



MEDIATING EFFECT OF CUSTOMER SATISFACTION ON COMMUNICATION, COMMITMENT AND CUSTOMER LOYALTY IN JAIZ BANK KANO STATE, NIGERIA

Fatima Abdullahi Mahadi
Department of Marketing, ABU Business School, Zaria
(Fatimaabdullahi2009@gmail.com)

+2348028448487

&

Bukar Amos
Department of Accounting, ABU Business School
(clarahamos@gmail.com)

+2348022496244

Abstract

The objective of the study is to determine the effect of communication and commitment mediated with customers' satisfaction on customer loyalty in Jaiz Bank. Cross-sectional survey research on 439 customers of Jaiz bank were selected using survey sampling technique method. Descriptive and inferential statistics were employed to analyze the data and test the hypotheses using Partial least squares structural equation modeling (PLS SEM). The finding of the survey revealed that communication and commitment mediated with customer satisfaction have significant and positive effect on customer's loyalty among Jaiz Bank customers. The outcome of this study provides vital information on the effect of trust, communication mediating customers' satisfaction dimensions on customer's loyalty in Jaiz Bank. The study recommended that Jaiz bank should try to improving on the level of communication, where customers must be given special attention, flexible in serving the customers' needs and offer a reduced percentage rate for the existing customers.

Keyword: *Communication, Commitment, Customers Satisfaction and Loyalty*

1. Introduction

Relationship marketing is a marketing principle which emphasizes and takes effort in maintaining or develop mutually beneficial and valuable long-term relationships with customers. It is a philosophy of doing business, a strategic orientation that focuses on keeping and improving current customers at the same time attracting and acquiring new ones (Tamu&Soni,2018). Relationship Marketing was advanced by Berry (1983). In his assertion relationship marketing was viewed as the process of attracting, maintaining and, in multi-service organizations, enhancing "Customer Relationship". As a result of that when relationship marketing is used in financial institutions such as banks, they are likely to witness unprecedented growth in the number of loyal customers (Ibrahim & Samuel 2020). Contra wise, if concepts such as communication and commitment are not encouraged, it may lead to decrease pressure on investments (Zephaniah, Ogba & Izogo, 2020). Although, the emergence of Jaiz banks was as a result of competition that affect the moral behavior of the marketers in seeking for more customers and high rates of interest that are being charged by conventional banks (Ofosu-Boateng, 2020). Also, as people seek for alternative financial institution, it has paved way for the establishment of more branches of Jaiz bank especially in the Northern part of the country and it has now gain more acceptability among the populace in Nigeria. On the other hand, it has made



Jaiz bank to increase their portfolio through the various products which it offers especially the non interest part. (Chochoľáková, Gabčová, Belás&Sipko 2015). Furthermore, the nature of the banking industry has also made Jaiz bank managers to focus more on how to create close relationship with their customers. They have tried to make things easier for customers through the introduction of different kind of offerings to cater for the well being of their customers. Also, they have tried to ensure that customers get value for their money which in turn enhances customer satisfaction, loyalty, building and maintaining customers' cordial relationship with the management.

Relationship marketing plays an important role in predicting customer's behavior which may in turn enhance the understanding of the link between relevant marketing construct such as communication and commitment as independent variables and customer satisfaction as mediator that serve as an influence between other constructs of relationship marketing like customer loyalty. Therefore, this study provides some important contributions on the relationship marketing's influence on customer loyalty and experimenting on the retention strategies and tactics such as commitment and communication to see how they affect customer loyalty especially when mediated with satisfaction. Thus, this will aid in expanding the knowledge of relationship marketers working with the Jaiz Bank in the North West Nigeria.

Loyal customers tend to be committed to the bank and buy the products or services offered in the future that will provide several benefits such as increased sales through purchasing a wider and more purchases, and they will also help promote the organization. They will promote strong words of mouth, provide references and give advice to others only if they are satisfied with the bank. These positive actions can decrease the cost for the bank to serve customers, as cost that is required for maintaining the customer is less than the cost of acquiring new customers. In an effort to retain customers, banks may have to keep fostering the quality of relationship efficiently to every customer, and build closer relationship by creating a two-way commitment cycle that can lead to satisfaction, even a social bond that can ultimately lead to commitment between customers and banks.

In spite, of the aforementioned communication and commitment, many people consider Jaiz bank like a charity service organization. Even a great number of potential customers are yet to fully understand how their offerings operate and how they differ from conventional banking. Mediating variables such as customer satisfaction need to play an important role in predicting customer behavior which may in turn enhance the understanding of the link between relevant relationship marketing constructs as independent variables and customers loyalty as dependent variable. Though there are scanty research in Nigeria that looked at customer satisfaction as a mediating variable between customer, communication, commitment and customer loyalty as most of the studies are conducted in other countries such as (El-Mantrly, 2016; Magasi, 2016; Morello, 2016; Simon, 2016 & Kassa,2017). Therefore, since there is insufficient empirical research that evaluates the mediating role which "customer satisfaction" plays on the nexus of relationship marketing (communication, commitment and customer's loyalty), this study becomes necessary. With this research gap in mind and more, this research seeks to study the mediating effect of customer satisfaction on trust, communication, commitment and customer loyalty with the antecedents-intention to use Jaiz bank in Nigeria. The study would contribute to the existing literature on the effect of relationship marketing on customer loyalty in Jaiz bank.



This is because the material will serve as a library material for students. Both customer and prospective customer that want to invest in the bank. The knowledge about the operations of the bank will guide the current investors in taking decisions on how to maintain their investments as well policy makers (such as CBN and NDIC) in taken right decisions. The research questions are as follow.

- i. To what extent does communication affect customer loyalty among customers of Jaiz Banks in Kano State, Nigeria?
- ii. To what extent does commitment affect customer loyalty among customers of Jaiz Banks in Kano State Nigeria?
- iii. To what extent does customer satisfaction mediate the relationship between communication and customer loyalty among customers of Jaiz Bank in Kano State Nigeria?
- iv. To what extent does customer satisfaction mediate the relationship between commitment and customer loyalty among customers of Jaiz Banks in Kano State Nigeria?

