EFFECT OF BRAND EXPERIENCE ON BRAND LOYALTY IN MOBILE

MONEY SERVICES OF TANZANIA: MEDIATING ROLE OF WORD-OF-

MOUTH AND CUSTOMER SATISFACTION

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A THESIS SUBMITTED IN FULFILMENT FOR THE REQUIREMENTS OF

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CERTIFICATION

The undersigned certifies that they have read and here by recommend for acceptance by the Open University of Tanzania a thesis entitled; "The Effect of Brand Experience on Loyalty in Mobile Money Services: Mediating Role of Word-of-Mouth and Customer Satisfaction" in partial fulfillment of the requirements for the award of Degree of Doctor of Philosophy (PhD) of the Open University of Tanzania.

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I, Juma Matonya, do hereby declare that this thesis is my original work and has never and will not be presented to any other University or institution for the same or similar award.

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Date

DEDICATION

I dedicate this work to my Lord God the creator of everything we see and not see for allowing me to finish this research work.

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ABSTRACT

This study aimed at examining the relationship between brand experience and brand loyalty in the mobile money services. Specifically the study aimed at (i) determining the influence of brand experience in creating brand loyalty of mobile money customers (ii) determining the influence of brand experience on word of mouth and customer satisfaction (iii) determining the influence of word of mouth and customer satisfaction on building loyalty (iv) determining the mediating effect of word of mouth and customer satisfaction in the link between brand experience and brand loyalty. This study utilized an explanatory research design whereas structural equation modeling was used to analyze collected data from 299 individuals obtained through simple random sampling. The results indicate that brand experience has a significant and positive effect on brand loyalty. It was revealed that brand experience impacts word of mouth and satisfaction of mobile money customers. The results also showed that word of mouth and customer satisfaction has a significant and positive association with brand loyalty. Moreover, word of mouth and customer satisfaction partially mediates the link between brand experience and brand loyalty. The study concludes that brand experience, word of mouth and customer satisfaction are predictors of brand loyalty. Thus, it is recommended that marketers, mobile network operators and dealers should carefully manage brand experience, word of mouth and customer satisfaction in order to make customers loyal to their brands. This study theoretically contributes to the literature by revealing the mediating role played by word of mouth and customer satisfaction in the link between brand experience and brand loyalty.

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LIST OF ABBREVIATIONS AND ACRONOMYS

BEX	Brand experience
BLT	Brand loyalty
BOT	Bank of Tanzania
CSA	Customer satisfaction
EDT	Expectancy Disconfirmation Theory
GSMA	Global System Mobile Association
KYC	Know you customer
LAPF	Local Authority Pension Fund
M-money	Mobile money
MNOs	Mobile money operators
MSMEs	Micro Small and Medium Enterprises
NFIF	National financial inclusion framework
NSSF	National Social Security Fund
PPF	Parastatal Pension Fund
PSPF	Public Service Pension Fund
SEM	Structural Equation Modeling
SET	Social Exchange Theory
TCRA	Tanzania Communication and Regulatory Authority
TRA	Theory of Reasoned Action
WOM	Word of mouth

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Brand loyalty is among the fundamental factors for growth and success of businesses. It is the interest of the majority of business firms to make their customers more loyal to their brands, products or services. This is because the purchases of loyal consumers are higher compared to that of non-loyal consumers (Singh, 2016).

Loyal customers also introduce the business brands to other consumers, repurchase the brands, reduces price sensitivity and increases market share for the company (Jafari *et al*., (2016). Brand loyal customers also reduce the marketing expenses of business firms as the expenses of attracting a new customer is six times more than the expenses of retaining an old customer (Mwai *et al*., 2015). Therefore, the achievement of business firms depends mainly on its ability to attract loyal consumers. However, it has been a challenge for business firms to make their customers remain loyal to their brands particularly in the existing competitive environment; as a result, consumers are switching brands. For example, a study by Yehia and Massimo (2016) in Spain found that mobile phone consumers are not loyal to mobile phone brands.

Another study by Ndesangia (2015) depicts that most of the Tanzanian mobile phone consumers are non-loyal as they change their mobile phones brands from time to time, according to the prevailing trend and fashion. Consequently, marketing researchers and practitioners have been searching for the factors influencing the loyalty of customers toward different brands. However, it is very difficult to find a

study which determined all factors influencing brand loyalty simultaneously and jointly. Studies that have been conducted reveal that factors associated with brand loyalty include word of mouth (Balakrishnan *et al.*, 2014; Praharjo and Kusumawati, 2016), customer satisfaction (Awan and Rehman, 2014; Bianchi, 2015; Cleff and Chu, 2013; Khundyz, 2018; Otengei *et al.,* 2014; Taurus and Rabach, 2013; Walter *et al.*, 2013), brand image (Khundyz, 2018), advertising and trust (Ndesangia, 2015) and brand experience (Akin, 2016; Ardyan *et al.*, 2016; Jafari *et al.,* 2016; Walter, *et al.* 2013; Forsido, 2012) to mention the few.

However, this study aimed at studying brand experience as one of the important factors affecting brand loyalty. This is because now-days customers are searching for brands that create memorable experiences and no longer just buying the functional needs of products and services (Zarantonello and Schmitt, 2010). Brand experiences associated with emotions impacts loyalty of customers, increase sales and pave a way to brand differentiation (Morrison, 2007). The widely accepted conceptualization of brand experience is that by Brakus *et al.* (2009). The authors conceptualize brand experience as "subjective, internal consumer responses (sensations, feelings, and cognition) and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments" (p.53).

The authors have also developed a measurement scale with the four dimensions viz. (i) Sensory (ii) Affective (iii) Intellectual and (iv) Behavioral dimension. Zarantonello and Schmitt (2010) consider behavioural dimension as the dimension that involves bodily experiences, lifestyles and contact with the brand whereas

sensory dimension is the one which relates to visual, auditory, tactile, gustative and olfactory stimulations provided by the brand. Intellectual dimension, on the other hand, is the capability of the brand to engage convergent and divergent thinking while affective dimension comprises of feelings created by the brand and its emotional bond with the consumer.

Since its development, the scale has been applied by the majority of brand experience researchers (Akin, 2016; Kim *et al*., 2015; Walter *et al*., 2013) in search of the impact of brand experience into other constructs. It is worth noting however that, the scale was formerly devised and tested for product brands only. Thus the scale is context-depended and hence become questionable to whether it can be regarded as the global measurement tool (Skard *et al*., 2011). Thus, the scale needs more tests and validation to determine the full implication of brand experience (Skard *et al*., 2011; Walters *et al*., 2013) particularly in the service sector where there are limited brand experience studies (Khan and Rahman, 2015).

On the one hand, there is disagreement among researchers on the association between brand experience and brand loyalty. Some have revealed direct impact of brand experience to brand loyalty (Akin, 2016; Jafari *et al*., 2016) whereas others have found that, it affects brand loyalty only through other variables including brand attitude (Rajumesh, 2014), brand relationship quality (Francisco-Maffezzolli *et al.,* 2014), customer satisfaction (Baser *et al*., 2015; Kim *et al., *2015), brand attitude (Rajumesh, 2014), consumer confidence (Pollalis and Niros, 2016) and affective commitment (Iglesias *et al.,* 2011). Others posit that brand experience doesn't have a significant impact to brand loyalty (Ardyan *et al*., 2016; Forsido, 2012; Iglesias *et*

al., 2011; Maheshwari *et al.*, 2016; Nysveen *et al.,* 2013). This disagreement creates a research gap that needs to be filled by conducting more studies on the relationship between these constructs. Hence the current study examined the effect of brand experience towards brand loyalty of mobile money customers while considering word of mouth and customer satisfaction as mediator variables. More specifically, the respondents were staff/business owners who are dealing with day to day activities of micro, small and micro medium enterprises (MSMEs) in Rukwa and Katavi regions. The use of this population emanates from the fact that they are among the users of the m-money services and also MSMEs greatly contribute to the growth of the economy (Ministry of Trade and Industry, 2012).

The need to study brand experience, word of mouth and customer satisfaction in the mobile money (m-money) service industry is due to the importance of this industry in extending financial inclusion. The current report by th*e* Global System Mobile Association (GSMA) indicates that there were more than half-billion registered accounts globally in 2016 and 277 million registered accounts in December 2016 more than the total number of traditional bank accounts in Sub-Saharan Africa (GSMA, 2017). It is evident that the rapid growth of the sector give rise to highly competitive markets, reduces brand differentiation and makes it worth studying ways that may enhance the loyalty of customers toward brands.

In Tanzania, m-money services are also spreading rapidly. The total number of registered mobile money accounts was 5.4 million in September 2010 (Mwinyimvua, 2013) and there were 21.8 million registered mobile money accounts in December 2017 with a share of 37% M-Pesa, 31% Tigo Pesa, 27% Airtel money,

4% Halotel money, 1% Ezy-Pesa and 0.01% is occupied by TTCL (TCRA, 2017). The current competition is high among the mobile network operators and dealers.

The problem is even complicated by consumers who are switching from one brand to another (Ndesangia, 2015) and others have become multiple users of the services. For that case, MNOs have to develop business strategies which will enable them to survive in the existing competition and continue to provide m-money services to the society. One way of doing this is by imparting customers with positive brand experiences which impacts their loyalty to m-money brands and making them satisfied with the m-money service brands and spreading the good news about these brands.

Despite the fact that m-money services have extended the financial inclusion in low and middle-income countries including Tanzania, and the existing problem of customers switching from one brand to other brands, none of the study that has examined the effect of brand experience in building brand loyalty for m-money customers while considering the mediation effect of word of mouth and satisfaction (to the author's best knowledge). Thus, this study was an attempt to fill this research gap. The findings obtained from the study has added knowledge to the body of brand management literature on the influence of brand experience on brand loyalty and the mediating effect played by word of mouth and customer satisfaction in the link between these constructs.

1.2 Statement of the Research Problem

In the current competitive information technology era, where consumers have a wide

range of mobile money service brands and choices, the problem of Tanzanians m-money customers switching to other brands is of concern to the m-money network operators and dealers as loyal customers are highly needed for the survival of their business. Despite the fact that mobile money service consumers are not loyal to one brand, previous studies in the industry (Chogo and Sedoyeka 2014; GSMA, 2013; GSMA 2016; GSMA 2017; Harris *et al*., 2013; IMF 2014; Kirui, 2012; Masamila, 2014; Muisyo *et al.,* 2014) have not researched on brand experience and its impact on brand loyalty of m-money customers through word of mouth and customer satisfaction.

Moreover, the existing brand experience studies are mainly from developed countries like the USA, UK and Australia (Khan and Rahman, 2015). Besides, brand experience studies in the service sector are scarce (Khan and Rahman, 2015). On the other hand, there is no consensus regarding the effect of brand experience on brand loyalty among scholars. For example, Akin (2016) and Jafari *et al.* (2016) found a direct effect of brand experience on brand loyalty whereas Baser *et al.* (2015) and Pollalis and Niros (2016) found an indirect effect. Scholars like Ardyan *et al.* (2016) Maheshwari (2016) posit that brand experience has no impact on brand loyalty. This creates a research gap to be fulfilled.

There is also no solid theoretical foundation on the association between word of mouth and brand loyalty as the findings are mixed. For example, researchers such as Praharjo and Kusumawati, 2016 and Ntale, *et al.* 2013 consider word of mouth as an antecedent to brand loyalty while Niyomsart and Khamwon (2016) regard word of mouth as a consequence of brand loyalty. Moreover, none of the studies has studied

the mediating role of word of mouth in the association between brand experience and brand loyalty (to the author's best knowledge). Hence, this study was done to fill this research gap and add to the brand management literature.

1.3 Research Objectives

1.3.1 General Research Objective

To examine the influence of brand experience on brand loyalty of mobile money customers through word of mouth and customer satisfaction

1.3.2 Specific Objectives

i. To determine the influence of brand experience in creating brand loyalty of mobile money customers

ii. To determine the influence of brand experience on word of mouth and customer satisfaction of mobile money customers.

iii. To determine the influence of word of mouth and customer satisfaction in creating loyalty of mobile money customers.

iv. To determine the mediating effect of word of mouth and customer satisfaction in the link between brand experience and brand loyalty.

Nota Bene: The hypotheses of the study have been placed inside the empirical literature review discussions (section 2.5.1 -2.5.3).

1.4 Justification of the Study

M-money services have come as an unexpected saviour to the majority of Tanzanians particularly the rural people. However, limited studies have bothered to

search on what is happening in the sector. Even the existing studies have focused on other issues while ignoring brand experience and its impact on loyalty intention. For example, GSMA (2016) studied the impact of mobile money interoperability in Tanzania and Economides and Jeziorski (2016) studied the mobile money industry aiming at finding the impact of m-money on alleviating financial exclusion. However, knowing what brand experience created by m-money brands is one step for finding ways to improve and promote the sector and facilitate a wide spread of the services in the country particularly in rural areas where the bank networks are limited.

Furthermore, competition in the m-money industry is increasing. This necessitates company strategists to work hard for identifying ways to differentiate themselves from competitors' brands. Creating a positive brand experience to m-money customers seems to be among the best way to differentiate the m-money brands from competitors as it will increase the loyalty of customers.

Nevertheless, theoretically so far there is no agreement among scholars pertaining the relationships between brand experience and brand loyalty (Ardyan *et al.,* 2016; Baser *et al.,* 2015; Iglesias *et al.*, 2011; Jafari *et al.,* 2016; Kim *et al.*, 2015; Pollalis and Niros, 2016)) and between word of mouth and brand loyalty ((Niyomsart and Khamwon, 2016; Praharjo and Kusumawati, 2016) as well as between customer satisfaction and brand loyalty (Al-Msallam, 2015; Bianchi, 2015; Otengei *et al.,* 2014; Tarus and Rabach, 2013; Walter *et al.,* 2013). Thus, the findings from this study are useful resource academically.

1.5 Relevance of the Study

The brand experience and brand loyalty relations have been investigated with findings indicating both direct or indirect relationships and others showing no significant impact of brand experience to brand loyalty (Akin, 2016; Ardyan *et al.,* 2016; Baser *et al.,* 2015; Iglesias *et al.,* 2011; Jafari *et al.,* 2016; Kim *et al.,* 2015; Pollalis and Niros, 2016). These findings suggest a need to have more studies to establish a solid theoretical foundation on the link between these latent constructs.

Studies have established also that customer satisfaction plays a mediating role in the association between brand experience and brand loyalty (Brakus *et al.,* 2009) and others have found that it does not play this role (Mabkhot, 2016; Moreira *et al.,* 2017). However, the effect of customer satisfaction depends on industry studied, the segment of customers (Keiningham *et al.* 2007; Kumar *et al.,* 2013) as well as characteristics of market studied, product categories and demographic factors (Dong *et al.,* 2011). Thus, this study determined whether customer satisfaction plays a mediating role in the association between brand experience and brand loyalty in the m-money industry.

Moreover, limited studies have been done to find the effect of brand experience on word of mouth (Cetin and Dincer, 2014; Klein *et al.,* 2016). Hence the current study filled this void by finding the relationship of brand experience and brand loyalty in the presence of word of mouth (mediator variable). Furthermore, the majority of experience studies have concentrated on the products brands and in the developed countries with limited studies in the service sector and in developing countries including Tanzania (Khan and Rahman, 2015). Hence it was important to conduct

this study on brand experience and its consequences in a Tanzanian context. Being amongst the very few studies of brand experience in Africa and the first in Tanzania for the m-money industry (to author's best knowledge), the study is a useful study resource for academia.

This study is relevant to mobile money operators and dealers as it underscores the influence of brand experience on brand loyalty of m-money customers and how the suggested mediator variables relate to these constructs. Understanding how m-money customers experience brands is important for marketing strategy development by mobile money operators especially in the current competitive business environment.

1.6 Organization of the Research

The next section includes chapter two which contains literature review followed by chapter three which presents the methodology which was applied. Thereafter chapter four which contains the findings of the study is presented. The discussions about the findings of the current study, conclusions, implications of the study and recommendations are presented in chapter five and six respectively. Thereafter references that were consulted follows and the last but not least are the appendices.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter covers a review of the literature consulted. It is organized as follows: the first section comprises of conceptual definitions followed by theoretical literature review, a summary of theoretical literature review and empirical literature reviews followed by its summary. The research gap follows after the summary of the empirical literature review and lastly conceptual framework.

2.2 Conceptual Definitions

2.2.1 Brand Experience

Brand experience is a "subjective, internal consumer responses (sensations, feelings, and cognition) and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packing, communications, and environments" (Brakus *et al.,* 2009, p. 53). Brand experience is also defined as "the perception of the consumers, at every moment of contact they have with the brand, whether it is in the brand images projected in advertising, during the first personal contact, or the level of quality concerning the personal treatment they receive" (Jouzaryan *et al.,* 2015, p.71). The current study adopted Brakus *et al.* (2009) conceptualization (the ones who coined brand experience) as it is a comprehensive one and widely accepted by brand experience researchers.

2.2.2 Brand Loyalty

This is "the unconditional commitment and strong association with a brand, which is not likely to be affected under normal circumstances" (Khan and Mahmood, 2012,

p.33). Besides, Kim *et al.* (2015, p.65) see brand loyalty "as the attitude of consumers who are satisfied with the product and service to continuously and repeatedly use the same product and service". The proposed study adopted this definition as it was expected that attitude towards m-money brands is the motivating factor for customers of m- money services to become loyal to these brands.

2.2.3 Customer Satisfaction

Nayebzadeh (2013, p.115) refers customers' satisfaction as a "summary of a psychological manner in which a composite of customers' feeling about the unexplained expectations and his/her previous consumption experiences are encompassed". On the one hand, Ali and Mugadas (2015, p.896) define satisfaction as a "consumer's fulfilment response". This study adopted this definition believing that m-money customers would give their responses of being either satisfied or not satisfied with the mobile services.

2.2.4 Word – of – Mouth

This is the discussions held by customers on issues related to usage, features and their personal experience about the product or service (Kumar, 2016). In the same vein, Almossawi (2015) defines word of mouth as the situation where people exchange views about companies' products or services which may either be positive or negative. However, this study adopted the definition by Kumar (2016) as it is the current one and suits well with this study.

