank brands according to the prevailing economic conditions

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

SCR05 I prefer not to switch Bank brands as I stand to lose out on the benefits from loyalty programmes

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BTS01 I trust the Bank brands I am loyal to

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BTS02 I have confidence in the Bank that I am loyal to

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BTS03 The Bank brands I purchase/use has consistently high quality

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BTS04 The reputation of a Bank brand is a key factor in me maintaining brand loyalty

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPR01 I prefer to maintain a long term relationship with a Bank brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPR02 I maintain a relationship with a Bank brand in keeping with my personality

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPR03 I maintain a relationship with a Bank brand that focuses and communicates with me

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPR04 I have a passionate and emotional relationship with the Bank brands I am loyal to

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

INV01 Loyalty towards a Bank brand increases the more I am involved with it

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

INV02 Involvement with a Bank brand intensifies my arousal and interest towards that brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

INV03 I consider other Bank brands when my involvement with my Bank brand diminishes

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

INV04 My choice of a Bank brand is influenced by the involvement others have with their Bank brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

PVL01 My Bank brand loyalty is based on product quality and expected performance

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

PVL02 I have an emotional attachment with the Bank brands I am loyal to

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

PVL03 Price worthiness is a key influence in my loyalty towards Bank brands

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

PVL04 The Bank brands that I am loyal to enhances my social self-concept

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

COM01 I have pledged my loyalty to particular Bank brands

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

COM02 I do not purchase/sample other Bank brands if my Bank brand is unavailable

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

COM03 I identify with the Bank brands that I use and feel as part of the brand-community

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

COM04 The more I become committed to a Bank brand, the more loyal I become

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

COM05 I remain committed to a Bank brand even through price increases and declining popularity

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPS01 My loyalty towards Bank brands is purely habitual

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPS02 I do not necessarily purchase the same Bank brands all the time

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPS03 I always sample new Bank brands as soon as they are available

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPS04 I establish a Bank brand purchasing pattern and seldom deviate from it

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

RPS05 Loyalty programmes are the reason that I repeat Bank brand purchases

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BAF01 I attain a positive emotional response through the usage of my Bank brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BAF02 The Bank brands that I am loyal to makes a difference in my life

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BAF03 I am distressed when I am unable to use/purchase a particular Bank brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BRV01 The Bank brands that I am loyal to stands for issues that actually matters

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BRV02 The Bank brands that I am loyal to have freshness about them and portray positive significance

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BRV03 I know that a Bank brand is relevant through the brand messages communicated.

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BRV04 The Bank brands that I am loyal to are constantly updating and improving so as to stay relevant

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BPF01 I evaluate a Bank brand based on perceived performance

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BPF02 I will switch Bank brand loyalty should a better performing Bank brand be available

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

BPF03 I am loyal only to the top performing Bank brand

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUL01 My choice of Bank brands is in keeping with the choice made by other members in my race group

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUL02 My loyalty towards a Bank brand is based on the choice of Bank brand used by my family

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUL03 Religion plays a role in my choice and loyalty of Bank brands

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)

CUL04 Family used Bank brands indirectly assure brand security and trust

- ☐ Strongly Agree (1)
- ☐ Agree (2)
- ☐ Somewhat Agree (3)
- ☐ Neither Agree nor Disagree (4)
- ☐ Somewhat Disagree (5)
- ☐ Disagree (6)
- ☐ Strongly Disagree (7)