The main objective of this study is to determine the mediating effect of customer satisfaction on customer loyalty among Jaiz bank customers in Kano State Nigeria. The specific objectives are to:

- i. Examine the effect of communication on customer loyalty among customers of Jaiz Bank in Kano State of Nigeria.
- ii. Examine the effect of commitment on customer loyalty among customers of Jaiz Bank in Kano State of Nigeria.
- iii. Examine the mediating effect of customer satisfaction on the relationship between communication and customer loyalty among customers of Jaiz Bank in Kano State of Nigeria.
- iv. Examine the mediating effect of customer satisfaction on the relationship between commitment and customer loyalty among customers of Jaiz Bank Kano State of Nigeria.

The following hypotheses were formulated in null form to answer the research questions raised.

- H₀₁: communication has no positive and significant effect on customer loyalty among customers of Jaiz in Kano State Nigeria
- H₀₂: Commitment has no positive and significant effect on customer loyalty among customers of Jaiz Bank in Kano State Nigeria
- H₀₃: Customer satisfaction has no positive and significant mediating effect on the relationship between communication and customer loyalty among customers of Jaiz Bank in Kano State of Nigeria
- H₀₄: Customer satisfaction has no positive and significant mediating effect on the relationship between commitment and customer loyalty among customers of Jaiz Bank in Kano State of Nigeria

2.4 Literature Review and Theory

2.1 Conceptual Review

Concept of Loyalty

According to Korauš (2011), loyalty can be viewed as a state which is associated with the emotional attitude of a customer towards products and services; it is also a rational assessment of previous experience with the business relationship. The concepts of loyalty encompass behavior



and attitude, in the banking industry, behavior is associated with loyalty. This means that customers' behavior is a result of the trust and perceived value they have when patronizing the products of the banks, while attitude loyalty indicates the emotional and psychological state of the customer in respect to the product (Siew-Peng&Sedigheh, 2015). Baumann, Elliott and Burton (2011) opine that loyalty can be seen as the situation when a customer repeatedly purchases a service/product over time, or when a customer has favorable attitudes towards a service/product. While, Ladhari and Morales (2011) state that loyalty means the continuous patronage of a particular bank by a customer over time.

Concepts of Communication and Commitment

Mudassir and Waheed (2015) assert that customer loyalty is interrelated with commitment and communication; therefore they are elements that sharpen the minds of the customers in the banking industry. The result of the study indicates that the four variables such as Trust, Commitment, Communication and conflict handling have significant effect and predict good proportion of variance in customer loyalty. Mollah (2014) assert that Communication is the ability to discharge information to the customer timely and honestly. In the banking industry, in Relationship Marketing, communication implies the ability to keep in touch with the valued customer, giving timely and accurate information about products and services. Communication is one of the dimensions of relationship marketing that is considered to be critical. One of the attributes of communication is how positive and open attitude, the managers in an institution should have by pairing the communication with its customers honestly and timely. Mollah (2014) asserts that Communication is the ability to discharge information to the customer timely and in a trustworthy manner. In the banking industry Relationship Marketing communication implies the ability to keep in touch with valued customer, giving timely and accurate information about products and services. Mohammad, Shahram and Seyyed (2011) assert that communication can be viewed from the perspective of consumers' perception to the extent that a retailer interacts with its regular customers in a warm and personal way.

Commitment on the other hand, is a long-term desire to maintain a valued relationship. A customer who is committed to a supplier similarly expects loyalty from the supplier or service provider. Khadka and Maharjan (2017) assert that Commitment is one party in a relationship where one feels motivated to do business with another party.

2.2 Empirical Review

Communication and Loyalty

Communication is one of the dimensions of relationship marketing that is considered to be critical. Bolanle and Emmanuel, (2016) examined the impact of relationship marketing on customer satisfaction: a case study of the undergraduate students in a private University, Oyo State, Nigeria. Using 800 undergraduate students who were patronizing different commercial banks by employing mixed method approaches of data sources. The result of the study indicates a significant positive relationship between relationship marketing and customer satisfaction, and therefore influences customer satisfaction. Zephaniah *et al.* (2020) studied effect of customers perception of marketing communication on customer's loyalty. A beta value of 402 was obtained implying that 40.2% variation in customer loyalty is explained by communication. Therefore, null hypothesis of the study was rejected as there exist a significant positive relationship between communication and customer loyalty in the banking industry of Nigeria. Ofosu-Boateng (2020)



used relationship marketing tool such as communication in reaching to customers about the various product offered by the financial institutions. Marketers use communication means to highlighting product offers and boosting sales. Sales promotions are instruments which stimulate the sales of products and brands, especially in consumer-packaged goods during festivity. Ibrahim and Samuel (2020) investigate the effect of customer satisfaction and marketing communication mix on customers' loyalty using Ghanaian banking industry. The data were obtained using 250 customers of banks in Accra, Ghana over the period of seven years (13-19). The study used SPSS version 20 as a tool for data analysis. The result of the study revealed a strong positive relationship between customer satisfaction and customer loyalty in the Ghanaian banking industry. The study further indicates a moderate but, significant relationship between communication and customers' loyalty in the Ghanaian banking industry.

Commitment and Customer Loyalty

As a result of strong competition, the bank is a customer oriented service industry. Therefore, the customer is the focus and customer service often serves as the differentiating factor. Henri, (2018) investigated by highlight the corporate Management practices in banks and their effect in association with customer satisfaction in the Banking sector in Rwanda. Based on the study, it showed that there are 12 banks in Rwanda that most commonly use free interest banking. The result of the study indicated that banks perform poorly on reliability because majority of the customers feel the banks do not provide their services in a timely manner. Commitment has been widely recognized as an integral part of any business relationship. Bricci, Fragata, and Antunes, (2016) investigated the main effects of trust, commitment and customer satisfaction on loyalty using 10 customers from the sample of 6 banks in Portugal. To conclude the study, the results from the analysis showed that trust has a positive and direct effect on commitment. It also revealed that trust has a positive and direct effect on satisfaction and commitment has a positive and direct effect on loyalty and satisfaction has a positive and direct effect on loyalty. Studies have shown that commitment frequently is seen as the desire to maintain a relationship.