2.2.5 Mobile Money (M-Money)

Mobile money is defined as a service that enables people to use a mobile phone in

accessing financial services (Jack *et al.,* 2011). On the other hand, Subia and Martinez (2014) define m-money as the financial service available electronically through a mobile phone device. However, this study adopted the definition given by Subia and Martinez (2014) as it is the recent one and also suited to our interpretation of m-money in the current study.

2.3 Theoretical Literature Review

2.3.1 Evolution of Brands and Branding Theories

Evolution of brands can be dated back to the time when people started to brand their cattle for identification (Riezebos, 2003). On the other hand, the development of modern brands and branding can be referred to the industrial revolution era where there was massive production, improved product quality, transport systems and packing which enabled manufacturers and producers to convince consumers that they could get their products all the time as well as easily recognize their brands and make repeat purchases (Roper and Parker, 2006). Legal factors such as trademarks and copyrights also supported the development of branding (Roper and Parker, 2006). It was until the twentieth century when branding appeared as the centre of marketing field thoughts (Levy, 2012). Since then a number of branding concepts were put in place. The next section briefly describes some of these concepts as they evolved.

2.3.1.1 Brand Loyalty

Brand loyalty studies have a long history in marketing literature. The article by Copeland (1923) is considered to be the first article to be published on brand loyalty. This paper acted as teaser paper and many other scholars conceptualized and devised

measurement methods of the construct (Aaker, 1991; Day 1969; Guest, 1944; Jacoby, 1971; Shet, 1968). However, the widely accepted conceptualization is that of Jacoby and Chestnut (1978) which states that brand loyalty is (1) "a biased (i.e., non-random), (2) behavioral response (i.e., purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more brands out of a set of such brands, and (6) is a function of psychological (decision-making, evaluative) processes".

Since its conceptualization and operationalization, studies on brand loyalty can be grouped into three main phases. The first early one paid more attention to mathematical models like Bernoulli, the linear learning and Markov chains models (Massy *et al.,* 1970) and this phase based on the uni-dimension approach. Behavioural loyalty was the first dominant measurement approach of brand loyalty in those days. This perspective relied on repeated buying behaviour of consumers (Tucker, 1964; Sheth, 1968). Sheth (1968) refer behavioural loyalty as "a function of a brand's relative frequency of purchase in time-independent situations, and it is a function of relative frequency and purchase pattern for a brand in time-dependent situations" (p.398).

The behavioural loyalty perspective is also known as the behavioural theory (Ueacharoenkit, 2013). However, the behavioural theory was criticized by not separating between the true and spurious loyalty buyers (Day, 1969). In an attempt to overcome the shortcomings of behavioural loyalty perspective, researchers introduced the attitudinal loyalty model. Guest (1944) was the first author to suggest this perspective. Thereafter, a number of scholars emerged supporting the idea

(Jacoby and Chestnut, 1978). The attitudinal loyalty includes the buyer's psychological commitment to repurchase the brand (Russell-Bennett *et al.,* 2007) which was not considered by the behavioural loyalty perspective. It comprises of affective, cognitive loyalty and conative (Dick and Basu, 1994).

The authors define affective loyalty as a consumer's feeling about the brand and it encompasses moods, satisfaction and emotions while conative loyalty is the one which considers sunk cost, switching cost as well as consumer's prior expectations. Besides, the authors regard cognitive loyalty as loyalty based on accessibility, confidence (attitude's certainty), centrality and clarity of the attitude. However, Worthington et al. (2009) refer cognitive loyalty as the decision made by the customer to remain with a brand while considering the switching expenses and the attributes of a respective brand.

Odin *et al.* (2001) posit that attitudinal measures enable a researcher to collect data easily as they are created with interval scales and they are not aimed at understanding to whether buyers are unconditionally loyal or not; instead they focus on knowing the consumer's intensity of loyalty to the product or service. However, the attitudinal perspective (attitude theory) is not free from challenges. Odin *et al*. (2001) criticize the attitudinal measures by exclusively depending on buyer's declarations while ignoring the observed behaviour. Hence applying attitudinal loyalty only may not capture the loyalty phenomenon in full (Morais, 2000).

The criticisms of the uni-dimension phase gave rise to the second phase of research in brand loyalty. The second stream of brand loyalty research involved the two

dimensions approach. Day (1976) is credited to be the earliest scholar to propose a two-dimension nature of construct which consists of behaviour and attitude. Following this study, a number of studies applied this perspective (Oliver, 1999; Dick and Basu, 1994). Despite its usefulness, the two-dimension approach has produced inconsistencies and debate among scholars (Worthington *et al.,* 2009).

East *et al.* (2005) used the two-dimension approach and came up with the conclusion that no measure amongst the two was able to effectively forecast search, recommendation and retention in the consumer context. After the two-dimension approach, another third phase of tri-dimension approach appeared. Worthington *et al.* (2009) proposed a tri-dimension approach which consists of behavioural, emotional and cognitive loyalty. The authors referred cognitive loyalty as the decision made by the customer to stay with a brand while considering the switching costs and brand's attributes (Worthington *et al.* 2009) whereas emotional loyalty is the degree of positive feelings provoked by repurchasing a brand (Oliver, 1999).

Since its development, the multi-dimension approach has been applied by many other researchers (Bianchi, 2015 and Ehsan *et al.,* 2016) in studying brand loyalty. However, other authors have proposed that trust and commitment to be considered among the dimensions of brand loyalty (Alhabeeb, 2007). Moreover, Oliver (1999) proposed four phases of consumer loyalty. The author suggested that consumers form loyalty in a progression way. The first one is cognitive loyalty while the second is affective loyalty which is followed by conative loyalty and lastly behavioural loyalty. However, the tri-dimension perspective by Ehsan *et al.* (2016) consisting of behavioural, attitudinal and cognitive loyalty was embraced by this study.

Furthermore, researchers have used different variables to measure brand loyalty in a tri-dimension approach. For Cognitive loyalty, researchers have used exclusive consideration (Jones and Taylor, 2007), tolerance to price (Jones and Taylor, 2007), identification of a brand (Kuenzel and Halliday, 2008). On attitudinal loyalty scholars have used preferences towards a brand (Ehsan, *et al.,* 2016), willingness to recommend (Ehsan *et al.,* 2016; Jones and Taylor, 2007; Kuenzel and Halliday, 2008 and commitment towards the brand (Ehsan, *et al.,* 2016; Kuenzel and Halliday, 2008) whereas behavioural loyalty have been measured by the intention to switch brands (Ehsan *et al.,* 2016), the intention to repurchase the brand (Ehsan *et al.,* 2016; Jones and Taylor, 2007) and the frequency of purchasing the brand (Ehsan *et al.,* 2016).

2.3.1.2 Brand Personality

Another concept which appeared in the 1950s was brand personality which was initiated by Martineau (1958). The author's emphasis was on store personality though he also concluded that what holds true to store personality also works correctly to brand personality. According to Aaker (1997), brand personality is "a set of human characteristics associated with a brand". However, brand personality is not the same as human personality. It is personifying either the brand or brand trait that explains the internal traits of the brand (Punyatoya, 2011).

Brand personality studies are important as consumers prefer to use brands that match their personal characteristics (Roustasekehravani, *et al.,* 2015). The measurement scale by Aaker (1997) is widely used for measuring brand personality. The scale includes five brand personality dimensions namely competence, sincerity,

excitement, sophistication and ruggedness. Table 2.1 indicates the five brand personality dimensions and their facets.

Table 2.1: The Dimensions of Brand Personality

Sincerity	Excitement	Competence	Sophistication	Ruggedness
Down –to earth Honest Wholesome Cheerful	Daring Spirited Imaginative Up to date	Reliable Intelligent Successful	Upper class Charming	Outdoorsy Tough

Source: Aaker (1997).

2.3.1.3 Brand Positioning

Positioning is the concept that was coined in the early 1970s and became very popular in those days (Ries and Trout, 1981). These authors pointed out that positioning deals with the minds of consumers and not the product. According to them, it is putting the product into the consumer's minds through different approaches including changing prices, packaging and names. Keller (2008, p.98) on the other hand, refer brand positioning as "the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customers' minds". In that case, brand positioning is more subjective as it involves consumers' discernment (Janiszewska and Insch, 2012).

Brand positioning is important as it turns the basic intangible features of a product into the form of an image in the consumer's minds (Temporal, 2002). It also helps firms to create the strong customer base and differentiate themselves from competitors (Manhas, 2010) and enable business firms to stay longer with success in

the market. Owing to its importance, a number of researches have been done and going on about brand positioning worldwide.

2.3.1.4 Brand Equity

This concept was developed in the 1980s and became popular when Aaker (1991) published his book on managing brand equity and more when academia and advertising agencies joined together to popularize the concept (Moisescu, 2005). Brand equity is "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm/or to that firm's customers" (Aaker, 1991, p.15).

Researchers consider brand equity measurement on three different approaches including. First, a consumer-based perspective which is widely measured by the five dimensions proposed by Aaker (1991). These dimensions include (i) brand awareness (ii) perceived quality (iii) brand association (iv) brand loyalty and (v) other proprietary brand assets. Keller (2003, p.76) posits that awareness is "the customers' ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory". Besides, perceived quality is "customer's judgment about a product's overall excellence or superiority that is different from objective quality" (Zeithaml 1988, p. 3).

Furthermore, brand association consists of "all brand-related thoughts, feelings, perceptions, images, experiences, beliefs and attitudes" (Kotler and Keller 2006, p. 188). Second, a product-based approach which consists of a share of the market,

loyalty, net profit, price premium as well as revenues generated (Ailawadi *et al.,* 2003). Third, the financial based approach which considers discounted future cash flows or expected future earnings linked to the brand (Simon and Sullivan (1993).

2.3.1.5 Relational Branding

Authors have also proposed the relational branding concept. The seminal article by Fournier (1998) opened the way to consumer - brand relationships understanding. Since then a number of consumer-brand relationships studies have been done worldwide. (Jokanovic, 2005) refer brand relationship as the association revealed between consumers and brands. Researchers consider brands and consumers as having a dyadic association (Aaker *et al.,* 2004; Fournier, 1998). This idea seems to be the same also on the side of consumers when looking at consumers who are ready to accept company advertiser's attempt to humanize brands (Fournier, 1998). Gummesson (2002) also give emphasis on the existence of consumer-brand association by refuting the idea that relationship exists only to human beings and posit that it is also available to objects and symbols.

In measuring consumer-brand relationship, Fournier (1998) suggested a multi-dimensions model of brand relationship quality which includes love or passion (the feel to have the brand), intimacy (proximity), self-connection (extent to which a brand offers significant identity), commitment (supporting the relationship to last longer), inter-dependency (the extent to which brands and consumers are depending on each other) and brand partner quality (the performance of the brand from the consumer's eye while in partnership). However, Michel *et al.* (2015) utilized the affect, trust and perceived consumer recognition due to the brand dimensions to

measure the association between a salesperson and the brand. Similar to other branding concepts, a number of articles have been published and researches are going to this area of branding.

2.3.1.6 Brand Identity

Nevertheless, brand identity also captured the attention of scholars since the 1990s (Hampf and Lindberg-Repo, 2011). Aaker (2002) defines brand identity as a distinctive set of brand relations that the brand tactician seeks to generate. De Chernatony (1999) early developed the identity model which consisted of vision and culture. However, (Kapferer, 2008) considers brand identity as having six features including physique, relationship, reflection, culture, personality and self-image.

According to the author, Physique is the physical feature of the brand that comes into the minds of the consumer when the brand is mentioned while a brand is assumed to have a personality as it has the ability to communicate and hence creates a character like human personality. Moreover, the brand is considered like culture simply because every brand possess its own culture from which it was formed and a relationship because they are at the heart of exchanges among consumers. Moreover, the author substantiates that brands are the reflection in a sense that they denote the customer's perception towards a brand whereas self-image denotes the internal association of customers with the brand (I feel…).

Aaker (1996) also developed the brand identity planning model with four facets namely brand as a product, brand as an organization, brand as a person and brand as a symbol. Brand as a product involves the scope of the product, characteristics of the

product, usage and users, country of origin and value of a brand. Brand as an organization encompasses organizational attributes (such as innovation and consumer concerns) and considers local and global organizations whereas brand as a person includes personality (uniqueness and energetic) as well as customer-brand relationships (e.g. friend and advisor). Brand as a symbol, on the other hand, contains visual imagery and metaphors and brand heritage. Similar to other branding concepts, scholars are searching for antecedents and consequences of brand identity (Karjaluoto *et al.,* 2016) and researching on other issues as far as brand identity is concerned.

2.3.1.7 Brand Community

Brand community is another branding concept which was coined as branding continued to advance (Muniz and O'Guinn, 2001). Brand community refers to "specialized, non-geographically bound community and based on a structured set of social relations among admirers of a brand" (Muniz and O'Guinn, 2001, p. 412). According to these authors, brand communities are the legitimate type of communities with specific stripes and time which are formed on any brand but mostly formed on strong image brands with a long history. Stokburger-Sauer (2010) on the other hand, refers brand community as a cluster of individuals who use and admirers of the particular brand, involving themselves in collective actions in order to achieve group objective and/or to convey shared feelings and obligations.

Moreover, the measurement of brand community has been one the niche area for marketing researches. Scholars have identified different measurement models including that of Muniz and O'Quinn (2001) which based on the customer-customer-

brand triad. However, McAlexander, *et al.* (2002) proposed another model aiming to extend the model by Muniz and O'Quinn (2001). The authors introduced the customer-centric measurement model which includes the relationships of the customer with other customers/owner, brand, a product and company (McAlexander, *et al.*, 2002).

Brand community can also be well understood by considering the geographically located, social context and the temporality dimensions. Brand community may be geographically located or scattered though this is different from the definition of Muniz and O'Quinn (2001); socially linked with enough information about others or little as well as being weak or stable and can last longer or short time (McAlexander *et al.,* 2002). To sum up, the conceptualization and how to measure brand community has been dealt with by majority of brand community studies and researchers have been searching for other issues: such as antecedents and consequences of brand community (Woisetschlaeger, 2008) and how the brand community create value (Schau *et al.*, 2009) to mention the few.

2.3.1.8 Brand Experience

Schmitt (1999) firstly proposed brand experience in the marketing field. However, the widely accepted conceptualization of brand experience in the marketing field was first coined by Brakus *et al.* (2009). These authors substantiate that, experience encountered by consumers from brands differs i.e. some are stronger than others, may be positive or negative and may last for a long time or short time. It is produced when consumers utilize brands; converse to others on issues related to the brand; search for information about the brand and when brands are promoted (Nadzri *et al.*

2016). Brand experience can either be direct or indirect. The direct form of brand experience occurs when consumers have physical contact with the brand whereas indirect brand experience is created through advertisement or other channels of marketing communication (Jafari *et al.,* 2016).

Additionally, Brakus, *et al.* (2009) identified four types of brand experience as previously stated namely: sensory, affective, behavioural and intellectual dimension. However, Schmitt (1999) identified five kinds of experiences that marketers can produce for their customers including social-identity experiences that result from relating to a reference group or culture (RELATE), physical experiences, behaviours and lifestyles (ACT), sensory experiences (SENSE), creative cognitive experiences (THINK) and affective experiences (FEEL). Gentile *et al.* (2007) on the other hand proposed six dimensions namely (i) Sensorial (ii) Emotional (iii) Cognitive (iv) Pragmatic (v) Lifestyle and (vi) Relational dimensions whereas Nysveen *et al.* (2013) suggested five dimensions which are (i) Sensory (ii) Affective (iii) Behavior (iv) Intellectual and the (v) Relational dimension.

Furthermore, Brakus *et al.* (2009) developed a measurement scale with 12-items which consist of four dimensions (sensory, affective, behavioural and intellectual) each been measured by three items. This scale has been applied by the majority of brand experience researchers (Akin, 2016; Ardyan *et al.,* 2016; Kang *et al.,* 2017). However, the scale misses the relational dimension which is believed to be an important dimension when someone wants to study brand experience in the service brands ((Nysveen, *et al.,* 2013; Scmitt, 1999) like this study and in one of the emerging marketing perspective i.e. stakeholder' co-creation of brand value

(Nysveen, *et al.,* 2013). As a result, Nysveen, *et al.* (2013) recommends that "future research should further explore the complexity of the relational component of brand experience, both in a product brand and a service brand setting" (p.421). However, the current study opted to explore this complexity in the service brands where limited research has been done (Khan and Rahman, 2015).

Table 2.2 summaries the evolution of the discussed branding concepts. More detailed information on conceptualization and their theoretical perspectives, developments, studies are done, measurements and scholarly debates of the eight briefly explained concepts are found in the articles cited.

Table 2.2: Evolution of Brands and Branding Theories

Period	Concept	Pioneer/Author and year
< 1970s	Brand loyalty	Copeland (1923)
	Brand personality	Martineau (1958)
1970s – 1980s	Brand positioning	Ries and Trout: early 1970s
	Brand equity	Aaker (1991) Keller (1993) Simon and Sullivan (1993
	Relational branding	Gummesson (2002)
	Brand identity	De Chernatony (1999)
1990s – 21st century	Brand community	Muniz and O'Guinn, 2001
	Brand experience	Schmitt (1999); Brakus *et al*. (2009)

Source: Researcher, 2017

Nevertheless, scholars have moved one step ahead from conceptualization to find the link among the discussed concepts. For example, researchers have studied the association between brand personality, brand identification, brand equity and brand loyalty (Karjaluoto *et al.,* 2016), brand personality and brand loyalty (Kamarposhti

and Bagheri, 2015), brand community and brand loyalty (Marzocchi, *et al.,* 2013), brand personality and brand relationships (Nobre, *et al.,* 2010), brand experience, brand personality and brand loyalty (Brakus *et al.,* 2009) and brand experience and brand equity (Xixiang *et al.,* 2016).

However, this study studied the association between brand experience and brand loyalty in the service sector particularly the mobile money industry in Tanzania where limited studies have been done (Khan and Rahman, 2015) so as to contribute to the theoretical understanding of the association between these constructs in the service industry. In so doing, the study considered customer satisfaction and word of mouth as mediator variables in the link between the two constructs. To the author's best knowledge, the associations between brand experience and brand loyalty in the presence of word of mouth and customer satisfaction have not been studied in the m-money industry particularly in Tanzania. Hence the current study aimed at filling this void in the brand management literature on the African context in particular Tanzania.

2.3.2 Word of Mouth

The power of word of mouth (WOM) in influencing the behaviour of consumers has been studied for many decades. It can be dated back to post-war 1940s (Buttle, 1998). Katz and Lazarsfeld (1955) and Arndt, (1967) are considered to be the earliest scholars that studied word of mouth. Since then word of mouth concept has been explored by many researchers. However, the research on word of mouth can be grouped into three major streams (De Bruyn and Lilien, 2008).

First, the stream that focused on finding as to why customers have the tendency to share with others about the product or services they have encountered. In this stream, scholars have come up with different reasons including extreme satisfaction or dissatisfaction of service, product or brand (Anderson, 1998), the uniqueness of the product offered (Bone, 1992) and commitment to the company (Dick and Basu, 1994). Second, a stream that concentrates on finding situations under which customers depend on word of mouth to make their buying decisions. Researchers have established that customers who are risk aversions in buying decision (Bansal and Voyer, 2000), intensely participating in buying decisions (Bansal and Voyer, 2000) and those with little knowledge of product category (Gillyet *et al.,* 1998), are more likely to rely on word of mouth.

Third, a stream that focuses on the reasons as to why some personal sources of information have more impact than others. Scholars have found that strong ties (Bansal and Voyer, 2000), demographic similarity or homophily (Brown and Reingen, 1987) and perceptual affinity (Gilly *et al.,* 1998) has been found to be among the factors influencing word of mouth. Moreover, scholars have realized that word of mouth is more powerfully than any other means of marketing communications.

Earlier studies like that of Day (1971) and Buttle (1998) revealed that ability of word of mouth in changing undesired tendency into positive attitudes is estimated to be nine times powerful as compared to advertising. Unlike these studies; Silverman (2011, p.58) postulates that "word of mouth is thousands of times more powerful than conventional marketing". The power embedded in the word of mouth can be

used to patronize or work against the brand (Lam and Mizerski, 2005).

Nevertheless, recognition of the influence of word of mouth by researchers and practitioners has provoked more studies aiming to understand the antecedents and consequences of this most powerful marketing tool (Harris and Khatami, 2017). Consequently, Scholars have established that the antecedents to word of mouth include: satisfaction (Harris and Khatami, 2017), perceived value (Harris and Khatami, 2017), service quality (Harris and Khatami, 2017) and trust (Kim *et al.*, 2009).

Despite the influence of customer experience on feelings and attitudes (Grace and O' Cass, 2004; Ha and Perks, 2005) limited studies (Cetin and Dincer, 2014; Klein *et al.*, 2016) have been done to study brand experience as the antecedent to word of mouth. Hence the current study was an attempt to fill this void by investigating the mediation effect of word of mouth in the relationship between brand experience and brand loyalty in the service sector particularly the m-money services and add to the theoretical and managerial understanding of brand experience and word of mouth in the m-money industry.

In measuring word of mouth, this study applied the methods proposed by other studies. Previous studies have measured word of mouth using different indicators. Some authors proposed the uni-dimension (Anderson, 1998; Kim *et al.*, 2001) whereas others used the multi-dimension (Andreia, 2012; Goyette *et al.,* 2010; Harrison-Walker, 2001) approach. Among these studies, Goyette *et al.* (2010) established the comprehensive word of mouth measure for online consumers as an

attempt to extend the work by Harrison-Walker who proposed a two-dimension scale: WOM praise and WOM activity (Harrison-Walker, 2001). In their study, Goyette, *et al.* (2010) suggested four dimensions including WOM intensity (3 items), positive valence WOM (2 items), negative valence WOM (2 items) and WOM content (2 items).

However, the proposed study, utilized the approach by Goyette *et al.* (2010) hence testing its suitability for offline consumers. It was important to assess the impact of word of mouth in influencing the loyalty of m-money customers as the marketing landscape is changing. According to Armelin (2011), traditional marketing like advertisement has reduced its efficiency and consumers rely more on advice given by their fellows and relatives. Surprisingly, while this is happening limited studies have been done to address the experience word of mouth in the actual service setting (Rahman *et al.*, 2015) like m-money services.

2.3.3 Customer Satisfaction

The concept of customer satisfaction can be dated back to the earliest work by Cardozo (1965) as well as Day and Bodur (1977). Since 1976, the number of scholars researching customer satisfaction increased (Tse and Wilton 1985). Researches on this construct have concentrated on two main areas namely transaction-specific satisfaction and cumulative satisfaction (Keiningham *et al.,* 2014). The transaction-specific satisfaction is perceived as a post-choice assessment of a specific purchase event by a consumer (Keiningham *et al.,* 2014) whereas cumulative satisfaction is considered as "the consumer's overall dis/satisfaction with

the organization based on all encounters and experiences with that particular organization" (Bitner and Hubbert 1994). Moreover, (Fornell, 1992), view cumulative satisfaction as an overall assessment of the consumer based on the total purchase and consumption experience encountered by an individual from a product over time.

However, the majority of studies on consumer satisfaction behaviour have researched on the cumulative satisfaction (Keiningham, *et al.,* 2014). The reason behind this move is that cumulative satisfaction is an accumulation of transaction specific satisfaction (Keiningham, *et al.,* 2014). In other words, a consumer gets cumulative satisfaction after adding various transaction-specific satisfactions. This type of satisfaction is the one which reveals the past, the present and the future performance of a company and motivates companies to invest resources on satisfying consumers (Anderson, *et al.,* 1994).

Since companies are searching for long-term customers for establishing strategic alliances by relationship marketing (Hamza, 2014), they favour cumulative satisfaction over transaction-specific satisfaction to enhance customer satisfaction with their product purchase and usage (Ravald and Gronroos, 1996). Cumulative satisfaction is a good forecaster of consumers' intention and behaviours (Moreira, *et al.,* 2017). However, the current study was interested more in gathering information from customers about their overall impression and general experiences of mobile money services in Tanzania, thus the cumulative satisfaction was embraced by the study.

It is worth noting that, satisfied customers have a tendency to use the same brand in the future (Mabkhot, 2016). It is the satisfaction that bounds the buying pattern of individuals and increases the desire for the service or product (Bennet and Rundle-Thiele, 2002). Customer satisfaction is a predictor of repurchase intentions (Moreira *et al.,* 2017) and loyalty (Hussein, 2018). However, customers get satisfied by considering a number of issues including prior expectations. If the services or products provided are able to meet such prior expectations, the customer will get satisfied (Hamza, 2014) otherwise the consumer will be dissatisfied. Oliver (1993) pointed out that.

Customers have a tendency to form pre-consumption expectations, perceive product or service performance and compare with prior expectations; thereafter they form disconfirmation perceptions, combine the perceived perceptions with prior expectation levels and lastly make satisfaction judgments. Lankton and McKnight (2012) on the other hand supported this idea by positing that, customer satisfaction is based on prior expectations set by customers, the perceived performance of the product or service and disconfirmation (Lankton and McKnight, 2012). This conceptualization was adopted by the current study as mobile money customers do set their expectations before service encounters, have their own perception after been exposed to the services and they lastly disconfirmed or confirmed the services provided.

2.3.4 Theories Related to the Study

This section presents the theories related to this study and the theory that was applied by this study.

2.3.4.1 Theory of Reasoned Action (TRA)

This theory was introduced to express how a consumer leads to a particular buying behaviour (Fishbein, 1980). TRA combines the behavioural and attitudinal loyalty measurement approaches (Ha, 1998) described above. According to the theory, the antecedents of consumer buying behaviour include attitude towards buying, subjective norm (cognitive brand loyalty) and intention to perform the behaviour and each of these antecedents may cause a customer to be loyal or disloyal to the brand (Ha, 1998). For example, Ha (1998) revealed that individual buying behaviour is influenced by social norms i.e. what other people such as friends and family member's expectations of a certain brand may make a person to buy or not to purchase a brand.

Similarly, the attitude towards buying a brand and purchasing behaviour also affects the loyalty of individuals towards the brand (Ha, 1998). It was also found from this study that, the attitude, behaviour and cognitive aspects of mobile money consumers affected their loyalty to m-money brands. TRA has been used by a number of scholars in explaining consumer purchasing behaviours (Bagozzi *et al.*, 2000; Ha, 1998; Ueacharoenkit, 2013). The current study has used the behavioural, cognitive and attitudinal variables of TRA as indicated in the conceptual framework. However, this theory was not enough for this study as it explained part of the conceptual model of the current study hence the need for other theories.

2.3.4.2 Expectancy Disconfirmation Theory (EDT)

EDT was introduced by Oliver (1980) for studying customer satisfaction. The theory stipulates that customer satisfaction is based on prior expectations set by customers,

disconfirmation and the perceived performance of the product or service (Lankton and McKnight, 2012). In other words, the theory posits that customer satisfaction is a function of the customer's expectation, perceived performance and disconfirmation. Expectations refer to the performance of a product or service anticipated by consumers (Churchill and Surprenant, 1982) whereas perceived performance reflect the consumer's experience after using the products or services which can either be better or worse than consumer's expectation (Spreng, *et al.,* 1996).

Disconfirmation, on the other hand, is the discrepancy between consumer's prior expectations and the perceived performance (Bhattacherjee and Premkumar (2004). It can either be positive, negative or simple. Once the perceived brand performance is higher than the consumers' expectations, positive disconfirmation will occur which in turn leads to customer satisfaction. On the other hand, negative disconfirmation occurs when perceived brand performance falls below what was expected. When the perceived brand performance matches the expected brand experience, confirmation will take place.

However, EDT has been challenged via its assumption. Yüksel and Yüksel (2008) criticize the assumption that each individual has expectations before product or service encounters; this assumption may not work properly especially when a customer doesn't know what to expect and wait until when they become exposed to a service. Although EDT has been criticized, the theory has withstood those criticisms and still used by researchers in understanding customer satisfaction construct (Mormer, 2012). The current study also obtained the three variables from

EDT namely expectation, perceived performance and disconfirmation as indicated in the conceptual framework. Similarly, this theory explained part of the conceptual model of the current study hence the study opted to use another theory (social exchange theory) which was able to fully explain relationships of the studied constructs as explained in the next section.

2.3.4.3 Social Exchange Theory (SET)

This theory was developed by (Blau, 1964). The main idea of SET is relational interdependence, correlation contract that builds up over time via the connections of the exchange partners (Dwyer *et al.,* 1987; Hallen *et al*., 1991). On the other hand, partners are expecting to get a reward from their engagement into the association (Blau, 1968). However, the interactions among the parties depend on the individual's belief on the other party and their perceptions towards negotiating (Biggemann and Buttle, 2009).

SET explicate the causal relationship by utilizing the principle of generalized reciprocity (Lee *et al.,* 2007). This principle postulates that individuals have a mutual sense of indebtedness (Majali and Bohari, 2016). Partners (s) who get benefits from other individuals feel the need to pay back for what they have received (Shumaker and Brownell, 1984). On the one hand, positive exchange interactions among the parties' overtime create relational exchange norm that preside over the exchange relationship and which raises company's confidence of their business companion and their assurance to the exchange relationship (Lambe *et al.,* 2001). SET has been applied by marketing researchers to explain different relationships including business to business relations, relationship marketing and organization-stakeholder

relationship and consumer behaviour (Dwyer *et al.,* 1987; Lembe *et al.,* 2001; Mabkhot, 2016; Sweeney and Swait, 2008). SET is one of the theories that express well the associations between the consumer and the firm, and between the consumer and the product as well as their effects on the outcome (Chiu-Han and Sejin, 2011; Mabkhot, 2016).

Customers who are satisfied with the brand will feel the need to give in return by increasing their loyalty to the respective brand (Awan, 2014). Moreover, consumers who are exposed to positive brand experience will reciprocate such as to become loyal to the respective brand (Akin, 2016; Jafari *et al.,* 2016) or give positive word of mouth recommendation to other consumers (Klein et al., 2016) which in turn build loyalty of other consumers (Praharjo and Kusumawati, 2016; Ntale *et al.,* 2013). Thus, SET formed the theoretical basis of this study as it fits well and has been also used by other researchers to study the measured constructs i.e. brand experience, brand loyalty, word of mouth and customer satisfaction (Mabkhot, 2016; Majali and Bohari, 2016; Munzel and Kunz, 2014; Lee *et al.,* 2007; Sweeney and Swait, 2008).

2.3.5 Brand Experience, Brand Loyalty, Word of Mouth and Customer Satisfaction Relationships

Although scholars have researched on the association between brand experience and brand loyalty, still there are controversial conclusions in the brand management literature; some scholars declare that brand experience affects brand loyalty directly (Akin, 2016; Jafari *et al.,* 2016); others have found indirect effects (Baser *et al.,* 2015; Francisco-Maffezzolli *et al.,* 2014; Kim *et al.,* 2015; Rajumesh, 2014; Pollalis and Niros, 2016) whereas others have concluded that it doesn't have influence on

brand loyalty (Ardyan *et al.*, 2016; Forsido, 2012; Iglesias *et al.,* 2011; Maheshwari, 2016). Thus, there is no clear theoretical foundation on the link between these constructs. Thus the current aimed at filling this void through studying the relationships between these constructs in the m-money services using the four brand experience dimensions recommended by Brakus *et al.* (2009) while combining with the relational dimension as suggested by (Nysveen *et al.,* 2013 and Schmitt, 1999) in order to get a full implication of brand experience in the service brands.

Nevertheless, the association between brand loyalty and word of mouth is questionable as there are confusing conclusions. It is not clear to whether word of mouth is an antecedent to brand loyalty or the consequence of brand loyalty. For example, Praharjo and Kusumawati (2016) and Ntale et al. (2013) regard word of mouth as an antecedent to brand loyalty and Niyomsart and Khamwon (2016) consider word of mouth as the consequence of brand loyalty. Thus, so far there is no solid theoretical foundation as to the relationship of these constructs is concerned. Thus, the current study aimed at filling this gap by establishing whether word of mouth is an antecedent or a consequence of brand loyalty.

Moreover, the literature shows two streams of scholars about the link between customer satisfaction and loyalty of customers to brands or services. One stream indicates that customer satisfaction impacts brand loyalty (Al-Msallam, 2015; Bianchi, 2015). However, Curtis (2013) criticizes this view by only considering satisfaction as an independent variable while ignoring other types of satisfaction. The second stream of researchers establishes that there is no direct impact of satisfaction on loyalty (Otengei *et al.*, 2014; Tarus and Rabach, 2013; Walter *et al.*,

2013). Others posit that whereas satisfaction impacts loyalty positively it is not enough to form loyalty (Oliver, 1999; Reichheld, *et al.* 2000). Sivadass and Baker-Prewitt (2000) also support this idea by positing that it is not sufficient to simply satisfy customers. This is because even the most satisfied customers do not certainly become loyal to the product or service and hence many satisfied customers defect the company (Oliver 1999; Reicheld 1996).

It is very interesting to note "that even dissatisfied customer may be loyal which questions the clarity of satisfaction–loyalty relationship" (Vollmer *et al.,* 2000, p. 476). Besides, a recent comprehensive review of the literature by Kumar *et al.* (2013) on the satisfaction-loyalty link also reveals that the link between these constructs is weak and that customer satisfaction per se is not enough for predicting loyalty of consumers. The review also indicates that the link varies depending on different factors including the type of industry studied, the segment of customers, mediators in the relations, nature of exogenous and endogenous variables, and moderators.

Thus, the authors ended by calling for more studies to done on theory development for understanding when and under what situations the relation is stronger or weak and also considers the intangible rudiments of customer experience that can satisfy upper order needs such as self-esteem and socialization among other things. On the one end, Dong *et al*. (2011) pointed out that the satisfaction-loyalty association varies depending on the characteristics of market studied, product categories and demographic factors. Thus, more researches are required to establish a solid theoretical foundation about the satisfaction-loyalty relationship.

2.4 Summary of Theoretical Literature Review

The literature sheds light on many issues about brand experience and its consequences. It shows that consumers require unique and memorable experiences from the products or services they purchase instead of the functional needs of products or services alone. It is revealed that brand experience has become an important construct that business firms have to consider when setting their business strategies. This is because consumers demand brands that draw their attention. They are looking for business communications that arouse senses and touch their hearts. The implication of this is that business firms have to develop brands and give communication messages which capture the attention of customer's minds. Creation of positive brand experience will enable customers to get satisfied with brands, spread the good word of mouth and become loyal to the brands.

It has been revealed also that there is no solid theoretical foundation about the link between brand experience and brand loyalty (Akin, 2016; Ardyan *et al.,* 2016; Baser *et al.,* 2015; Francisco-Maffezzolli *et al.,* 2014; Iglesias *et al*., 2011; Jafari *et al.,* 2016; Kim *et al.* 2015; Pollalis and Niros, 2016). The relationship between word of mouth and brand loyalty has also generated inconsistence and debatable conclusions (Niyomsart and Khamwon, 2016; Ntale *et al.,* 2013; Praharjo and Kusumawati, 2016). On the one hand, there are conflicting ideas among scholars on the satisfaction-loyalty relationship (Al-Msallam, 2015; Bianchi, 2015; Dong *et al.,* 2011; Kumar *et al*., 2013; Otengei *et al*., 2014; Tarus and Rabach, 2013; Walter *et al.,* 2013). These confusing and conflicting conclusions among researchers create a research gap that needed to be filled.

WOM is more influential than any other marketing communication channels as the reviewed literature indicates (Masam and Masba, 2016; Silverman, 2011). Thus, instead of spending many resources in the traditional marketing of products or services, let companies use this tool. Making customers get satisfied with your product or service is also very important as the literature indicates. Completely satisfied customers are the ones which business firms actually need, as they have a tendency to repurchase the brand. They are the ones who spread good messages about your brand and hence attract other customers.