Agha and Noor, (2017) investigated factors of customer loyalty and their relationships with the banking industry in one of the developing countries, which is Pakistan. 316 respondents' were used as the sample of the study. The result of the study indicated that Perceived quality, satisfaction, trust, switching cost and commitment are the factors which influence the loyalty of the customers. Globalization has resulted in stringent competition in the banking industry. This has made banks to focus on keeping the possession of loyal customers through diverse factors of customer relationship constructs. Tahmeem, Kabir and Sugandha, (2018) carried out a study by comparing the private and public banks of Bangladesh using 210 respondents in trying to understand the interdependence among the different dimensions of customers relationship as well as their cumulative effect on customer loyalty. SPSS 16.0 was used for the descriptive analysis and AMOS 16.0 was employed for measuring the impact of the exogenous variables such as trust, commitment and conflict handling adoption as well as on the endogenous variable namely customer loyalty. The study unfolds the significant relationship of all of the three independent variables on the dependent variable, customer loyalty.

Influence of the Moderator

Satisfaction influences the relationship, while trust, communication and commitment help in developing long-term relationships (Muhammad *et al.*, 2016). Therefore, this shows that trust



and communication have been fostered due to customer satisfaction and committed customers are not only to remain loyal with existing service provider, but they may aid in increasing the bank's share. Commitment may play a great role when mediated with satisfaction on how to sharpen the customer's attitudes and future intentions to remain with the bank. Trust, communication and commitment may predict future intentions of customers when they are highly satisfied (Muhammad *et al.*, 2016). Aamina, Raband Zahid (2016) investigated the relationship of service excellence, customer satisfaction and customer delight in private banking sector of Pakistan. Using a structural modeling, customer satisfaction, and customer delight were examined by using a mediation process. In analyzing 234 customers who visit the banks counters and have an account with private banks located in city Lahore of Pakistan. Result of the study indicates that private banks are making their efforts to make their customers satisfied and furthermore, the study showed that customer satisfaction plays the mediating role between service excellence and customer delight considering the significant level. While determining the imperatives of 'how to win customers' trust, the service provider(s) must focus on both present and future time frame. Rashid, Asad, Naeem and Muhammad (2014) examined the influence of customer satisfaction, trust and commitment over customer loyalty and empirical relationship of these variables on the petroleum sector of Pakistan using a non probability convenience sampling technique to collect data from 200 respondents. Customer satisfaction, trust and commitment are the important tools to explain customer loyalty. The study observed that if fuel providers want to do long term business with existing and potential customers, they have to make them become loyal. Thus, these companies have to increase the quality of fuel, improve staff behavior and build trust over the quality of fuel and environment of outlet. The result of the study explained that the independent variables; customer satisfaction, trust and mediating variable commitment have significant positive relationship with customer loyalty. Hence, the study also evaluated that trust has a greater impact on customer loyalty as compared to customer satisfaction and commitment on customer loyalty.

2.3 Social Exchange Theory

A theoretical basis that throws more light by explaining the relationship between relationship marketing proxies such as communication, commitment, and customer's loyalty was drawn from the Social Exchange theory. The theory attempts to explain the nature of the relationships between relationship marketing proxies and customer's loyalty (Homans, 1958 and Daniel, 2012). According to the Exchange theory, social behavior is a function of exchange. Whenever exchange takes place, the major rationale behind the exchange is to maximize benefits associated with the exchange and minimize costs linked up with the exchange. The theory further states that persons need to communication the relationship they have with the institution which they commit their resources into in order also to avoid conflicts that may arise. On the bases of that social exchange theory is considered as one of the most relevant.

3. Methodology

The study used a census research design in its analysis, this design was employed because the number of the customers can be counted (Tahir, 2008). Under this design, the survey method was employed as an approach to the study (Thornhill, Lewis & Saunders, 2009). The population of this study is 15982 customers of Jaiz Bank in Kano. Information and management system unit of the bank (IMS, 2020). Yamane formula (1973) was used to calculate the sample size, 468 customers of Jaiz Bank in Kano were selected as the sample.



The Yamane (1973) formula was used to calculate the sample size with 95% confidential level at 5% level of precision from the population of 15982 customers that patronize 4 Jaiz bank branches in Kano State. Therefore, the calculation for the sample size is given in the following equation.

$$n = N / 1+N (e)^2$$

Where n = sample size

N = population

e = error of the sampling or level of significant

$$n = 15982 / 1+15982 (0.05)^2 = 32198/1+32198(0.0025) = 389.85242103 = 390$$

So, the sample size of the study is 390 customers.

For the purpose of anticipated non-response bias and non return of completed questionnaire, the questionnaire will be increased by 20% (78) to the above minimum sample size given by the formula to make it 468. The study employed the uses of research assistance in the administration of questionnaires. This will also take care of other unavoidable errors such as incorrect filling and failure of some respondents to return questionnaire (Israel, 2013).

Distribution of questionnaires to Jaiz Bank Customers in Kano.

Population and Sample

S/N	Location	Number of customers in Kano	Apportionment
1	Kano	8042	236
2	Kano	4624	135
3	Kano	1307	38
4	Kano	2009	58
	Total	15982	468

Source: Author compilation, 2019

To ensure the validity of the items on the questionnaire, the study adapted some items namely customers loyalty, communication and commitment (Allen and Myer 1991). Adapting some of the items from their scales into the study's instrument was justified by the fact that these scales have been tested and proven to be valid over the period of time in testing various dimensions of work on customers' loyalty, communication and commitment. Hence, the need for the study to further conduct validity tests for the instrument is not necessary since the items have been previously validated.

To establish the reliability of the instrument, the reliability test recommended by Cronbach (1951) was conducted on the items constituting the dependent and independent variables. For the independent variables (communication and commitment), the test showed an alpha value of 0.853 Furthermore, the dependent variable (customers loyalty) has a value of 0.762. According to Sekaran (2005), a Cronbach Alpha value of 0.6 or higher is generally required to achieve reliability of constructs or variables. Thus, the items utilized for the instrument can be said to have passed the test of reliability.



The study employed the multiple regression models to test the impact of relationship marketing on customer’s loyalty of Jaiz Bank in Kano. Relationship marketing was proxies by two important variables; communication and commitment. The Multiple regression models were also developed to test the hypotheses on the impact of relationship marketing and customer loyalty.