The importance of brand experience, word of mouth, satisfaction and brand loyalty revealed by reviewed literature motivated this study in order to gather more insights from the m-money industry as far as these constructs are concerned. Moreover, the reviewed literature has also pointed on how to measure brand experience, word of mouth, satisfaction and brand loyalty constructs. In measuring brand experience, the scale developed by Brakus *et al.* (2009) has gained support by the majority of scholars. The scale consists of four dimensions namely sensory, affective, behavioural and intellectual dimension; each of these dimensions contains three items.

In addition to these dimensions, the current study added the relational dimension as it is important for service brands as has been suggested by the extant literature. It has been observed also from the literature that the measurement of brand loyalty, on the other hand, has recorded different approaches. Some scholars have used the uni-dimensional approach, the bi-dimensional and the tri-dimensional approach. However, this study utilized the tri-dimensional approach suggested by Ehsan *et al.*

(2016) which includes attitudinal, behavioural and cognitive dimensions. Moreover, word of mouth which was the mediator variable in this study has been measured by either uni-dimension or bi-dimension and or multi-dimension approaches. However, this study adopted the four dimensions approach by Goyette *et al.* (2010) which comprises of WOM intensity (2 items), positive valence WOM (2 items), negative valence WOM (2 items) and WOM content (2 items).

Furthermore, measurement of customer satisfaction which was also a mediator variable in this study was measured using the approach by Churchill and Surprenant (1982). The Social Exchange Theory (SET) was embraced by this study as it fits well with this study. Furthermore, the literature review reveals that m-money services have spread quickly in Tanzania. The rapid increase of these services has improved financial efficiency and extended the financial services inclusion in Tanzania (Economides and Jeziorski, 2016). However, there are still some policy challenges which faces the industry including absence of explicit consumer protection regulations (FinScope Tanzania 2017), the mobile money remittances fall outside of the regulatory monitoring scope (Kisyombe, 2012) and absence of appropriate national identification system which leads MNOs to rely on know your customers (FinScope Tanzania, 2017) to mention a few.

Nevertheless, the current study theoretically contributed to the brand management literature as so far there is no solid theoretical foundation on the relationship between brand experience and brand loyalty; word of mouth and brand loyalty and on customer satisfaction and brand loyalty. This study added the relational factor as one of the most important factors for service brands other than the four factors used by

the majority of brand experience studies. It has been seen that the addition of this factor affected the accepted relationship between these constructs thereby providing a theoretical foundation of the relations between these variables in the service brands (Whetten, 1989). This study has also theoretically contributed to the brand management literature by showing how the social exchange theory enables us to better understand and explain the complex relationship between customer satisfaction and brand loyalty (Crane *et al.,* 2016). The study has also revealed the potential role played by word of mouth in brand experience-brand loyalty relationship and adds knowledge to the theory of brand management literature.

2.5 Policy Review

M-money services have spread quickly in the East African countries including Tanzania. The rapid increase of these services has improved financial efficiency and extended the financial services inclusion in Tanzania (Economides and Jeziorski, 2016). The potential of this payment channel for economic growth and financial inclusion is enormous due to its wide span and outreach to urban and rural areas, including remote areas (BOT, 2013). Through m-money services customers can make financial transactions in a relatively cheap and reliable way, potentially supplementing money liquidity and reduce crime-related risks (Economides and Jeziorski, 2016).

According to BOT (2013), the services have transformed the household economies through the provision of a convenient and cost-effective way of payments to settle diverse duties which in turn accelerated consumption, trade as well as business transactions. Although m-money services have brought financial services into the

hands of unbanked population in the country, there are some areas of policy implications which need more attention for the smooth running of these services. First, the literature reveals that safety and reliability is a determinant of acceptance and usage of financial services (FinScope Tanzania 2017).

Thus from the consumer protection policy perspective, the government and MNOs have an obligation of ensuring that both financial channels, models and technologies which are placed to serve consumers and businesses are sufficiently protected and resilient. Consumer protection is important to consumers and the economy at large as it increases access to financial services. However, there are no explicit consumer protection regulations in Tanzania, such as in other developing economies of Sub-Saharan Africa, which makes Tanzanian consumers prone to abuse from hostile financial practices (FinScope Tanzania 2017). The current approach is characterized by fragmented institutional arrangements, complex out-of-date legislation, limited requirements and guidelines on disclosure, disagreement resolution and fair business practices (World Bank, 2013).

On the other hand, as in the majority of developing economies including Tanzania, the mobile money remittances fall outside of the regulatory monitoring scope; for example the money laundering and exchange control monitoring (Kisyombe, 2012), thus consumers money are put into risks. Other issues of security concerns include the use of weak PIN by customers. The mobile money service brands in Tanzania uses a PIN with four digit numbers which never expires and written plain text during the transactions. Thus the PIN does not adhere to the effective password management policies and can be easily guessed, smudged or watched by

unauthorized individuals (Mtaho and Mselle, 2014). In addition, customers receive Short Message Service (SMS) through their mobile phones after transactions and there are no printed receipts issued to customers. However, this put consumers' money into risks especially when the SMS is compromised because there will be no evidence of transactions made between the customer and the MNOs.

Second, in spite, the fact that Tanzania has witnessed a marvellous increase of proximity to financial access points to 86% countrywide in the past four years, but still, the majority of businesses and people conduct transactions in cash (FinScope Tanzania, 2017). On the other hand, the country has the payment laws and regulations as well as a mature mobile financial service market, however, it does not have a fully devised and inclusive national payment system which include all payments (FinScope Tanzania, 2017). The all-inclusive national payment that covers all payment streams, however, is important for easy collection of revenues by the government and reduces digital mechanism corruptions. This causes consumers to use more cash compared to the modern payment instruments which reduce costs and risks.

Thirdly, the national financial inclusion framework (NFIF) sees mobile money as one of the financial services which have revolutionized the financial services landscape in Tanzania (Simone and Lara, 2014). It has also acknowledged four core enablers of financial inclusion which both of them are closely related to the features of mobile money. They include proximity, payments, the storage of value and information. In achieving these enablers, NFIF set priority areas for action from 2014–16 which include increasing the closeness of financial access points to places

where people live and make transactions, permitting robust payment platforms and providing the robust electronic information infrastructure for consumers and business profiles (Simone and Lara, 2014).

Others include making sure that customers are well informed and protected and credit history and collateral by establishing an effective know your customer (KYC) process (Simone and Lara, 2014). However, Tanzania has not managed to have a suitable national identification system as so far the process of producing the national identity cards is underway. This is difficult for the implementation of an effective operation of the financial system which relies on the fast and easy identification of the unique identity of each consumer (FinScope Tanzania, 2017). This challenge is predominantly critical, as both financial service providers and MNOs have to rely on KYC regulations (FinScope Tanzania, 2017).

2.6 Empirical Literature Review

2.6.1 Relationship between Brand Experience and Brand Loyalty

Majority of brand experiences researches have been done in developed countries for different products but less in the service sector. Using a descriptive co-relational study and structural equation modeling, Jafari, *et al.* (2016) examined the impact of online brand experience on loyalty in Tehran, Iran. A sample size of 200 "My" cosmetic brand consumers was utilized by this study. The study found that online brand experience had a positive and significant outcome on brand loyalty. However, these findings suggest the need to have another study of the same kind to unveil the effect of brand experience on brand loyalty for offline "My" cosmetic consumers in Iran. The reason behind this is that experiences encountered by offline "My"

cosmetic consumers may not be the same as that of online consumers.

On the other hand, Akin (2016) in Turkey determined whether brand experience created by GSM operators (Vodafone, Turk cell and Turkish Telecom) builds loyalty intention of young customers. The study used a survey based quantitative technique, convenience sampling and multiple regression analysis to analyze a sample size of 446 mobile phone customers. The findings indicate that the emotional, sensorial, cognitive and behavioural experiences of GSM operators impact significantly the emotional and cognitive brand loyalty. However, the study results are limited to this sector and other studies should also consider other industries like m-money, banking and airline.

Moreover, a study by Rajumesh (2014) from Sri Lanka examined the impact of brand experience in building brand loyalty through brand attitude in soft drink brands. In this study, the author used a survey quantitative approach and convenience sampling to get a sample size of 232 and multiple regression analysis for data analysis. The study shows that brand experience had a positive association with brand loyalty. The study also established that the association between brand experience and brand loyalty is mediated by brand attitude.

However, there is a need to consider other mediator variables like word of mouth and satisfaction which was proposed by this study. In addition, more studies of this kind are needed for other soft drinks as this study considered only one soft drink brand and coming studies have to consider the service sector of Sri Lanka. Walter *et al.* (2013) used a convenient sampling and regression model to examine the impact

of brand experience on brand loyalty of BMW customers.

The study used a sample size of 57 University students from Simon Fraser University in Canada and Pforzheim University in Germany. The findings indicate that brand experience had positive impacts in building the loyalty of BMW customers. However, the sample size is relatively small to make the generalization of the findings. It will not be good to say that these results depict the influence of brand experience on the loyalty intentions of university students either in German or in Canada. More studies are needed to reveal the impact of brand experience on brand loyalty to the university student's populations in the two countries.

Using a survey-based quantitative approach and structural equation modeling, Lada *et al.* (2014) studied the roles of brand experience dimensions in building loyalty intentions towards sports brands in Malaysia. The authors distributed a survey questionnaire to sportswear customers using purposive sampling and 320 questionnaires were used for the study. The findings revealed that out of the dimensions measured, sensory had the most significant impact on imparting loyalty intention of consumers towards sports brands while affective dimension was the second and behavioural dimension ranked the third. However, this study did not consider the multi-dimension approach of brand loyalty (attitudinal, cognitive and behavioural dimensions) and considered loyalty intention alone as the outcome of brand experience.

Moreover, one of the closely related studies in Tanzania is that of Maradufu *et al.* (2017) which determined the impact of experiential marketing on brand equity to

Unilever brands customers. The authors adopted the explanatory and descriptive survey design and randomly selected 273 Unilever brand customers and whereas regression and correlation analysis were utilized for data analysis. The results revealed that experiential marketing influences brand equity of customers. This study seems to be the only study which researched about experiential marketing in Tanzania although it did not involve customer satisfaction and word of mouth which were considered by considered by the current study. Moreover, the sample size is small and hence limiting the generalization of the findings.

The study is also limited to Unilever brands customers in Dar es Salaam and hence cannot depict the experiences encountered by consumers of other brands in Tanzania. Hence more studies are needed to gauge customer's experience of other brands particularly service brands where there are limited studies of brand experience (Khan and Rahman, 2015). Unlike the above studies, Ardyan *et al.* (2016) used a quantitative survey-based research to explore the effect of brand experience towards brand loyalty in Indonesia. The study used purposive sampling to get a sample size of 100 students who are using Samsung Smartphone from five universities within Surakarta city. SEM was applied for analysis of collected data.

The findings revealed that brand experience does not build loyalty of Samsung Smartphone consumers. However, this study has limitations. The number of respondents was relatively few to justify generalization of the findings from this study and the sampling method was not probability sampling which allows generalization of the results. This calls for more studies to be done to have more insights pertaining to the association of brand experience and loyalty in the

Indonesian mobile industry.

Another study by Forsido (2012) examined the effects of brand experience and other constructs on brand loyalty in Uppsala Sweden. The author used convenience sampling to obtain 200 mobile phone consumers and applied a structured questionnaire interview. The results of this study revealed that brand experience did not show any influence on brand loyalty. However, the results of this study cannot be generalized to other areas in Sweden as it used convenience sample which is a non-probability sampling method and that the study used only two brands of mobile phones (Apple and Sonny Ericson) while there many brands in Sweden. Hence more studies are needed to be done which will use a probability sampling method that allow generalization of the findings and include other mobile phone brands in Sweden. However, from the above-reviewed literature, this study hypothesizes that:

H_1: Brand experience has a significant and positive impact on brand loyalty.

Table 2.3 indicates the summary of the reviewed literature on the association between brand experience and brand loyalty. It reveals that the relationship between brand experience and brand loyalty has been studied in different industries such as mobile phone, soft drinks, cosmetics and sports and have applied different analytical methods including SEM and multiple regression. The non-probability sampling techniques such as convenience sampling and purposive sampling seem to dominate.

However, this technique does not permit generalization of the findings, thus the majority of these studies are limited to the studied population. The current study, however, deviates from the majority of these studies as it has utilized probability

sampling specifically simple random sampling. Another observation from the reviewed literature is that the findings are mixed i.e. one stream has found significant results and the other one have obtained an insignificant relationship between the two constructs.

Table 2.1: Previous Studies on the Link between Brand Experience and Brand Loyalty

Author(s)	Country	Industry	Sampling unit	Analytical method	Sampling method	Sample size	Relationship
1. Jafari *et al.* (2016)	Iran	Cosmetics	"My cosmetic brand consumers	SEM	Random sampling	200	Significant
2. Akin (2016)	Turkey	Mobile phone	University Students	Multiple regression	Convenience sampling	446	Significant
3. Ardyan *et al.* (2016)	Indonesia	Mobile phone	University students	SEM	Purposive sampling	100	Insignificant
4.Rajumesh (2014)	Sri Lanka	Soft drinks	Soft drink consumers	Multiple regression	Convenience sampling	232	significant
5. Forsido (2012)	Sweden	Mobile phone	Mobile phone consumers	Multiple regression, ANOVA	Convenience sampling	200	Insignificant
6. Lada *et al.* (2014)	Malaysia	Sports	Sportswear consumers	SEM	Purposive	320	Significant
7. Walter, *et al.* (2013	Canada and German	Cars	University students	Regression	Convenience and self-selection	57	significant

Source: Researcher, 2018

2.6.2 The Influence of Brand Experience on Word of Mouth and Customer Satisfaction of Mobile Money Customers

Studies on the association between brand experience and WOM include that of Cetin and Dincer (2014) who studied the influence of customer experience on WOM and brand loyalty in the hospitality industry. The authors used intercept survey procedure field research and purposive sampling method to obtain a sample size of 30 five-star hotel guests in Istanbul Turkey.

Researchers self-administered majority of the study questionnaires and 22 were administered by hotel personnel. Data were analyzed using correlation and regression analysis. Results revealed that physical environment and social interactions (customer experience dimensions) were closely associated with word of mouth. However, the findings of this study are limited to five-star hotels and Istanbul city, leaving other categories of hotels in Turkey and other tourist destinations of the country. This calls for other studies to be conducted in other hotel categories and other tourist destinations to have more insights on Turkey hospitality industry.

Another study by Klein *et al.* (2016) in the US and UK assessed the relationship existing between brand experience and word of mouth. The study used a total sample size of 345 pop-up brand store visitors and analyzed data using SEM. The results show that brand experience stimulates WOM. However, this study has limitations. First, the study used a relatively low number of respondents to represent all pop-up store visitors in the two countries. Second, the study only considered pop-up stores brand and luxury brands making it difficult to generalize the findings to non-luxury brands in the two countries. In other words, these results reflect the luxury brands consumer behaviour and may not depict the behaviour of non-luxury brands consumers. Thus, it is hypothesized that:

H_{2a}: Brand experience is positively related to word of mouth

Table 2.4 summarizes the above-reviewed literature on the relationship between brand experience and word of mouth. However, the literature on the relationship between brand experience and word of mouth are scant and this is one of the reasons which motivated the current study in order to fill this gap.

Table 2. 2: Previous Studies on the Association between Brand Experience and Word of Mouth

Author(s)	Country	Industry	Analytical Method	Sampling unit	Sampling method	Sample size	Relationship
1.. Cetin and Dincer (2014)	Turkey	Hospitality	Regression analysis	Guests staying in five-star hotels	Purposive sampling	350	Significant
2. Klein et al. (2016)	USA and UK	Pop-up brands	SEM	Pop-up brand visitors	convenience	345	Significant

Source: Researcher, 2018

Moreover, Baser *et al.* (2015) declare brand experience is a predictor of customer satisfaction. The authors studied the association between brand experience and brand loyalty through consumer satisfaction in Turkey using a survey quantitative based research. This study used convenient sampling to gather data from 1102 consumers of Apple, Nike, Sony play station and Coca-cola brands while utilizing a face to face interview. The authors analyzed collected data using SEM. It was found that brand experience positively affects consumer satisfaction. However, the study did not include the service brands in Turkey to have more understanding of consumer's perceptions of service brands.

Another study by Maleklu and Maleklu (2016) in Iran investigated the association of brand experience and customer satisfaction while utilizing a descriptive-correlational research and a total of 385 consumers of computer brands (Asus, Apple, HP, Lenovo, and Dell) were randomly selected. The data was collected using Ueacharoenkit depending standard questionnaire (2013) whereas Pearson correlation and regression analysis were utilized by this study for analyzing the data collected. The results show that brand experience affects customer satisfaction.

Chinomona (2013) on the other hand studied the influence of brand experience on trust, attachment and customer satisfaction while using a survey quantitative research design in South Africa. The study used a sample size of 151 consumer goods customers and mall intercept survey and analyzed the collected data using SEM. The results indicate that brand experience affects the satisfaction of customers. This is among the few studies conducted in Africa about brand experience and related constructs. As a result, the authors recommended for more researches of this kind to be done in African countries and consider the brand loyalty construct which was not included in the study.

Moreover, Moreira *et al.* (2017) in Portugal also conducted a study in the telecommunication industry targeting multiple-play users. The study aimed at finding the influence of brand experience on customer satisfaction among other variables. The authors used a total of 690 multiple-play customers in the telecommunication sector and analyzed data using SEM. The findings of this study revealed that brand experience does not influence customer satisfaction of multiple-play users. However, future studies may consider other industries in Portugal.

Furthermore, Sayed (2015) conducted a study in the Kingdom of Bahrain which aimed to look at whether brand experience generates customer satisfaction and induce loyalty in the automobile sector. The author analyzed a total of 511 responses from car consumers in Bahrain using ANOVA and multiple regressions. It was found that consumers' experience of car brands significantly affected their satisfaction with these brands.