The overall regression model that captures the hypotheses of the study is presented below.

$$CLTY = \alpha + \beta_1COMM + \beta_2COMMT + \beta_3COMM*CUMS + \beta_4COMMT*CUMS + \beta_5CUMS + \epsilon_i$$

Where:

CLTY = customer loyalty

COMM = Communication

COMMT=Commitment

COMM*CUMS = Communication * Customers Satisfaction

COMMT*CUMS = Commitment * Customers Satisfaction

CUMS= Customers Satisfaction

ϵ_i = error term

Decision Rule: The decision to accept or reject the null hypothesis (Ho) of the statistical test was based on the 95% confidence interval. The null hypothesis is rejected if P value is at or less than the 5% (0.05) level of significance from the regression output. Otherwise, the null hypothesis is accepted if P value is more than the 5% (0.05) level of significance from the regression output.

4. Result

Descriptive statistic of the variables used in the study was performed in order to see how fit the data are for the uses of PLS-SEM path modeling. This was carried out by using the Statistical Package for Social Science (SPSS) version 20.0.

Descriptive statistics

	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CL	15.00	28.00	20.0909	3.77859	.501	.112	.633	.224
COM	13.00	26.00	19.6716	4.10481	.181	.112	1.298	.224
COMM	13.00	29.00	19.6025	3.66190	-.166	.112	-.141	.224
SAT	13.00	29.00	18.9197	4.21784	.604	.112	.347	.224

Source: Author’s Computation, 2020

In carrying out analysis using PLS-SEM 2.0 Hair, Sarstedt, Ringle and Mena (2012) stated that there is a need to look at the descriptive analysis by performing the normality test because it used to affect the level of bootstrapping error, path coefficient by underestimating the statistical influence of the path coefficients. The data can show non normality once it is highly skewed to the right or left and this also applied to kurtosis from the descriptive statistics. Therefore, this paper indicated that the Skewness is within the range of $\pm .604$ and $-.166$. While for the kurtosis they are within the range of ± 1.298 and $-.141$. This shows that all the variables are within the acceptable range (Ghasemi & Zahediasi, 2012). To assess the outlier from the data coded was considered the mean, maximum and minimum statistics. Result of the frequency statistics indicates that there was no data value that was found outside the normal scale point or range. The



standard deviation show a large deviation from the mean indicating that customers are loyal and satisfied with the bank that make them to be more committed by communicating to non customers . This was applied in line with the work of (Tabachnick & Fidell, 2007).

4.1 Measurement Model Analysis

To ascertain the measurement model, the reliability and validity of the model were assessed using the measurement model of PLS-SEM path modeling. As it can be seen, Table 1 represents the reliability and convergent validity of constructs of this study.

Table 1: Construct Reliability and Validity (n=439)

Construct	Items	Loadings	AVE	CA	CR
Commitment	CMM1	0.602	0.592	0.825	0.876
	CMM2	0.624			
	CMM3	0.934			
	CMM4	0.863			
	CMM5	0.769			
Communication	COM1	0.619	0.556	0.803	0.859
	COM2	0.628			
	COM3	0.659			
	COM4	0.901			
	COM5	0.842			
Customer Satisfaction	CS1	0.591	0.752	0.909	0.936
	CS2	0.976			
	CS3	0.945			
	CS4	0.972			
	CS5	0.787			
Customer Loyalty	CL1	0.676	0.801	0.934	0.952
	CL2	0.965			
	CL3	0.936			
	CL4	0.940			
	CL5	0.925			

NOTE: PRF7, AVE stands for Average Variance Extracted, CA represents Cronbachs Alpha while CR represents Composite Reliability.

The reliability of the constructs was tested using composite reliability whereas, convergent validity of such constructs was determined using average variance extracted (AVE) as suggested by Garson (2016). However, for each reflective construct to achieve internal reliability, the value of its CR should be ≥ 0.7 (Lee & Chen, 2013), while AVE should be ≥ 0.5 for it to attain of convergent validity (Garson, 2016). Item loadings should be above 0.5 (Hair *et al.*, 2014). From the results presented on Table 1, both reliability and convergent validity of all the constructs are therefore achieved. On the other hand, the construct were next tested for discriminant validity using Fornell-larcker criterion. The data showed discriminant validity as presented in Table 4.2 as the square roots of all the AVE are higher than their correlations with other latent variable (Garson, 2016).



Table 2: Discriminant Validity using Fornell-larcker criterion (n=418)

	Comm.	Cus.Loy.	Cus.Sat.	Cmm.
Communication	0.920			
Customer Loyalty	0.742	0.895		
Customer Satisfaction	0.904	0.807	0.940	
Commitment	0.746	0.828	0.769	0.867

The bolded diagonal values correspond to the square root of the AVE of the reflective constructs.

Test of Hypotheses

It is important to test for the direct effect of trust and communication to act on customer loyalty without the inclusion of customer satisfaction. Bootstrapping was done using 5000 subsamples using 439 cases.

Table 3: Direct Path Coefficient

Hypotheses	Beta	Standard Error	T Stat	P Value	Decision
H ₁ : CMM->CL	0.954	0.072	13.272	0.000***	Supported
H ₂ : COM->CL	-0.200	0.072	1.382	0.168	Not Supported
R Square	74.6%				

*** p< 0.01; **p< 0.05; *p <0.1.

From Table 4.3, it is seen that commitment has significant effect on customer loyalty among customers of Jaiz Bank in Kano State of Nigeria while communication has no significant effect on customer loyalty among customers of Jaiz Bank in Kano State of Nigeria.

Table 4: Effect Size for Direct Relationships

Construct	f ²	Effect Size
Commitment	0.012	Small
Communication	0.461	Large

Effect sizes of the exogenous variables on the endogenous variables were assessed through f². According to Cohen 1988, the f² values of 0.02, 0.15, and 0.35, indicate small, medium, and large effects respectively. Table 4 shows the effect size of commitment and communication on customer loyalty. Commitment has a small effect on customer loyalty while communication has large effect size on customer loyalty.

Table 5: Predictive Relevance of Exogenous Variables

Construct	SSO	SSE	Q ² = 1-SSE/SSO
Customer Loyalty	150.000000	63.224590	0.579

This study utilised the Stone-Geisser's Q² value to assess the predictive relevance of the exogenous latent variables on the reflective endogenous latent variable (Hair *et al.*, 2014). A model with the Q² greater than zero is assumed to have predictive relevance. On Table 5, Q² is

greater than zero, which shows the predictive relevance of the direct path model. The model has a large degree of predictive relevance on customer loyalty (Cohen, 1988).

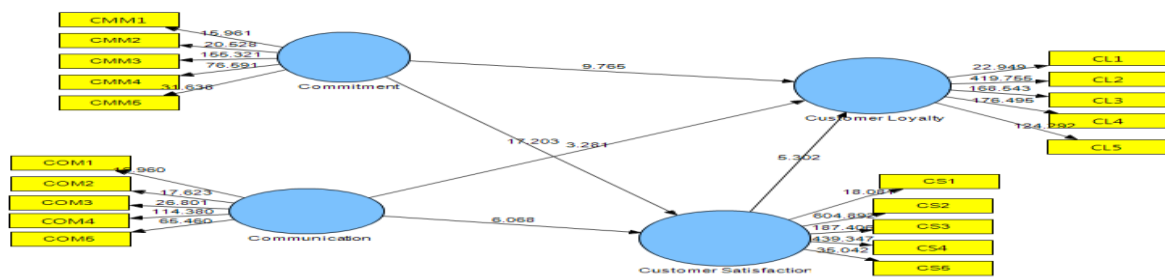


Figure 1: Full Structural Model

Table 6: Structural Model for Indirect Effects

Path <i>a</i>	Beta	Path <i>b</i>	Beta	Indirect Effects (<i>a</i> * <i>b</i>)
CMM ->CS	0.705	CS -> CL	0.319	0.225
COM -> CS	0.256	CS -> CL	0.319	0.082

H₀₁: There is no significant effect of communication on customer’s loyalty among Jaiz Bank customer in Kano State.

Communication has insignificant relationship with customers loyalty in Jaiz Bank of Kano State ($\beta = 0.705$, t-value = 0.319, p-value >0.225). Therefore, the research hypothesis is fail to be rejected (H₀₁). The finding indicates that communication has a insignificant effect on customer’s loyalty. It shows that in the financial institution communication alone has not suggests how positive and open attitude the managers should have by pairing the contact with its customers honestly and promptly. This finding contradicts the ones of ((Ibrahim & Samuel, 2020; Zephaniah, Ogba & Izogo, 2020 and Ofosu-Boateng, 2020).

H₀₂: Commitment has no positive and significant effect on customer loyalty among customers of Jaiz Bank in Kano State Nigeria

Communication has insignificant relationship with customers loyalty in Jaiz Bank of Kano State ($\beta = 0.256$, t-value = 0.319, p-value <0.082). Commitment has a significant effect on customer’s loyalty. Therefore, the research hypothesis is rejected (H₀₂). This finding is inline (Henri, 2018; Tahmeem, Kabir and Sugandha, 2018; Agha and Noor, 2017).

i. Table 7: Structural Model: Test of Significance for Mediating Relationships

Hypotheses	Relationship	Beta	SE	T Statistics	P Value	Decision
H ₃	CMM->CS->CL	0.225	0.003	91.223	0.000***	Supported
H ₄	COM->CS->CL	0.082	0.003	32.176	0.000***	Supported



*** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$

Ho₃: Customer satisfaction has no positive and significant moderating effect on the relationship between communication and customer loyalty among customers of Jaiz Bank in Kano State of Nigeria

Communication has significant relationship with customers loyalty in Jaiz Bank of Kano State ($\beta = 0.225$, $t\text{-value} = 91.223$, $p\text{-value} < 0.000$). Therefore, the research hypothesis fails to reject (H_{02}). The finding indicates that communication has significant effect on customer's loyalty as moderate by the level of customer's satisfaction. This indicates that in the financial institution like bank when customers are satisfy with the kind of information they receives from the banks. Therefore, the research hypothesis is rejected (H_{03}). This result is inline with the finding of Muhammad *et al.* (2016) that observe trust, communication and commitment may predict future intentions of customers when they are highly satisfied

Ho₄: Customer satisfaction has no positive and significant moderating effect on the relationship between commitment and customer loyalty among customers of Jaiz Bank in Kano State of Nigeria

Commitment has significant relationship with customers loyalty in Jaiz Bank of Kano State ($\beta = 0.082$, $t\text{-value} = 32.176$, $p\text{-value} < 0.000$). Therefore, the research hypothesis is rejected (H_{04}). Also, the commitment has a significant effect on customer's loyalty as moderate with customers' satisfaction. It also indicates that satisfaction stimulate the customers to stay with the banks and continue to show their loyalty to the Jaiz bank. This result is inline with the findings of Muhammad *et al.* (2016) and Aamina, Rab and Zahid, (2016).

Table 8: R-Squared for Mediating Relationships

Construct	R-Squared
Customer Loyalty	0.698
Customer Satisfaction	0.894

As presented on Table 8, commitment and communication explains 69.8% variation in customer loyalty. This is regarded as being appropriate, as any R-squared above 10% in any research in management sciences is appropriate. On the other hand, commitment and communication accounts for 89.4% variance in customer satisfaction. The model summary presented in Table 4.34 indicates an adjusted R Square value of 0.164. This indicates that 16.4 % of the variance in customer behavioural intentions is explained by both relational normative and affective commitment.

Table 9: Construct Cross-validated Redundancy

Construct	SSO	SSE	Q ² (=1-SSE/SSO)
Customer Loyalty	150.000000	69.155310	0.539
Customer Satisfaction	150.000000	49.211814	0.672

On Table 10, it is seen that customer loyalty has a Q² value of 0.539, which means that communication and trust has large degree of predictive relevance with regard to customer



loyalty. On the other hand, customer satisfaction has a Q2 value of 0.672, this means that communication and trust has large degree of predictive relevance with regard to customer satisfaction. This is in line with the view of Hair, Hult, Ringle & Sarstedt (2014).

Discussion of Findings

The finding indicates that communication has a significant effect on customer's loyalty. It shows that in the financial institution communication suggests how positive and open attitude, the managers should have by pairing the contact with its customers honestly and promptly. Thus, effective communication may influence customer satisfaction which leads to customer's loyalty. It is the communicator's task in the early stages to build awareness, develop consumer preference (by promoting value, performance and other features), convince interested buyers, and encourage them to make the purchase decision. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal.