Nevertheless, Mabkhot (2016) studied the influence of brand experience on brand satisfaction among other variables in the local automobile industry of Malaysia using a multistage sampling to obtain a sample size of 330. The author distributed questionnaires to the local automobile consumers and analyzed using structural equation modeling. The results revealed that brand experience does not build satisfaction of local automobile consumers in Malaysia. However, one of the limitations of this study is that it considered local automobile consumers alone which question the generalizability of the findings into other consumer segments like foreign automobile consumers. Thus, the study hypothesizes that:

H_{2b}: Brand experience is positively related to customer satisfaction

Table 2.5: Previous Studies on the Association between Brand Experience and Customer Satisfaction

Author(s)	Country	Industry	Analytical Method	Sampling unit	Sampling method	Sample size	Relationship
1. Baser *et al.* (2015)	Turkey	Computer	SEM	Variety of consumers	Convenient sampling	1102	Significant
2. Maleklu and Maleklu (2016)	Iran	Computer	Pearson correlation and regression	Customers of computer brands,	Random sampling	385	Significant
3. Chinomona (2013)	South Africa	Consumer goods	SEM	Customers of consumer goods	Mall intercept survey	151	Significant
4. Moreira *et al.* 2017)	Portugal	Telecom	SEM	Multiple-play users	Convenience	690	Insignificant
5. Sayed (2015)	Kingdom of Bahrain	Car	ANOVA, multiple regression	Car consumers	Not clearly stated	511	Significant
6. Mabkhot (2016)	Malaysia	Automobile	SEM	Local automobile consumers	Multistage sampling	330	Insignificant
7. Wulandari (2016)	Indonesia	Banking	SEM	Banking consumers	Convenience sampling	100	Significant

Source: Researcher, 2018

Table 2.5 summarizes the reviewed literature on the association between brand experience and customer satisfaction described above. The general observation from these literature reveals that SEM has been applied by the majority of scholars to find the relationship between these constructs and that the results are controversial. Some found a significant relationship and others found insignificant.

2.6.3 The influence of Word of Mouth and Customer Satisfaction in Creating Loyalty of Mobile Money Customers

Scholars who studied the relationship between brand loyalty and WOM give mixed findings. Some of them regard WOM as an antecedent to brand loyalty while others consider it as a consequence of brand loyalty. Those who consider word of mouth as an antecedent to brand loyalty include that of Praharjo and Kusumawati (2016) which investigated the impact of electronic word of mouth (eWOM) on purchase intention through brand loyalty and perceived risk in India. A survey quantitative approach was used by researchers while utilizing a purposive sampling to get a total of 116 Traveloka account followers on Twitter. The study analyzed the data using SEM. It was found that electronic word of mouth impacts brand loyalty of Traveloka account followers on Twitter. However, the study did not involve other media such as Facebook and Instagram in Indonesia and hence it cannot be applied to predict the influence of eWOM and brand loyalty on buying behaviour in other social media.

Another study by Balakrishnan *et al.* (2014) studied the influence of social media marketing including electronic word of mouth in building loyalty to brands for undergraduate students at Sabah University in Malaysia. The authors conveniently sampled a total of 200 undergraduate students from within the university campus to

be involved with the study. They also used regression analysis for analyzing their data. The results indicate that electronic word of mouth showed a highly significant influence on brand loyalty than other social media marketing i.e. online communities and advertisement.

The study has not deviated from the majority of studies regarding the power of word of mouth. However, this study is limited to undergraduate students of Sabah University as it utilized convenience sampling which limits the generalization of the findings. In addition, the sample is relatively low to represent the behaviour of university students in Malaysia. Thus more studies should be done which will involve other universities and postgraduate students in Malaysia for fully understanding of the relationship between the electronic word of mouth and brand loyalty.

On the one hand, studies that regard WOM as a consequence of brand loyalty include that of Niyomsart and Khamwon (2016) which explored the relationship between brand love, brand loyalty and word of mouth. The study used a survey based quantitative approach and a judgmental sampling to 400 AirAsia customers in Thailand. The authors used structural equation modeling to analyze data. The results of this study show that brand loyalty impacts WOM positively. However, for generalization of the findings, more studies are needed which will include customer's responses from other Airline companies in Thailand.

Similarly, Bahri-Ammari (2012) conducted a study in a telecommunication industry of Tunisia aiming to find the effect of loyalty on word of mouth. The author used a

sample size of 200 customers of Tunisiana Telecommunication Company and Tunisie Telecom. Structural equation modeling was used to analyze the data of the study. The findings revealed a positive association between brand loyalty and word of mouth. However, this study used a relatively small sample and two telecom companies and hence needs to be replicated to other telecom companies and increase the sample size to have a full picture of what telecom consumers behave in relation to these constructs.

Besides, a study by Wong *et al.* (2015) investigated the relationship between role model influence, brand loyalty and word of mouth in Hong Kong China for the sports industry. The authors conveniently sampled 468 teenagers for the study and analyzed the collected data using regression analysis and Sobel test for mediation analysis. The findings from this study revealed that brand loyalty influenced word of mouth positively. The limitation of this study emanates from the customer segment used for the survey.

The study only utilized teenagers which bring concerns about to whether the results can be generalized to other groups of customers like adult consumers. This group may behave differently compared to teenagers. Nevertheless, Nikhashemi *et al.* (2015) also examined the influence of brand loyalty towards word of mouth recommendations in Malaysia. The authors applied convenience sampling to obtain a sample of 300 hypermarket consumers. SEM was utilized for analysis and the results revealed that brand loyalty affected word of mouth positively. However, this study is not free from limitations. One of them being the sampling techniques which were

convenience sampling. This technique does not allow generalization of the findings, hence the results from this study apply only to the studied population and cannot be generalized to other population either in Malaysia or in other developing countries.

In addition, Fetscherin *et al.* (2014) in Brazil conducted a study on the influence of product category on customer brand associations. A study used random sampling to obtain 800 customers from different types of products namely cars, soft drinks, mobile phones as well as shoes. SEM and ANOVA were utilized for data analysis of the data collected for the study. The findings indicate that brand loyalty positively influenced word of mouth. Although this study used random sampling which suggests that the results can be generalized to other consumers in the studied industry, there is a need also for other studies which will consider other product categories to see whether the relationship between brand loyalty and word of mouth will be the same. Therefore, it is hypothesized that:

H_{3a}: WOM is positively related to brand loyalty

Table 2.6 summarizes the previous studies done on the relationship between word of mouth and brand loyalty. However, it indicates that the majority of studies have regarded word of mouth as a consequence of brand loyalty and few as an antecedent of brand loyalty. This study considered word of mouth as an antecedent to brand loyalty. It also shows that the majority of researches have applied SEM in analyzing data as was done with the current study. The reviewed literature are relevant to this study and considered recent.

Table 2.6: Previous Studies on the Association between Word of Mouth and Brand Loyalty

Author(s)	Country	Industry	Analytical Method	Sampling unit	Sampling method	Sample size	Relationship
1. Niyomsart and Khamwon (2016)	Thailand	Airline	SEM	AirAsia Customers	Judgmental	400	Significant
2. Praharjo and Kusumawati (2016)	Indonesia	Social media	SEM	Traveloka account followers on twitter	Purposive	116	Significant
3. Bahri-Ammari (2012)	Tunisia	Telecom	SEM	Telecom customers	Not clearly stated	250	Significant
4. Wong et al. (2015)	Hong Kong, China	Sport	Regression	Teenagers	Convenience	468	Significant
5. Nikhashemi et al. (2015)	Malaysia	Hypermarket	SEM	Hypermarket consumers	Convenience	300	Significant
6. Fetscherin et al. (2014)	Brazil	Soft drinks, Shoes, Cars mobile phones	SEM, ANOVA	Shopping mall consumers	Random sampling	800	Significant
7.Balakrishnan et al. (2014)	Malaysia	Social media	Regression	Undergraduate students	Convenience	200	Significant
8. Ntale et al. (2013)	Uganda	Mobile telecommunication	Correlation	Mobile users	Simple random sampling	400	Significant

Source: Researcher, 2018

Nevertheless, Al-Msallam (2015) used a survey based quantitative research in Syria to study the effect of customer perceptions (brands image, price fairness) on customer and brand loyalty using a sample size of 584 guests conveniently and judgmentally selected from three different hotels in Damascus. Structural equation modeling was used for data analysis by this study. Results indicate that customer satisfaction significantly impacts customer loyalty. However, more studies are needed to reveal the impact of satisfaction in building the loyalty of customers in other industries such as banking, tourism and m-money industry.

Awan and Rehman (2014) also investigated the effect of customer satisfaction on brand loyalty of the home appliances sector in Pakistan. The study randomly selected 300 middle-class households and used structured questionnaires which were either sent to respondents or self-administered. The study analyzed data using multiple regression analysis. The findings show a significant and positive influence of customer satisfaction towards brand loyalty.

Masika (2014) in Tanzania explored the relationship between service quality, customer satisfaction and loyalty at the National Social Security Fund (NSSF) in Tanga. The study used a cross-section survey design and randomly selected 200 respondents for face to face interviews. The author analyzed data using regression and found that both service quality and customer satisfaction influences loyalty of NSSF customers. However, the study only considered one NSSF branch located in Tanga city and did not consider other social security funds such as Parastatal Pension Fund (PPF), Public Service Pension Fund (PSPF) and Local Authority Pension Fund (LAPF).

Further studies are needed to reveal the behaviour of customers in other social security funds. Unlike the above studies, Walter *et al.* (2013) used a convenient sampling and regression model to investigate the effect of brand experience on brand loyalty through customer satisfaction for BMW customers in German and Canada. The study used a sample size of 57 University students from Simon Fraser University in Canada and Pforzheim University in Germany. The findings indicate that customer satisfaction does not influence brand loyalty of BMW customers.

Another study by Tarus and Rabach (2013) in Kenya examined the antecedents of brand loyalty while considering the corporate image as a moderating variable. The researchers used a survey quantitative research design and gathered data from 140 respondents randomly selected from mobile telecommunication. Regression analysis was used and the results show that customer satisfaction had no any impact on building the loyalty of mobile telecommunication customers. However, more studies are needed to unveil what are the predictors of brand loyalty in other industries.

Otengei *et al.* (2014) also devoted time to explore the antecedents of brand loyalty in Ugandan restaurants. The authors used the cross-sectional correlation survey design and systematic selection of 348 restaurant customers using a survey questionnaire. The authors analyzed data using regression analysis and found that customer satisfaction does not influence the loyalty of restaurant customers. However, the study only involved full-service restaurants leaving other categories of restaurants.

Another survey study by Bianchi (2015) in Chile explored the relationship between brand satisfaction and brand loyalty among Chilean wine consumers. The study used an electronic questionnaire and managed to achieve only 30% response rate with 300 usable questionnaires while utilizing the structural equation modeling to analyze the collected data. The findings show that wine brand satisfaction influences brand loyalty. However, the response rate of this study is relatively low and it suggests for an alternative means of collecting data to enhance response rate, preferably face to face interview. The sample size also seems not enough to give the picture of the relationship of these constructs among the Chilean wine consumers in the whole

country.

On the one hand, Tweneboah-Koduah and Farley (2016) examined the association between customer satisfaction and brand loyalty in the Ghanaian retailing banking industry. The authors applied a survey based quantitative method, convenience sampling and personal interview to 160 customers of Ghanaian retailing banks. It was found that customer satisfaction significantly impacts brand loyalty of customers in retailing banking. Similarly, this study has a relatively small sample size, hence its findings may not give the full picture of customers behaviour in the retailing banking in Ghana. In addition, the study considered the capital city only (Accra), thus other studies are needed to replicate the study in the other regions of the country including rural areas to have more insights on the relationship of customer satisfaction and brand loyalty.

Moreover, a descriptive survey research by Kamarposhti and Bagheri (2015) was conducted in Ghaemshahr city in Iran to investigate the impact of customer satisfaction on brand loyalty within consumer trait framework. The study used a random sampling method to gather data from 150 home appliance users. Regression analysis was applied to analyze the data collected. Results show that customer satisfaction impacts brand loyalty. However, the findings may not be the representative of home appliance users in Ghaemshahr city as the sample size is relatively small. This means other studies are needed to give more insights into this issue. With regard to the reviewed empirical literature, this the study hypothesized that: H_{3b}: Customer satisfaction is positively related to brand loyalty

Table 2.7: Previous Studies on the Association between Customer Satisfaction and Brand Loyalty

Author(s)	Country	Industry	Analytical Method	Sampling unit	Sampling method	Sample size	Relationship
1. Walter, Cleff and Chu (2013)	Canada and German	Car	Regression analysis	Students	Convenience and self-selection	57	Insignificant
Awan and Rehman (2014)	Pakistan	Home appliances	Multiple regression	middle-class households	Random sampling	300	Significant
2. Al-Msallam	Syria	Hotel	SEM	Hotel guests	Convenient and judgmental	584	Significant
3. Otengei *et al.* (2014)	Uganda	Hotel	Regression	Restaurant consumers	Systematic selection	348	Insignificant
4. Ganiyu (2017)	Nigeria	Airline	Linear regression, ANOVA, correlation	Domestic air passengers	Convenience sampling	383	Significant
5. Taurus and Rabach (2013)	Kenya	Mobile telecom	Regression	Mobile telecom customers	Random sampling	140	Insignificant
6. Masika (2014)	Tanzania	Social security funds	Regression	NSSF employees and customers	Random sampling	200	Significant
8. Kibret and Dinber (2016)	Ethiopia	Banking	Regression, ANOVA, correlation	Bank customers	Judgmental sampling	203	Significant
9. Bianchi (2015)	Chile	Wine	SEM	Wine consumers	Not stated for the study population	300	Significant
10.Tweneboah-Koduah and Farley (2015)	Ghana	Banking	Multiple regression, ANOVA	Retail banking customers	Convenience	160	Significant
11. Kamarposhti and Bagheri (2015)	Iran	Home appliances	Regression	Appliance users	Random sampling	150	Significant

Source: Researcher, 2018

Table 2.7 reveals a summary of the reviewed literature on the association between customer satisfaction and brand loyalty. It shows that the satisfaction – loyalty relationship is either significant or insignificant depending on the industry studied among other factors. It also indicates the link between these constructs have been studied also in developing countries particularly Africa different from the previous table which revealed limited studies on the link between brand experience and brand loyalty in Africa.

2.6.3 The Mediation Effect of Word of Mouth and Customer Satisfaction in the link between Brand Experience and Brand Loyalty

The literature on the mediation effect of word of mouth in the link between brand experience and brand loyalty are scant. Researchers have studied the link between brand experience and WOM (Cetin and Dincer, 2014; Klein *et al.,* 2016) or brand loyalty and WOM (Balakrishnan *et al.* 2014; Fetscherin *et al.*, 2014; Nikhashemi *et al.*, 2015; Niyomsart and Khamwon, 2016; Wong *et al.*, 2015) separately. The details of these studies for the link between brand experience and WOM have been indicated on section 2.6.2 and on Table 2.4 while for the link between WOM and brand loyalty have been shown on section 2.6.3 and on Table 2.6. However, the current study examined the link between brand experience, WOM and brand loyalty at the same time. More specifically, WOM was proposed to be a mediator variable in the link between the two latent constructs.

Therefore it was hypothesized that:

H_4a: Brand experience is positively related to brand loyalty with word of mouth as a mediator variable.

2.6.4 The Mediation Effect of Customer Satisfaction in the Relationship between Brand Experience and Brand Loyalty

A study by Hussein (2018) in Indonesia studied the mediation effect of customer satisfaction on the link between brand experience and brand loyalty in the restaurant industry. The authors applied a self-administered questionnaire to gather information from 150 purposively selected restaurant customers and utilized SEM to analyze the collected data. The results of this study indicate that customer satisfaction mediates the link between brand experience and brand loyalty. However, the use of purposive sampling hinders generalization of the findings obtained from this study.

Another study by Moreira *et al.* (2017) in Portugal also examined the mediating effect of customer satisfaction, trust and quality on the link between brand experience and brand loyalty in the telecommunication industry targeting for multiple-play users. The study conveniently selected 690 multiple-play customers in the telecommunication sector and utilized SEM for analyzing the collected data. The findings of this study established that customer satisfaction does not mediate the link between brand experience and brand loyalty in the telecommunication industry. However, future studies may include other industries in Portugal to have a full picture of the relationship between the studied constructs.

On the other hand, Baser *et al.* (2015) studied the link between brand experience and brand loyalty through consumer satisfaction in Turkey using a survey quantitative based research. The authors applied convenient sampling to gather data from 1102 consumers of Apple, Nike, Sony play station and Coca-cola brands and used SEM for analysis of the data. The results reveal that customer satisfaction mediates the

link between brand experience and brand loyalty. However, this study did not include the service brands in Turkey to have more insights into consumer's perceptions of service brands.

Moreover, a study by Abbas *et al.* (2014) in Iran examined the mediation effect of customer satisfaction in the link between brand experience and brand loyalty in the banking industry. The authors randomly selected 250 Melli bank customers and analyzed the data using SEM. The results of this study indicate that customer satisfaction does not mediate the link between brand experience and brand loyalty. However, the study did not include other banks in the country hence the sample size may not be representative of all bank customers in Iran. Thus, in order to gather more information on the link between these constructs in the banking industry, other studies should consider including other banks in Iran.

Walter *et al.* (2013) also studied the mediation effect of customer satisfaction on the link between brand experience and brand loyalty. Authors conveniently selected 57 University students from Simon Fraser University in Canada and Pforzheim University in Germany and analyzed their data using SEM. The study found that customer satisfaction does not mediate the link between brand experience and brand loyalty. However, this study used convenience sampling and the sample size is relatively small which hinders the generalizability of its findings. Thus more studies are needed to gather more information on the link between constructs. From this reviewed literature, the study hypothesizes that:

H_{4b}: Brand experience is positively related to brand loyalty with customer satisfaction as a mediator variable.

Table 2.8: Previous Studies on the Mediation Effect of Customer Satisfaction in the link between Brand Experience and Brand Loyalty

Author(s)	Country	Industry	Analytical Method	Sampling unit	Sampling method	Sample size	Relationship
Hussein (2018)	Indonesia	Restaurant	SEM	Restaurant customers	Purposive	150	The link is mediated by customer satisfaction
Moreira et al. (2017)	Portugal	Telecom	SEM	Multiple-play users	Convenience	690	No mediation effect of customer satisfaction
Baser et al. (2015)	Turkey	Computer	SEM	Variety of consumers	Convenient sampling	1102	The link is mediated by customer satisfaction
Abbas et al. (2014)	Iran	Banking	SEM	Melli bank customers	Random	250	No mediation effect of customer satisfaction
Walter et al. (2013)	Germany and Canada	Car	SEM	BMW customers	Convenience	57	No mediation effect of customer satisfaction

Source: Researcher, 2018

2.7 Research Gap

There is no common agreement by scholars about the influence of brand experience on brand loyalty which makes it difficult to make a solid theoretical foundation on the link between the two constructs (Akin, 2016; Ardyan *et al.,* 2016; Baser *et al.,* 2015; Francisco-Maffezzolli *et al.,* 2014; Iglesian *et al.,* 2011; Jafari *et al.,* 2016; Kim *et al.,* 2015; Pollalis and Niros, 2016; Rajumesh, 2014). The link between word of mouth and brand loyalty has also generated inconsistence and debatable conclusions (Niyomsart and Khamwon, 2016; Ntale *et al.,* 2013; Praharjo and Kusumawati, 2016). On the one hand, there are conflicting ideas among scholars on the satisfaction-loyalty relationship (Al-Msallam, 2015; Bianchi, 2015; Dong *et al.,*

2011; Kumar *et al.,* 2013; Otengei *et al.,* 2014; Tarus and Rabach, 2013; Walter *et al.,* 2013). These confusing and conflicting conclusions among researchers created a research gap that needed to be filled.

On the other hand, the majority of researches on brand experience and its consequences have concentrated searching consumers' brand experiences for developed economies while ignoring the experience encountered by consumers in developing countries (Khan and Rahman, 2015) including Tanzania. Moreover, the service sector (such as m-money services) has not been given much attention by brand experience researchers (Khan and Rahman, 2015). Thus, this study aimed at filling this research gap.

2.8 Conceptual Framework of the Study

The conceptual model of this study is presented in Figure 2.1. It suggests that brand experience affects brand loyalty of customers for m-money brands. It also suggests that customer satisfaction and WOM mediates the association between brand experience and brand loyalty. It was proposed from this study that if customers are exposed to better experiences of the m-money brands, the outcome will be to spread the good news to their personal networks about the services they have encountered. By so doing, m-money customers will be loyal to the brands as consumers trust more on what they hear from their fellows.

Moreover, it was expected also that if customers have good brand experience, they may get satisfied with the brand and hence become loyal. Nota bene, the conceptual framework (Figure 2.1) uses the behaviour dimension of brand experience for brand

experience construct and behavioural loyalty dimension for brand loyalty construct. However, these variables have different meaning; the former is the dimension that involves bodily experiences, lifestyles and contact with the brand while the later includes the buyer's psychological commitment to repurchase the brand. These variables also used different scale items and hence the responses are also different. This avoids the problem of these variables to have a high correlation among them.
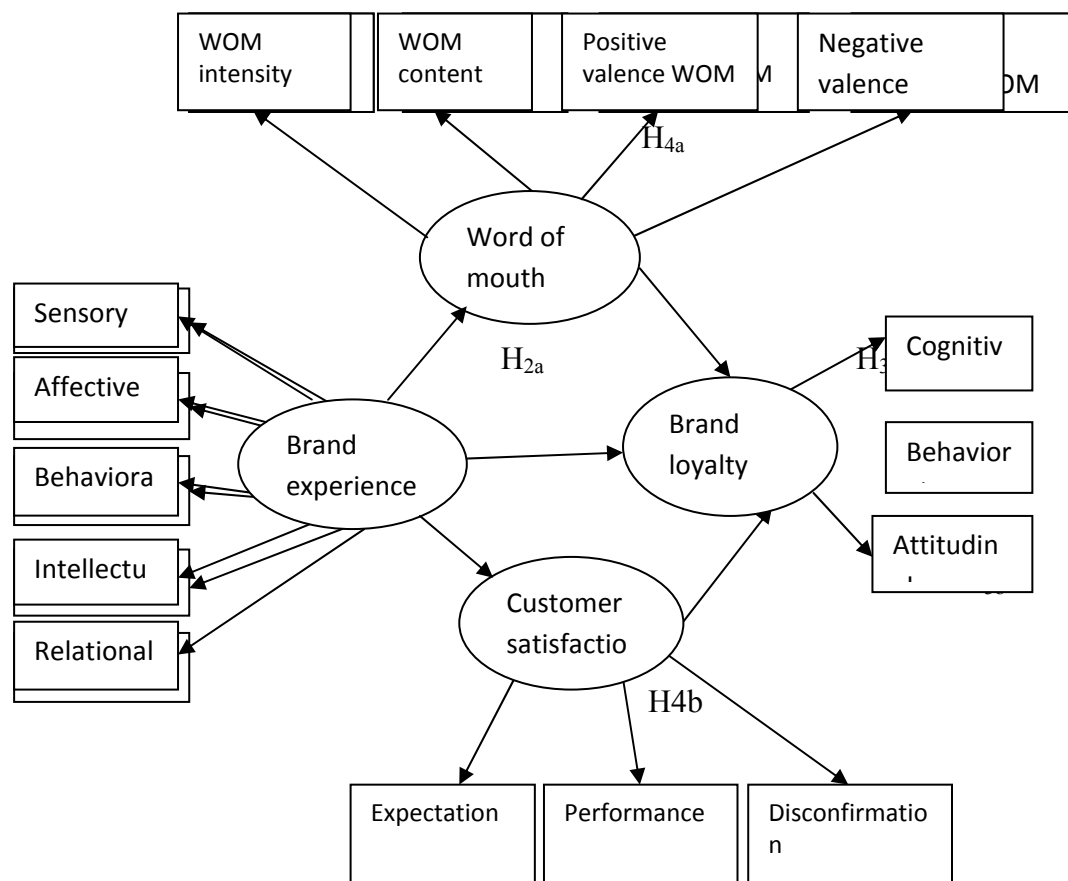
Figure 2. 1 Conceptual Framework of the Study

Source: Researcher, 2018

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter describes the research methodology which was utilized by the study. The next section of this chapter includes sections which cover research philosophy and approach, research design, survey populations, area of research and sampling design and procedures. Thereafter, sample size, variables and measurement procedures, methods of data collection and last but not least is data processing and analysis.

3.2 Research Philosophy

Saunders *et al.* (2012) define research philosophy as a system of beliefs and assumptions on knowledge development. The authors posit that researchers do generate knowledge to their field even if they have a relatively modest aspiration of answering specific organizational problems. Thus, the current study was expected to generate knowledge in brand management literature. In so doing, the study used the positivism research philosophy.

This philosophical orientation is suited for studies which use highly structured methodology, large sample and quantitative data collection techniques (Saunders *et al.,* 2012) as with this study. This philosophy enabled a researcher to collect data on observable reality and establish causal relationships as well as make generalizations (Gill and Johnson 2010). Moreover, in this philosophical orientation, the researcher was able to keep minimal interaction with respondents and that researcher' beliefs, desires, or biases are not part of knowledge generated from this study (Wilson,

2010).

3.3 Research Approach

A deductive approach was applied by the current study. The main idea of this approach is based on generating hypotheses and testing them with reference to existing theory (Wilson, 2010). Similarly, this study began with a theoretical understanding of the relationship between brand experience, brand loyalty, word of mouth and customer satisfaction. In this approach, data collected was used to assess propositions or hypotheses linked to an existing theory and explain causal relations between the variables and concepts (Saunders *et al.,* 2012). With this approach, a researcher was able to use a structured methodology to enable replication of the study if needed (Gill and Johnson 2010).

3.4 Research Design

The current study used an explanatory research design. This design is commonly used when a researcher plans to use a deductive approach like this study. Survey strategy enables a researcher to collect standardized data from large populations economically, permits easy comparison and easy to understand and explain (Saunders *et al.,* 2012).

3.5 Survey Population

The population for this study included business owners/staff who undertake day to day activities of micro, small and medium enterprises (MSMEs) in Katavi and Rukwa regions. MSMEs have a large contribution to the growth of the economy in Tanzania and also users of mobile money services (Tanzania National Council for

Financial Inclusion report, 2014-2016) hence their choice. According to the national baseline survey of MSMEs in Tanzania; the semi-formal access strand for sending and receiving money by MSMEs for business purposes through mobile money accounted for 63.4% in 2010 (Ministry of Trade and Industry, 2012). Therefore, using MSMEs in this study revealed the experiences encountered by mobile money customers.

The total population of MSMEs in the two regions amount to 2300 (900 Rukwa region and 1400 Katavi region) (source from Rukwa SIDO and TCCIA Katavi offices) but these were MSMEs served by TCCIA in Katavi and SIDO in Rukwa. The sampling frame included 695 (320 from Mpanda municipal and 375 from Sumbawanga municipal) business owners/staff of MSMEs who are involved with day to day activities. The list of MSMEs from Sumbawanga municipal council was collected from Small Industries Development Organization (SIDO) Rukwa regional office while that of Mpanda municipal council was obtained from Tanzania Chamber of Commerce Industry and Agriculture (TCCIA) regional office in Katavi. The list contained users and providers of m-money services. Hence it was possible to gather opinions from both sides (users and providers). Moreover, the decision to use TCCIA in Mpanda municipal is that SIDO has just opened its office in Katavi region; thus they don't have a database for MSMEs in the region.

3.6 Area of Research

The study was conducted in Mpanda and Sumbawanga municipal councils in Katavi and Rukwa regions respectively. These regions were selected for this study because of its low bank networks as the majority of commercial banks have their branches

located in major cities like Dar es Salaam, Arusha, Mwanza, Mbeya and Moshi (BOT, 2015). Thus, business owners/staff who engage in day to day activities of MSMEs in these regions spend much time getting the bank services if needed. Hence, they are most likely to opt for m-money services because of its flexibility. With m-money services, business people can save time, increase transaction speeds and rate of collecting payments as well as improving their business logistics (GSMA, 2016). M-money services are also efficient, faster, cheaper, secure, reliable and affordable (Muisyo *et al*. 2014).

3.7 Sampling Design and Procedures

Purposive sampling was done to select Sumbawanga and Mpanda Municipal councils from Rukwa and Katavi regions respectively. Thereafter, the current study used simple random sampling to select individuals who are involved in the day to day activities of MSMEs. Respondents were picked from the list of MSMEs using the table of random numbers. Then the researcher administered the questionnaire to gather information from selected respondents. Moreover, the study only considered mobile money transfer services while excluding mobile phone bank services.

3.8 Sample Size

In obtaining the sample size, the study considered suggestions from different scholars. Field (2009) proposes that a researcher should have at least 10 – 15 participants per variable. Nunnally (1978), on the other hand, suggest having 10 times as many participants as variables whereas Kass and Tinsley (1979) suggests having between 5 and 10 participants per variable up to a total of 300 (beyond which test parameters tend to be stable regardless of the participant to variable ratio).

Moreover, Tabachnick and Fidell (2007) consider 300 cases as enough for factor analysis while Comrey and Lee (1992) classify 300 cases as a good sample size, 100 as poor and 1000 as excellent. However, Kline (2011) substantiates that, for studies utilizing SEM like this, 200 cases are the minimum recommended cases for data analysis. Hence the current study used a sample size of 300 as suggested by previous scholars (Comrey and Lee, 1992; Kass and Tinsley, 1979); Tabachnick and Fidell, 2007) which are in line with that of Kline (2011).

3.9 Variables and Measurement Procedures

Table 3.1: Variables, Number of Scale Items and their Sources

SN	Variables measured	Number of scale items used	Source
1	Brand experience	3-items (affective), 3-items (sensory), 3-items (intellectual), 3-items (behavioral) and 3-items (relational)	Brakus *et al.* (2009) and Nysveen e*t al.* (2013)
2	Brand loyalty	5-items (attitudinal loyalty), 6-items scale (behavioural loyalty) and 4 items (cognitive loyalty)	Jones and Taylor (2007), Kuenzel and Halliday (2008)
3	Word of mouth	2-items (positive valence WOM), 2-items (negative valence), 2-items (WOM intensity) and 3-items (WOM content)	Goyette et al., 2010
4	Customer satisfaction	1-item (Expectation), 1-item (Performance) and 1-item (disconfirmation)	Churchill and Surprenant (1982)

Source: Research Data, 2018

The variables examined in this study included brand experience (exogenous variable), word of mouth and customer satisfaction (mediator variables) and brand loyalty (endogenous variable). The number of scales items used and their sources are indicated in Table 3.1. Responses for brand experience, word of mouth and brand

loyalty variables were measured on a 5-point Likert-like scale ranging from 1= strongly disagree to 5= strongly agree. On the other hand, the 5-point Likert-like scales for customer satisfaction ranged from 1= not very good to 5 = excellent (expectation), 1= poor to 5 = excellent (perceived performance) and from 1= it was much worse than I thought to 5 = it was much better than I thought (disconfirmation).

3.10 Methods of Data Collection

The primary data was collected by administering a survey questionnaire. This method provided a chance for a researcher to give explanations to respondents on issues that needed clarification and this motivated them to answer all questions (Fowler, 2014). The first section of the questionnaire comprised of questions on respondent – mobile money service information followed by questions on measures of brand experience, word of mouth, satisfaction and brand loyalty. Thereafter questions on demographic information covering issues like age, gender and income and education level of respondents followed. However, the study did not use secondary for data analysis.

3.11 Data Processing and Analysis

The data were visually inspected to check for incompleteness, data entry errors and data which are missing. The researcher reversely coded all responses with negative statement questions for ensuring high scores on the research instrument echo fairly high levels of the features intended to be measured by the research instrument. The negatively worded statements that were reverse coded included SENS3 (sensory3), AFFEC2 (affective2) and INTEL2 (intellectual2) and RELAT3 (relational3).

3.11.1 Missing Data and Outliers

Kim *et al.* (2007) observed that income data usually miss for the majority of survey participants and usually excluded from analysis. Similarly, this study observed missing data for one case particularly on the income variable. This case was dropped for analysis and the remaining usable questionnaire was 299 cases. On the other hand, Mahalanobis D statistic (Mahalanobis, 1936) was applied for detecting outliers in the current study. This is the estimation of the multivariate distance between the respondent's scores on survey items and the sample mean scores on survey items (DeSimone *et al.,* 2015). The values of the data are regarded as outliers if the Mahalanobis distance (D2) values are higher than the Chi-square values of the items used (DeSimone *et al.,* 2015). It was observed that one case had an outlier value for income variable. Mean substitution method was applied to handle the observed outlier data whereby the missing value was replaced with the mean as suggested by (Tabachnick and Fidel, 2013).

3.11.2 Multicollinearity and Normality Test

Multicollinearity is the extent to which a predictor variable can be explained by another predictor variable (Mabkhot, 2016). Multicollinearity affects regression coefficient estimations and their significant tests (Tabachnick and Fidel, 2013). In this study, two methods were utilized to test multicollinearity. First, through a bivariate correlation of exogenous variables while considering the recommendation by Hair, *et al.* (2010). The authors consider exogenous variables to be highly correlated if they obtain correlation values above 0.9. However, Table 3.2 indicates that the correlation among the exogenous variables was less than the values

suggested by Hair *et al.* (2010). Second, Variance Inflated Factor (VIF) and Tolerance values were also used for multicollinearity test.

The cut of off points by Hair *et al.* (2011) was considered. The authors posit that VIF values greater than 5 and Tolerance values less than 0.2 indicate the presence of multicollinearity. Table 3.3 shows that there was no multicollinearity issue in the current study as the tolerance and VIF values did not exceed the threshold values. Moreover, the normality assumption was tested using the Kolmogorov-Smirnov test. Table 3.3 reveals that the p-values for the dependent and independent variables were not significant at 5% level of significance. This suggests that the data were approximately normal and hence normality assumption was met.

Table 3.2: Correlations Matrix of Exogenous Variables

	1	2	3
1. Customer satisfaction	1		
2. Brand experience	.437**	1	
3. Word of mouth	.511**	.456**	1

**. Correlation is significant at the 0.01 level (2-tailed)
Source: Researcher, 2018

Table 3.3: Multicollinearity Statistics

Measured variables	Collinearity Statistics		Kolmogorov-Smirnov p-value
	Tolerance	VIF	
Customer satisfaction	.686	1.457	0.306
Brand experience	.736	1.360	0.131
Word of mouth	.672	1.488	0.200*
Brand loyalty			0.168

 a. Dependent Variable: Brand loyalty

 *. This is a lower bound of the true significance

Source: Researcher, 2018

3.12 Exploratory Factor Analysis (EFA)

EFA is a statistical approach that identifies the unsuitable items that can be removed to increase the reliability of the scale to be applied (Yu and Richardson, 2015). It inspects all the pair wise relations between items on a scale and extracts the latent factors from the measured indicators (Osborne, 2015). It is one of the powerful and widely statistical tools used for investigating the underlying variable structure of a psychometric instrument (Osborne and Fitzpatrick, 2012). However, in interpreting the EFA, a researcher should be guided by the theory (Baglin, 2014). Thus, this study utilized EFA to better understand the structure and the underlying pattern of associations among the multiple observed variables.

3.13 Confirmatory Factor Analysis Procedures and Output

CFA is regarded as a distinct type of factor analysis that is currently widely utilized by social researchers (Kline, 2010). This technique is based on theory and hence the analysis is centred on the theoretical association of the observed and unobserved variables (Schreiber *et al*., 2006). Using CFA, a researcher imposes a model on the data and test how well the imposed model fits the data collected (Santor *et al.,* 2011). In the current study, CFA was utilized in this study to test whether measures of a construct are consistent with the investigator's understanding of the nature of that constructs. More specifically, CFA was used to assess whether the collected data fitted the measurement model which was hypothesized by the current study.