Also, the finding indicates that commitment has a significant effect on customer's loyalty, that means In the financial institution such as bank, commitment refers to an enduring desire to maintain a valued relationship. This implies a higher level of obligation to make a relationship succeed and to make it mutually satisfying and beneficial. Commitment is higher among individuals who believe that they receive more value from a relationship, highly committed customers should be willing to reciprocate effort on behalf of a firm due to past benefits received and highly committed firms will continue to enjoy the benefits of such reciprocity.

Again, the finding indicates that communication moderated with customers' satisfaction has a significant effect on customer's loyalty. This indicates that in the financial institution like bank when customers are satisfy with the kind of information they receives from the banks, they are tend to be more satisfied with the means of communication and this suggests how positive and open attitude, the managers should have by pairing the contact with its customers honestly and promptly. Therefore when there is effective communication, it may influence customer satisfaction which in turn leads to customer's loyalty.

In addition, the finding indicates that commitment when moderated has a significant effect on customer's loyalty. It also indicates that satisfaction stimulate the customers to stay with the banks and continue to show their loyalty to Jaiz bank. Thus, as the industry is face with two issues that are related to customers and the bank that is "stayers" and "leavers," satisfaction serves as a mediator which induce the customers to embrace staying factors that indicate the bank has to be high commitment to the customers.

Commitment had a significant on customer loyalty in Jaiz Bank ($\beta = 0.188$, $t\text{-value} = 2.724$, $p\text{-value} < 0.01$). Also, the commitment has a significant effect on customer loyalty. It shows that customer loyalty In the banking industry two issues are related to customer and the bank that is "stayers" and "leavers," this are the two factors that indicate a high commitment to the customer and the bank. It also encompasses compatible and consistent with bank services with customer needs, even as the bank flexibility towards the customer and change services. This finding is inconsistent with the work of (Simon 2016; Kassa 2017; Tesco, 2014).



Communication had a significant impact on customer loyalty in Jaiz Bank ($\beta = 0.854$, t -value = 26.129, p -value < 0.00). The finding indicates that communication has a significant effect on customer loyalty. It shows that in the financial institution communication suggests how positive and open attitude, the managers should have by pairing the contact with its customer honestly and promptly. Thus, effective communication may influence customer satisfaction which leads to customer loyalty. This finding is in line with the work of (Magasi, 2016; Davis & Farrell, 2016 and Morello, 2016; Bolanle & Emmauel, 2016).

Conclusion and Recommendations

In line with the findings of this study, it concludes that customer satisfaction has a significant mediating influence on the relationship marketing factors such as communication, commitment and customer loyalty. A higher level of customer satisfaction has stronger mediating effect on communication and customer loyalty. Also, customer satisfaction may significantly mediate the influence of commitment on customer loyalty of Jaiz bank. Therefore, the bank is expected to continuously satisfy their customers by meeting or exceeding customers' expectations. This will make the customers to remain loyal towards the bank. Communication, trust and commitment may lead to satisfaction, which in turn leads to loyalty. Therefore, to encourage long-term and loyal relationships, Jaiz bank needs to satisfy their customers by providing high quality services, promoting trust in relationships, and clearly communicating to customers. The study, therefore, recommend that Jaiz bank should try to improve on the level of communication, where customers must be the core of the marketing process and must be given special attention, also the banks must be flexible in serving the customers' needs, offer a reduced percentage rate for the existing customers. Also, more efforts are needed to improve the level of commitment, when jaiz bank is hiring employees it should look at the ability and interest of an employee and train them on basis of how to establish, enhance and maintain strong relationship with the customers and other employees of the bank.

References

- Aamina G., Rab, N. L. & Zahid M. (2016). Examining the relationship between service excellence and customer delight: mediating role of customer satisfaction. *Journal of Institute of Business and Management, University of Engineering and Technology*, 28(4), 3983-3986.
- Abdullah K. A. & Asma A. (2012). The Effect of Entrepreneurial Orientation on the Organizational Performance: A Study on the Islamic Banks in Yemen Using the Partial Least Squares Approach. *Arabian Journal of Business and Management Review (OMAN Chapter) 2(1)*, 73-84.
- Abdullah M. A., Abdelmo'ti, S. A., & Abdalelah S. S. (2014). The impact of customer relationship marketing on customer satisfaction of the Arab Bank Services. *International Journal of Academic Research in Business and Social Sciences*, 4(5), 32-65 May 2014. DOI: <http://dx.doi.org/10.6007/IJARBS/v4-i5/824>
- Achhim N., Thelo H., & Gabriele D., (2013). Customer Relationship Management and Organizational Performance: A Conceptual Framework Based On the Balanced Scorecard (Study of Iranian Banks). *Journal of Business and Management (IOSR-JBM)*, 10(6), 18-26.
- Agha G. N., & Noor, K. A. (2017). An assessment on customer loyalty among customers of Banking organizations in Pakistan. *International Journal of Banking, Economics and*



- Finance*, 1(7), 054-061, December, 2017. Available at www.internationalscholarsjournals.org
- Ajaegbu, R. I. (2014). *The influence of relationship marketing on customers patronage of Zenith Bank PLC, Nnewi. A Research Project Submitted to the Department of Mass Communication, University of Nigeria, Nsukka* In Partial Fulfillment of the Requirements for the Award of Masters of Arts Degree in Mass Communication.
- Allen, N. J., & Meyer J. P. (1991). *Commitment in the workplace*. Thousand Oaks: Sage
- Baumann, C. H., Elliott, G., & Burton, S. (2011), Modeling customer satisfaction and loyalty: Survey data versus data mining, *Journal of Services Marketing*, 26(3), 148- 157.
- Bagher, K., Zahra, V. H., Ehsan N. J., & Nahid A. B. (2018) Ranking the effect of services marketing mix elements on the loyalty of customers by Using Topsis Method. *International Journal of Business and Tehnopreneurship*, 8(1), 15-24.
- Beatson, A. T., & Lings, I. & Gudergan, S. (2008). *Employee behaviour and relationship quality: impact on customers. The Service Industries Journal*, 28(2), 211-223.
- Berry, L. L. (1983). Relationship marketing. In L. L. Berry, G. L. Shostack, & G. D. Upah (Eds.). *Emerging Perspectives on Services Marketing*, 25–28. Chicago, IL: American Marketing Association.
- Berry, L. L. (1991) “Relationship Marketing of service- Growing Interest, Emerging Perspective” *Journal of the academy of marketing*, 23(1), 230-245.
- Bolanle, O. I. & Emmanuel, O. D. (2016). Impact of relationship marketing on customer satisfaction: A case study of the undergraduate students in a Private University, Oyo State, Nigeria. *International Journal of Economics, Commerce and Management* 6(17), 698-708.
- Buttle, F., & Burton, J. (2002). Does service failure influence customer loyalty? *Journal of Consumer Behaviour*, 1(3), 217-27.
- Bricci L., Fragata A., & Antunes J., (2016). The effects of trust, commitment and satisfaction on customer loyalty in the distribution sector. *Journal of Economics, Business and Management*, 2, 34-42.
- Cohen, J. (1988). *Statistical Power Analysis for the Behavioral sciences*, (2nded). New Jersey: Lawrence Erlbaum Associates.
- Cronbach, L.J. (1950). Coefficient Alpha and the internal structure of tests. *Psychometrika*, 16, 297-334.
- Chochořáková, A., Gabčová, L., Belás, J., & Sipko, J. (2015). Bank customers satisfaction, customers’ loyalty and additional purchases of banking products and services. A Case Study from the Czech Republic, *Economics and Sociology*, 8(3), 82-94. DOI: 10.14254/2071-789X.2015/8-3/6
- Christopher, M., Payne, A. & Ballantyne, D. (1991). *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, London: Butterworth-Heinemann.
- Daniel, K., & Darby, D. N. (2018). A dual perspective of customer orientation: A modification, extension and application of the SOCO scale. *International Journal of Service Industry Management*, 8(2), 131–147.
- El-Mantrly, U. (2016). Customer satisfaction and loyalty analysis with classification algorithms and Structural Equation Modeling. *Computers & Industrial Engineering. International Journal of Business and Management*, 5(6), 113-122. 8(6) 95-106.
- Eman, M. A., Ayman, Y. S., & Tawfik, E. (2013). The impact of corporate image and reputation on service quality, customer satisfaction and customer loyalty: testing the mediating role.



- Case analysis in an international service company. *Journal of Business and Retail Management Research (JBRMR)* 8(1), 130-153.
- Ekrem C., Hasan, A., & Bwnyamin R. (2007). Effects of image and advertising efficiency on customer loyalty and antecedents of loyalty: Turkish Banks Sample. *Banks and Bank Systems*, 2 (1)54-76.
- Firdaus, A., & Agnes K. (2013). *Enhancing customer relationships in the foodservice industry. Faculty of Business Management, UniversitiTeknologi MARADOI: 10.7763/IPEDR* 2013. 67(9) 29-35.
- Garson, G. D. (2016). *Partial Least Squares Regression and Structural Equation Models: 2016 Edition (Statistical Associates Blue Book Series 10) Kindle Edition* 8(26), 547-567.
- Ghasemi, A., & Zahediasl, S. (2012). Normality tests for statistical analysis: A guide for non-statisticians. *International Journal of Endocrinology and Metabolism*, 10, 486-489. <https://doi.org/10.5812/ijem.3505>
- Gummesson, E. (1993). Making relationship marketing operational. *International Journal of Service Industry Management*, 5(5), 5–20.
- Groonroos, C. (1994). *Service Management and Marketing*, Lexington Books, Toronto.
- Hair, J.F., Hult, G.T.M., Ringle, C.M., & Sarstedt, M. (2014). *A primer on partial least squares structural equation modeling*, sage, thousand oaks, CA. (11th ed). Pearson Prentice-Hall, Upper Saddle River, NJ.
- Hair, J. F., Sarstedt, M., Ringle, C. M., & Mena, J. A. (2012), An assessment of the use of partial least squares structural equation modeling in marketing research, *Journal of the Academy of Marketing Science*, 40 (3), 414-433.
- Hallouz W., & Benhabib, A. (2014). A study of the relationship between banking service quality and customer satisfaction in Algerian Public Banks. *International Journal of Science and Research (IJSR)*, 3(2)235-243.
- Haslinda H., Teo P. K., & Raja A. A. (2014). Effects of perceived value and trust on customer loyalty towards Foreign Banks in Sabah, Malaysia. *Global Journal of Emerging Trends in*
- Henri J. T. (2018). Corporate Management and customer satisfaction among Banking industry in Rwanda. *European Journal of Business and Innovation Research* 6(4), 71-83 August 2018. Available at www.eajournals.org
- Homans, G., C. (1958). Social behavior as exchange, *American Journal of Sociology*, 63(9), 597-606.
- Ibrahim O., & Samuel, D. A. (2020) Effect of customer satisfaction and marketing communication mix on customers' loyalty in the Ghanaian Banking Industry. *European Journal of Management and Marketing Study*, 5(4), 891-900.
- Isreal, G. D. (2013). Sampling the evidence of extension program impact. programs evaluation and organizational size, University of Florida.IEAS Extension Development, IFAS, University of Florida.PEOD-5.October... *Journal of Personality and Social Psychology*, 51 (6), 1173-1182.
- Khadka, K., & Maharjan, S. (2017). Customer satisfaction and customer loyalty. Centria University of Applied Sciences Pietarsaari. *Journal of the Academy of Marketing Science*, 32 (3), 293-311.
- Kassa, A. (2017). The influence of attraction on internet banking: an extension to the trust-relationship commitment model. *International Journal of Bank Marketing*, 24(6), 424-442.