3.13.1 Preparing Data for use of Parcels

Parceling is a procedure for calculating sums or average scores across multiple items (Orçan and Yang, 2016). The variables obtained by summing or averaging the

individual items are called parcels and are then used as indicators of latent factors in SEM analysis instead of individual items (Sterba, 2011 and Yang *et al.,* 2010). Parceling leads to model complexity and sample size requirements reduction reduces the influences of individual items' systematic errors on the model estimation and increases reliability and model fit (Yang *et al.,* 2010). In addition, parceling does not lead into a biased estimate of the structural association among latent factors once the model assumptions are met and items behave unidimensionally (Sass and Smith, 2006).

Moreover, EFA was conducted before parceling as a measure to ensure that items are unidimensional as recommended by Hall *et al.* (1999). According to these authors, unidimensionality is obtained when "all items have strong loadings on a primary factor, and the eigenvalues for any additional factors are substantively lower than for the first factor, with values of less than 1 or a clear break in a scree plot of eigenvalues" (p. 236). Table 4.9 to Table 4.11 indicates that the items had strong loadings and that there was a clear break in the screen plot of eigenvalues (Figure 4.1).

The first factor explained 17% of the variance and the first two eigenvalues were 7.17 and 3.17 and the factor loadings ranged from 0.55 to 0.90. In creating parcels, the individual items which were identified in the EFA to belong to the same sub-facet were combined together (Hall *et al.,* 1999). Parceling lead to brand experience, brand loyalty and word of mouth forming five parcels, three parcels and four parcels respectively and customer satisfaction was not parceled as it had no sub-facets.

3.14 Validity and Reliability Tests

3.14.1 Reliability

In testing internal consistency, Cronbach's coefficient Alpha was employed. Hair *et al.* (2016) recommend Alpha values of 0.7 and above. It was found that all constructs had Cronbach's coefficient Alpha values greater than the recommended value of 0.7. The values ranged from 0.8 – 0.9 (Table 3.4). This confirms that the research instrument had internal consistency worth for this study.

3.14.2 Validity Test

3.14.2.1 Content Validity

Content validity was ensured by conducting a comprehensive literature review regarding the domain of brand experience, word of mouth, brand satisfaction and brand loyalty. Moreover, all variables for this study originated from theory. Experts in the field of marketing were also consulted to give their views just to ensure that validity is achieved.

3.14.2.2 Convergent Validity

This is obtained when the scale items in a construct converge or share high proportions of variances. In measuring convergent validity, the size of factor loadings was considered. It is recommended that the required standardized factor loadings should be 0.5 or above and ideally 0.7 and above (Hair *et al.,* 2010). Average Variance extracted (AVE) and composite reliability (CR) was also computed to assess convergent validity (both factor loadings, AVE and CR were from the measurement model). AVE value of 0.5 or above is regarded as enough to reveal high convergent of items at a specific construct (Hair *et al.,* 2010).

Besides, the composite reliability value of greater or equal to 0.7 is regarded as an acceptable cut off point (Alarcon and Sanchez, 2015). It is worth to mention that, all latent constructs achieved the required standardized factor loading (ranged from 0.5 – 0.9) as indicated in Table 4.10. The AVE also ranged from 0.6 – 0.7 and CR values ranged from 0.8 – 0.9 as shown in Table 3.3. Thus both the standardized factor loadings, the AVE and CR values obtained from the measurement model of this study reveals that the indicators precisely measured their respective constructs i.e. the scale items converged on their constructs.

3.14.2.3 Discriminant validity

Discriminant validity indicates how the construct is really different from other latent constructs (Hair *et al.,* 2010). In assessing discriminant validity, Average Variance Extracted (AVE) of each construct was compared with the square of the correlations between the constructs (both AVE and square of the correlations were from the measurement model). Hair *et al.* (2010) recommend AVE values to be larger than the squared correlation estimates. It was found that the criteria by Hair *et al.* (2010) were achieved and hence the constructs were distinct from each other (Table 3.4).

Table 3.4: Composite Reliability, Average Variance Extracted, Maximum Shared Variance and Cronbach's Alpha

Construct	CR	AVE	MSV	Cronbach's Alpha
BEX	0.87	0.59	0.29	0.86
WOM	0.85	0.59	0.34	0.85
BLT	0.83	0.64	0.25	0.79
CSA	0.88	0.72	0.24	0.88

Source: Field Study, 2018

3.14.2.4 Face Validity

Face validity is the extent to which the research questionnaire appears to measure what was intended to be measured (Patton, 1997). As the term indicates, it is validity at face value. Face validity was measured by looking at the research instrument and was found that, the instrument attained face validity. It should be noted however that, face validity is a crude and basic measure of validity as having face validity does not mean that the research questionnaire measured exactly what was supposed to be measured and hence the need to conduct other validity measurements as explained in the above sections.

3.14.2.5 Validity and Reliability in Exploratory Factor Analysis (EFA)

In testing sample adequacy, the Kaiser-Meyer-Olkin (KMO) was utilized. The KMO measures how suitable are the data for factor analysis. Kaiser (1974) proposed different levels for his index namely below 0.50 unacceptable, 0.50s miserable, 0.60s mediocre, 0.70s adequate, 0.80s meritorious and 0.90s marvellous. In this study, Table 3.4 reveals that the KMO values were 0.731 which suggest that the data was fit for EFA.

Bartlett's Test was also calculated to ensure that the correlation matrix was not the identical matrix (Zulkepli *et al.,* 2017). Table 3.5 indicates that Bartlett's test for sphericity was highly significant ($p \leq 0.001$) revealing that variables included in the study were related to each other and hence it was suitable for EFA (Field, 2005). Other criteria like factor loadings, Eigenvalues and screen plot was also considered. The lowest factor loadings achieved was 0.6 which is higher than the threshold value of 0.4, all factors retained had Eigenvalues greater than 1(Table 4.9 to Table 4.11)

and that all factors above the break on the screen plot were retained as suggested by Yong and Pearce (2013).

Table 3.5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.731
	Approx. Chi-square	7696.340
Bartlett's Test of Sphericity	df	780
	Sig.	.000

Source: Field Study, 2018

3.15 Structural Equation Modelling (SEM) Analysis

The current study utilized the structural equation modeling to analyze the collected data. The reasons for choosing this technique are: It is a comprehensive statistical method for hypotheses testing regarding the associations between observed and latent variables (Hoyle, 1995), it explicitly takes care of the measurement error in indicators of latent variables something which confound other traditional statistical methods like multiple regression, correlation and ANOVA and that SEM test construct validity in broader and deeper ways compared to traditional correlation analyses and tests mediation effect straightforward (Bagozzi and Yi, 2012). The study applied IBM AMOS version 22 to run measurement model and structural models. The measurement model was meant for evaluating the reliability and validity of all constructs. On the other hand, the structural model was utilized for testing the proposed hypotheses.

3.15.1 Model Specification

3.15.1. 1 Structural Equation Model

Structural model (1) expresses a system of equations which represent the relationships

among latent constructs. The direct impact of brand experience on brand loyalty was tested using the structural model. The regression model used was:

$$\eta = \gamma_0 + \gamma\eta + \delta \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where γ_0 is the location parameter vector, **γ** is the matrix of loading path coefficients relating to latent variables **η's** and **δ** is a vector of residuals for **η's.**

Model (1) specification is consistent with Bagozzi (1994) and Bollen and Lennox (1991).

3.15.1. 2 Measurement Model

The measurement model is a system of equations connecting latent constructs and observed variables as in equation (2). The regression model used was:

$$y = \lambda_0 + \lambda\eta + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

Where y is a vector for observed variables that will be gathered from survey questions, **λ_0** is the location parameter vector, **λ** is the matrix of loading coefficients (factor loadings) while **ε** is a vector for residual for the **y's**.

Model (2) specification is consistent with Bagozzi (1994) and Bollen and Lennox (1991).

3.15.2 Evaluation of the Measurement Model

The measurement model was tested using Confirmatory Factor Analysis (CFA). CFA was done to examine the contribution of measurable indicators and see how well these indicators measure the exogenous or the endogenous variable. The indicators that measure well the constructs were integrated into the estimation of the association between exogenous and endogenous variables in the structural model (Hair *et al.* 2010).

In evaluating the model fit, different criteria were employed including looking at the ratio of CMIN relative to the degree of freedoms which measures the significance of associations in the model, The Root Mean Square Error of Approximation (RMSEA) which estimates the approximation error of the model for the population apart from the error of estimation caused by the sampling error (Ryu, 2014) and the Comparative Fit Index (CFI) which estimates the goodness of fit of the model hypothesized in comparison with the baseline model (Bentler, 1990).

The Goodness-of-Fit-Index (GFI) that estimates the relative amount of the variances and covariances in the empirical covariance matrix which is predicted by the model-implied covariance matrix (Jöreskog and Sörbom, 1989) was also applied by this study. According to Jöreskog and Sörbom (1993, p. 123), "this implies testing how much better the model fits as compared to no model at all". Table 3.6 indicates the cut off points and sources for these indices. These indices were achieved by this study Figure 4.1 – 4.4.

Table 3.6: Goodness-of-fit Indices for the Structural Model

Fit indices	Cut off point
The ratio of chi-square and degree of freedom (χ^2/df)	≤ 3
The goodness of Fit Index (GFI)	≥ 0.90
Comparative Fit Index (CFI)	≥ 0.90
Adjusted Goodness of Fit Index (AGFI)	≥ 0.80
Parsimony Normed Fit Index (PNFI)	≥ 0.50
Root Mean Square Error of Approximation (RMSEA)	≤ 0.08
Parsimony Comparative Normed Fit Index (PCNFI)	≥ 0.50

Source: Al-Msallam (2015); Lada *et al*. (2014) and Kumar (2015).

3.15.3 Structural Model of the Study

After testing the measurement models and revealing that the model was fit, then testing of structural model followed. The similar goodness of fit indices that was applied to assess the measurement models was used for assessing structural models. For testing structural models, two steps approach was utilized as it was proposed by Hair *et al.* (2010). First, a structural model was tested without the mediating variables (word of mouth and customer satisfaction) aiming to test the direct influence of the exogenous variable on the endogenous variable. Second, the mediating variables were added into the initial structural model (without mediating variables) separately so as to determine the mediating effects of word of mouth and customer satisfaction.

3.15.4 Testing for Mediating Variables

Before testing for mediating variables, there are conditions that must be met as pointed out by Baron and Kenny (1986). These conditions include: the exogenous variable must affect the endogenous variable, the exogenous variable should affect the mediating variable and that the mediating variables should affect the endogenous variables. It was revealed that these conditions were met, thus bootstrapping method using AMOS version 22 was employed to examine the effect of mediating variables in the structural model (Figure 4.3). This method is superior to Sobel's test because it is a non-parametric test and hence it does not need the normality assumption to be met, can be used with small sample sizes, and increases the power of the test (Namazi and Namazi, 2016). On the other hand, bootstrapping determines the mediation effects with certainty than the Sobel test (Hadi *et al.,* 2016). Figure 3.1

indicates the multiple-step multiple mediator model for this study.
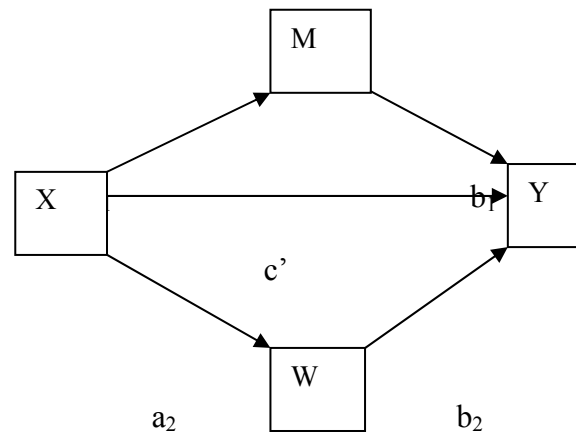
Figure 3.1 Multiple Step-Multiple Mediator Models
Source: Hayes (2009)

In this study X = brand experience, Y = brand loyalty, M = word of mouth and W = customer satisfaction

Where a_1 and a_2 are the coefficients for X in a model predicting M from X and W from X respectively while b_1 and b_2 are the coefficients in a model predicting Y from both M and W respectively and c' is the coefficient predicting Y from X (Hayes, 2009). In other words, c' measures the direct effect of X, whereas a1b1 measures the indirect effect of X on Y through M; a2b2 measures the indirect effect of X on Y through W. The total effect is equal to the direct effect of X on Y plus the sum of the indirect effect through M and the indirect effect through (Hayes, 2009).

On the other hand, full mediation happens when the inclusion of the mediator variable (s) drop the relations between the exogenous variable and endogenous variable to zero. Partial mediation, on the other hand, occurs when there is some direct association between the exogenous variable and the endogenous while at the same time there is a significant association between the mediator and the dependent variable.

3.16 Ethical Consideration

The questionnaire first introduced the aim of the study to participants. Anonymity and confidentiality were highly observed as suggested by Saunders *et al.* (2012). Respondents were given assurance that the information they give is for study purposes and not otherwise. Participants were asked to freely decide to get involved in the study and were free to abscond at any time as the interview proceeds. The researcher also obtained the research clearance from the directorate of research, publications and studies of the Open University of Tanzania which was sent to the Regional Administrative Secretaries (RASs) of Katavi and Rukwa regions. From RAS a researcher got letters which were sent to all responsible offices in the wards and streets as per attached letters (Appendix II).

CHAPTER FOUR

RESEARCH FINDINGS

4.1 Overview

This chapter explains the results of the study. It gives the details of what has been found about the objectives of the study. More specifically it indicates the results about questions asked on respondent's demographic characteristics and measured variables. It also shows the results of EFA and CFA and how measurement and the structural model was tested.

4.2 Respondent's Demographic Characteristics

This study gathered information about the respondent's demographic factors. The results are as indicated in the next sections.

4.2.1 Respondent's Distribution by Age

Table 4.1 indicates the distribution of research participants by age. It shows that the majority of respondents (48.8%) aged between 20 and 30 years followed by those with 31 – 40 years (36.5%), 41 -50 years (9.7%) and that only a few (5%) were above 50 years. These findings suggest that the majority of research participants were in the economically active group of people in the country that contribute to the development of the nation.

The results also connote that many young people are involved with the MSMEs than old people. This is good news for the government and the country at large as this decreases the unemployment in the country particularly to young people with energy and eager to work for their national development. As well said by the United Nations

(2011) that "the private sector should conceive of young people not only as programme beneficiaries and corporate social responsibility targets but also as partners in development and fellow leaders in the pursuit of the Millennium Development Goals" (pg. 7).

Table 4.1: Respondents' Age

Age	Frequency	Percent
20 - 30 years	146	48.8
31 - 40 years	109	36.5
41 - 50 years	29	9.7
51 or above	15	5.0
Total	**299**	**100.0**

Source: Field Data, 2017

4.2.2 Respondent's Distribution by Gender

The findings from Table 4.2 reveal the distribution regarding gender among respondents. It reveals that majority (58.9%) of respondents for this study was males and the remaining 41.1% were females. The findings suggest that males are dealing with MSMEs than do females. It may imply also that males are more risk takers than do females as initiating MSMEs involve risk-taking and courage.

Table 4. 2: Respondents' Gender

Gender	Frequency	Percent
Male	176	58.9
Female	123	41.1
Total	**299**	**100**

Source: Field Data, 2017

4.2.3 Respondent's Distribution by Marital Status

Table 4.3 reveals that 51.8% of respondents were married individuals followed by single respondents that occupied 46.2% of study participants while separated

individuals were 1.3% of the studied population. It was also found that widowed

respondents were the group of people with the lowest percent (0.7%) with regard to

marital status. These findings imply that married individuals are more involved with

MSMEs compared to other groups of people. It may be because of an attempt to

fulfil the needs of their spouses and children through possessing business enterprises.

Table 4.3: Respondent's Marital Status

Marital status	Frequency	Percent
Married	155	51.8
Single	138	46.2
Widowed	2	.7
Separated	4	1.3
Total	**299**	**100.0**

Source: Field Data, 2017

4.2.4 Respondent's Level of Education

Table 4.4: Respondent's Level of Education

Level of education	Frequency	Percent
Primary school	41	13.7
Secondary school	115	38.5
Certificate/diploma	73	24.4
Graduate	59	19.7
Postgraduate	11	3.7
Total	299	100.0

Source: Field Data, 2017

The distribution of research participants regarding the level of education is presented

in Table 4.4. It reveals that 38.5% of respondents had secondary school education

and 24.4% had attended certificate or diploma education. The table also shows that

graduate respondents and those with primary level education occupied 19.7% and

13.7% respectively. The least number of participants (3.7%) was recorded from the

postgraduate education group. This implies that MSMEs are being run by educated

people with either secondary school education or certificate/diploma.

4.2.5 Respondent's Monthly Income

In this study, research participants were also asked about their monthly income. In responding to this question, 57.2% of respondents reported that they earn between 101,000 to 1million Tanzania Shillings per month (Table 4.5). Table 4.5 also reveals that 25.1% of respondents had their monthly income below 100,000 Tanzania Shillings per month followed by 1,001,000 - 2mil (9.7%) and 2,001,000 - 3mil (6.7%) and only four respondents (1.3%) had their monthly income more than 3mil. These results connote that majority of participants had small businesses as the name suggest (MSMEs) and hence they have a low return on monthly bases.

Table 4.5: Respondent's Distribution by Monthly Income

Level of education	Frequency	Percent
Below 100,000	75	25.1
101,000 - 1mil	171	57.2
1,001,000 - 2mil	29	9.7
2,001,000 - 3mil	20	6.7
3,001,000 - 4mil	4	1.3
Total	**299**	**100.0**

Source: Field Data, 2017

4.2.6 Respondent's Distribution by Mobile Money Service Usage

Table 4.6 indicates the frequency of usage for the mobile money services. It shows that M-Pesa had the largest customer base (63.9%) compared to other mobile money service providers followed by Tigo-Pesa which occupy 14.4% of market share. On the other hand, Airtel money was the third with 11.4% and Ezy-Pesa had the least customer base (0.7%) among the respondents.