- Kumz, V. J. (2010). Driving profitability by encouraging customer referrals: Who, When and How,” *Journal of Marketing*, 74, 1–17.
- Kotler, Philip and Armstrong, Gary (2009) *Principles of marketing*. Eleventh Edition, Pearson
- Korauš, A. (2011), *Financial Marketing*, Bratislava: Sprint.USA.
- Ladhari, R. & Morales, M. (2011). Bank service quality: Comparing Canadian and Tunisian Customer Perceptions. *The Current Issue and Full Text Archive of this Journal*. Available at www.emeraldinsight.com/0265-2323.htm.
- MD Anhar S. M. (2014). The impact of relationship marketing on customer loyalty at Tesco Plc, UK. *European Journal of Business and Management*, 6(3), 98-107. Available at www.iiste.org.
- Magasi C. (2016). Customer relationship marketing and its influence on customer retention: A case of commercial banking industry in Tanzania. *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)* 5(1), 1756-1775.
- Mohammad M. A.&Noorjahan P. (2009) impact of service quality, trust, and customer satisfaction on customers loyalty. *ABAC Journal*, 29(1) 24-38.
- Mohammad, T. Shahram, G., & Seyyed J. M. (2011). The role of relationship marketing in customer orientation process in the banking industry with focus on loyalty. *International Journal of Business and Social Science*, 2(19) 34-45.
- Morello, N. (2016).Mediating service recovery satisfaction in the relationship between internet service recovery and customer loyalty. *International Journal of Business and Management*; 12(3), 10-24. Available at <https://doi.org/10.5539/ijbm>.
- Mudassir, H., &Waheed, M. A., (2015). Relationship marketing and customer loyalty: Evidence from banking sector in Pakistan. *Global Journal of Management and Business Research: E-Marketing*. Global Journals Inc. (US) 15(10), 78
- Muhammad S., Muhammad A. U. R. & Umair, A. (2016). Underlying effect of customer satisfaction on repurchase intentions: *Mediating role of Trust and Commitment European Journal of Business and Management*, 8(10), 89-105. Available at www.iiste.org
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing, *Journal of marketing*, 58(1), 20-38.
- Mollah, S. R. (2014). The impact of relationship marketing on customer loyalty. *European Journal of Business and Management*, 6, (3), 11-23. Available at www.iiste.org
- Nathan, V. A., & Cynthia, W. M. (2013). Exploring relationship marketing in membership associations. *European Journal of Marketing*, 47(10), 1622-1640.
- Ndubisi, N. O. (2003). Understanding the salience of cultural dimensions on relationship marketing, it's underpinnings and aftermaths. *Cross Cultural Management*, 11 (3), 70-89.
- Ofosu-Boateng, I. (2020). Effect of sales promotion and relationship marketing on customers' retention in the telecommunications industry in Accra, Ghana. *British Journal of Management and Marketing Studies*, 5(4) 37-54.
- Peng G.. & Trienekens, J. & (2014). Configuration of inter organizational information exchange and the differences between buyers and sellers. *British Food Journal*. 116(2), 292-316.
- Peyman J., Freyedon A., & Motreza F. (2013). Effects of Relationship Marketing (RM) on customer loyalty (Case Study: Mehr Bank, Kermanshah Province, Iran. *Interdisciplinary Journal of Contemporary Research in Business*, 11(8) 30-46.



- Rashid, S., Asad, U. R., Naeem A., Muhammad A. (2014). Impact of customer satisfaction and trust on customer loyalty mediating role of commitment (evidence from petroleum sector of Pakistan). *Journal of Basic and Applied Scientific Research*, 4(2), 214-221.
- Roxenhall, T., & Andresen, E. (2012). Affective, calculative and normative commitment: An assessment of relationship. *World Review of Business Research*, 2(5), 86–96.
- Sanjit, K. R., Abdolreza E., & Vaibhav, S. (2011). Dimensions of trust and trustworthiness in retail banking: Evidence from India. *The Marketing Management Journal*, 21 (1) 85-93.
- Saravanakumar G., & JothiJayakrishnan, D. (2014). Effect of service quality on customer loyalty: Empirical Evidence from Co-operative Bank. *International Journal of Business and Administration Research Review*, 2,(4), 2347
- Sekaran, U. (2005). *Research Method for Business: A skill building approach* (4). SouthamStiva University Carivaide.
- Siew-Peng, L., & Sedigheh, M. (2015). The dimension of service quality and its impact on customer satisfaction, trust, and loyalty: A case of Malaysian banks. *Asian Journal of Business and Accounting*, 8(2), 201 -215.
- Simon G. (2016). Relationship Marketing in Consumer Markets—Rhetoric or reality. *European Journal of Marketing*, 34 (7), 797-815.
- Siti A., Djumilah H., Achmad S., & Khusnul A. (2016). Relationship between shariah principles adherence, corporate social responsibility, trust and customer loyalty: Theoretical Study at Indonesia BMT. *International Journal of Business and Management Invention*, 3(10), 36-46 (October 2014).
- Tabachnick, B. G., & Fidell, L. S. (2007). *Multivariate analysis of variance and covariance. Using multivariate statistics*. Boston: Allyn & Bacon, 243-310.
- Tamu, R. M., & Soni, H. (2018) the effect of trust and service quality on loyalty mediated by customer satisfaction at pt bank nusatenggaratimur, waingapu branch office, indonesia. *International Journal of Economics, Commerce and Management United Kingdom*, 6(9) 551-563.
- Taleghani, M., Gilaninia, S., & Mousavian, S. J. (2011). The role of relationship marketing in customer orientation process in the banking industry with focus on loyalty (Case study: banking industry of Iran). *International Journal of Business and Social Science*, 2(19), 155–166.
- Tahmeem S., Kabir A. K., & Sugandha, M. S. (2018). Impact of customer relationship management on customer loyalty: Evidence from Bangladesh’s banking industry. *International Journal of Business, Economics and Law*, 15(5)71-80
- Thornhill, A., Lewis P. & Baunders M. (2009) *Research Methodology for Business Students* (5thEdition). Italy: RotolitoLombarda.
- Velnampy, T., & Sivesan, S. (2012). Customer relationship marketing and customer satisfaction; Yamane, T. (1973). *Statistics, an Introductory analysis*, 2nd Ed., New York: Harper and Row.
- Yu Tsu-Wei & Tung Feng-Cheng (2013). Investigating effects of relationship marketing types in life insurers in Taiwan. *Managing Service Quality* 23(2) 111-130.
- Zephaniah, C. O., Ogba, I. E., & Izogo, E. E. (2020). Examining the effect of customers’ perception of bank marketing communication on customer loyalty. *Scientific African*, 5(4)20-29.