Table 4.6: Frequently Used Mobile Money Service

Mobile money service	Frequency	Percent
M-pesa	191	63.9
Airtel Money	34	11.4
Tigo-pesa	43	14.4
Halo-pesa	29	9.7
Ezy-pesa	2	0.7
Total	**299**	**100**

Source: Field Data, 2017

4.2.7 Respondents Distribution by Duration of Mobile Money Service usage

Table 4.7 show responses from respondents about the duration of using mobile money services. This was a screening question which enabled a researcher to exclude participants with less experience with m-money services. It indicates that 67.2% of participants have been using m-money services for more than 2 years while 22.1% have been using either for one year or two years. However, few respondents (5%) had experience of six months with them-money services. These findings imply that the majority of respondents had long experience with m-money services and hence they were the right candidate for this study.

Table 4.7: Duration of using the M-Money Service

Duration	Frequency	Percent
6 months	15	5.0
7 - 11 months	17	5.7
1 - 2 years	66	22.1
above 2 years	201	67.2
Total	299	100.0

Source: Field Data, 2017

4.2.8 Respondent's Frequency of using Mobile Money Services

Table 4.8 show respondent's frequency of using the m-money services in the studied area. It reveals that the majority of participants (46.5%) uses m-money services

occasionally or sometimes a weak whereas 28.4% uses rarely or sometimes a month. Only 25.1% of respondents reported using the services often, once or frequently a day. These results suggest that the majority of respondents used to send money for buying business materials or receiving the money from their customers on a weekly bases.

Table 4.8: Frequency of using Mobile Money Service

Frequency	Frequency	Percent
Often, once or more frequently a day	75	25.1
Occasionally, sometimes a week	139	46.5
Rarely, sometimes a month	85	28.4
Total	**299**	**100.0**

Source: Field Data, 2017

4.3 Explanatory Factor Analysis Procedures and Output

In conducting EFA, the current study used Principal Axis Factoring with Direct Oblimin rotation to examine the fundamental structure of the 40 scale items. Direct Oblimin rotation is an Oblique rotation which does not rotate the factors into 90° from each other and regards the factors to be correlated to each other (Yong and Pearce, 2013). In knowing whether the factors correlate, Tabachnick and Fiddell (2007) recommend the values of the factors correlation matrix to be around .32 and above. It was found that the highest values of the factor correlation matrix were 0.328 which guarantee the use of Direct Oblimin rotation.

In choosing the factors to be retained, different criteria were applied including Eigenvalues, factor loadings and screen test (i.e. screen plot). Kaiser (1960) suggest retaining all factors with Eigenvalues higher than 1 and Yong and Pearce (2013) suggest to retain factors with factor loading greater than 0.32. On using the screen

test criteria, Yong and Pearce (2013) suggest considering all data points above the break/cut off point of the screen plot as the factors to be retained. However, the screen test criterion is considered reliable only when the sample size is not less than 200 (Yong and Pearce, 2013) like the sample size of this study.

Using the above criteria, thirteen factors were extracted and explained 75.989% of the cumulative variance, and both had Eigenvalues greater than one as suggested by Kaiser (1960). The items retained for each factor and their loadings are indicated in Table 4.9 to Table 4.11. On the other hand, Figure 4.1 indicates the screen plot of factors extracted, all factors above the break/cut off point were retained and those below the break or cut off point were dropped as suggested by Yong and Pearce (2013). Moreover, the measurable indicators were also checked for their suitability in explaining the underlying factors retained. The recommendation by Yong and Pearce (2013) was considered for retaining or dropping the indicators used for measuring each factor. These authors propose to drop indicators with cross-loadings and retain those with factor loading between 0.4 − 0.8 and that loaded to their respective factors.

Following these recommendations, Table 4.12 indicates the measurable indicators that were dropped. For brand experience (BE), two indicators were deleted namely BEHAV3 (Behavior 3) and RELAT3 (Relation 3). BEHAV3 was removed because it had factor loading of greater than 1 which is beyond the recommended value while RELAT3 was deleted because it did not load to any factor. Similarly, indicators of brand loyalty construct viz. BLOYAL1, BLOYAL2 (Behavioral loyalty 1 and 2) and CLOYAL3 (Cognitive loyalty 3) were candidates for deletion because they did not

load to any factor. However, all the indicators for word-of-mouth (WOM) and Customer satisfaction (CSA) were retained as they had factor loading of more than 0.5 which is above the minimum factor loading of 0.4 recommended by Yong and Pearce (2013) and that these indicators had no cross-loadings.

Table 4.9: Exploratory Factor Analysis Output of retained Items   for Brand Loyalty

Brand loyalty	Item	Description of items retained	Factor Loadings
Attitudinal loyalty	ALOYAL2	I encourage friends and relatives to do business with this brand	.903
	ALOYAL3	I will speak positively about my mobile money brand	.851
	ALOYAL1	I recommend this brand to someone who asks my advice	.805
	ALOYAL4	I am committed to this brand	.781
	ALOYAL5	I would purchase this service again, even if it receives bad evaluations from the media or other people	.748
Eigenvalues = 7.172			
Variance (%) = 17.929			
Cumulative variance = 17.929			
Behavioural loyalty	BLOYAL4	I would like to switch to another mobile money operator that offer better services	.965
	BLOYAL3	When I last used mobile money services, this brand was my first choice	.885
	BLOYAL5	I would like to switch to another mobile money operator that offer more services	.793
Eigenvalues = 3.179			
Variance (%) = 7.947			
Cumulative variance = 25.876			
Cognitive loyalty	CLOYAL2	Price is not an important factor in my decision to remain with this brand	.780
	CLOYAL1	I would be willing to pay a higher price for using this brand over other brands	.612
	CLOYAL4	I am very interested in what others think about my mobile money brand	.559
Eigenvalues = 1.604			
Variance (%) = 4.009			
Cumulative variance (%) = 29.885			

Source: Field Data, 2017

Table 4.10: Exploratory Factor Analysis Output of Retained Items for Brand Experience

Brand experience construct	Item	Description of items retained	Factor Loadings
Sensory	SENS3	This brand does not appeal to my senses ®	.961
	SENS2	I find this brand interesting in a pleasure/excitement way (sensorial way)	.865
	SENS1	This brand makes a strong impression on my visual sense or other senses	.813
Eigenvalues = 2.622			
Variance (%) = 6.554			
Cumulative variance (%) = 36.439			
Behaviour	BEHAV2	This brand results in bodily experiences	.876
	BEHAV1	I engage in actions when I use this brand	.736
Eigenvalues = 2.581			
Variance (%) = 6.452			
Cumulative variance (%) = 42.891			
Intellectual	INTEL 2	This brand does not make me think ®	.999
	INTEL1	I engage in a lot of thinking when I encounter this brand	.857
	INTEL3	This brand stimulates my curiosity and problem solving	.552
Eigenvalues = 2.247			
Variance (%) = 5.618			
Cumulative variance (%) = 48.509			
Affective	AFFEC1	This brand induces feelings	-.976
	AFFEC3	This brand is an emotional brand	-.850
	AFFEC2	I do not have strong emotions for this brand ®	-.779
Eigenvalues = 1.697			
Variance (%) = 4.242			
Cumulative variance (%) = 52.751			
Relation	RELAT1	As a customer of this brand, I feel like I am part of a community	.873
	RELAT2	I feel like I am part of this brand family	.523
Eigenvalues = 1.395			
Variance (%) = 3.488			
Cumulative variance (%) = 56.239			

Source: Field Data, 2017

Table 4.11: Exploratory Factor Analysis Output of Retained Items   for word of Mouth and Customer Satisfaction

Word of mouth construct	Item	Description of the items description	Factor Loadings
WOM intensity	WINT2	I spoke of this brand company much more frequently than about any other type of product or service	.907
	WINT1	I spoke of this brand much more frequently than about any other brand	.861
Eigenvalues = 2.098			2.098
Variance (%) = 5.244			5.025
Cumulative variance (%) = 61.483			
WOM positive valence	WPV1	I have spoken favourably of this brand to others	.777
	WPV2	I am proud to say to others that I am a customer of this brand	.643
Eigenvalues = 1.294			
Variance (%) = 3.234			
Cumulative variance (%) = 64.717			
WOM content	WCONT 2	I discuss the quality of the services offered to others	-.993
	WCONT 1	I discuss the variety of services offered to others	-.560
Eigenvalues = 1.051			
Variance (%) = 2.627			
Cumulative variance (%) = 67.344			
WOM negative valence	WNV2	I have spoken unfavourably of this brand to others	.830
	WNV1	I mostly say negative things about this brand to others	.745
Eigenvalues = 1.448			
Variance (%) = 3.620			
Cumulative variance (%) = 70.964			
Customer satisfaction			
Expectation	CS1	Expectations of the service before use was:	.794
Performance	CS2	The overall quality of this service was:	.744
Disconfirmation	CS3	My expectation regarding the performance of this brand was:	.664
Eigenvalues = 2.010			
Variance (%) = 5.025			
Cumulative variance (%) = 75.989			
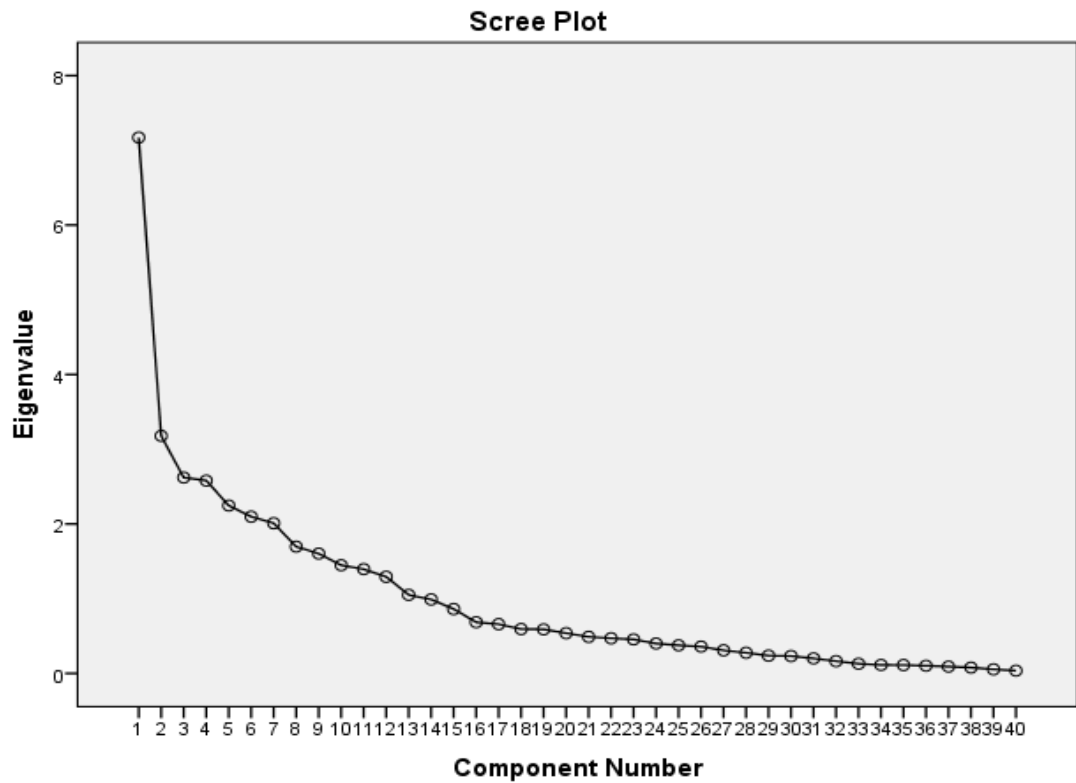
Figure 4.1: Screen Plot
Source: Field Data, 2018

Table 4.12: Exploratory Factor Analysis Output of deleted Items

Construct	Item	Items deleted	Factor Loadings
Brand experience	BEHAV3	This brand is not action oriented ®	1.019
	RELAT3	When I use this brand, I do not feel left alone ®	Not loaded
Brand loyalty	BLOYAL1	I will use this brand the next time I want to use mobile money services	Not loaded
	BLOYAL2	I intend to keep using this mobile money brand	Not loaded
	CLOYAL3	I am very interested in what others think about my mobile money brand	Not loaded

Source: Field Data, 2017

After removing all the indicators that were not fit according to the recommendations

by Yong and Pearce (2013), a researcher remained with indicators suited to be

carried forward for confirmatory factor analysis as shown in Table 4.9 to 4.11.

4.4 Measurement Model of the Study

The study used IBM Amos version 22 to test the measurement model. This model encompassed four latent constructs which included brand experience (BEX), brand loyalty (BLT), word of mouth (WOM) and customer satisfaction (CSA) (Figure 4.1). In the first run, the model fit index generated the following results: CMIN/DF = 2.673, GFI = 0.911, TLI = 0.933, CFI = 0.947 and RMSEA = 0.075 which suggest an adequate model fit (Al-Msallam, 2015; Jafari *et al*., 2016; Kumar, 2015; Lada *et al*., 2014).
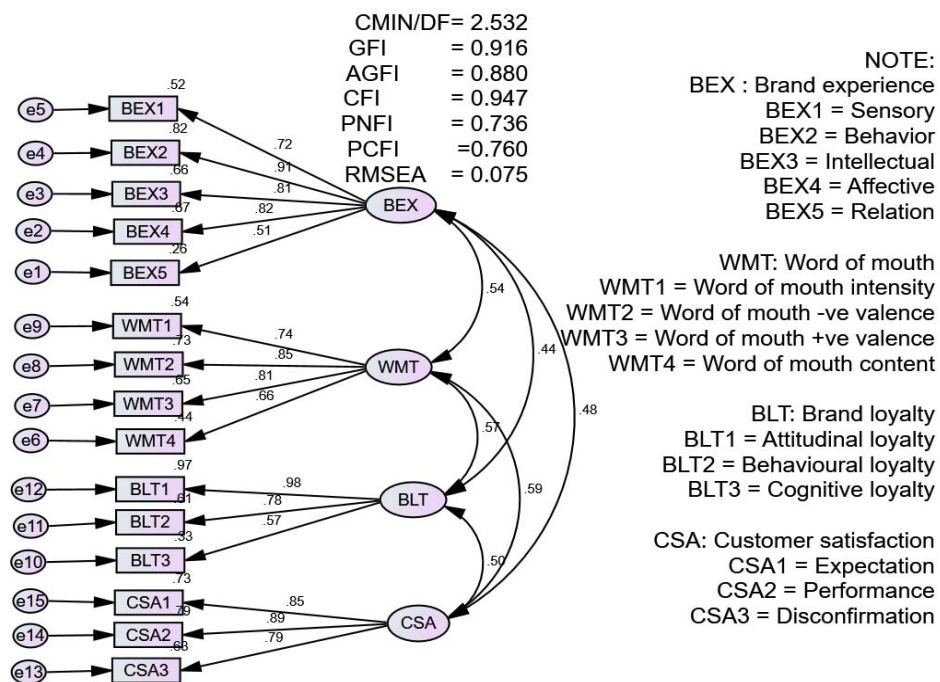
Figure 4.2: The Measurement Model
Source: Field Data, 2017

The modification index did not also show larger error terms covariance. Thus there was no need to run IBM AMOS 22 again as the model fit was attained. Moreover, the lowest standardized path coefficient of the model was 0.51 which was above the minimum requirement.

Table 4.13 indicates the model regression weights and path coefficients of the measured latent constructs. It reveals that the critical ratio values (CR) of the measured variables were >1.96 at $p < 0.05$ which suggest a positive association between observed and unobserved variables of the model. These findings support the recommendation made by Hox and Bechger (1998) that the relationships between variables which achieve CR values greater than 1.96 and with significant p-value indicate a significant relationship. Table 4.13 also shows path coefficients values which are greater than minimum requirements of 0.2 as proposed by Chin (1998). Thus both the CR values and the path coefficients confirm that the observed and unobserved variables are related and can be utilized for further analysis.

Table 4.13: Measurement Model Regression Weights and Standardized Regression Weights

Path			C.R.	P	Standardized regression weight
BEX5	<---	BEX			.506
BEX4	<---	BEX	8.886	***	.817
BEX3	<---	BEX	8.865	***	.813
BEX2	<---	BEX	9.224	***	.906
BEX1	<---	BEX	8.387	***	.721
WOM4	<---	WOM			.661
WOM3	<---	WOM	11.691	***	.808
WOM2	<---	WOM	12.113	***	.853
WOM1	<---	WOM	10.883	***	.736
BLT3	<---	BLT			.572
BLT2	<---	BLT	10.376	***	.782
BLT1	<---	BLT	10.605	***	.985
CSA3	<---	CSA			.795
CSA2	<---	CSA	16.569	***	.891
CSA1	<---	CSA	16.003	***	.854

Source: Field Data, 2017

4.5 Brand Loyalty Structural Model

After testing the measurement model and showed that it fitted well, thereafter the structural model was tested while utilizing IBM AMOS version 22. Similarly, the goodness of fit indices utilized for assessing the measurement models was also applied for assessing the structural model of the current study. For testing the structural model, two steps approach as it was developed by Hair *et al*. (2010) was utilized. The study had two structural models namely the structural model without the mediating variables and the one with mediating variables. The former structural model (without mediators) aimed at testing the direct effects of the exogenous variable (brand experience) on the endogenous variable (brand loyalty) while the later (with mediators) was meant to test the indirect effect of word of mouth and customer satisfaction on the association between brand experience and brand loyalty.

4.5.1 Hypotheses Testing

In testing hypotheses set by the study, the structural model was utilized. The study also based on standardized path coefficients, the critical ratio (CR) and significant level (p-value) to test the significant level of hypotheses.

4.5.1.1 The influence of Brand Experience on Brand Loyalty

The structural model without mediators was examined if it perfectly fits the data before testing the hypothesis. In evaluating the model fit the following model fit indexes were achieved: CMIN/DF = 2.512, GFI = 0.962, AGFI = 0.927, CFI = 0.976, RMSEA = 0.071, PNFI = 0.653 and PCFI = 0.663 which signifies that the model fits the data (Al-Msallam, 2015; Jafari *et al*., 2016; Kumar, 2015; Lada *et al*., 2014) and hence there was no need to re-run the analysis (Figure 4.2).
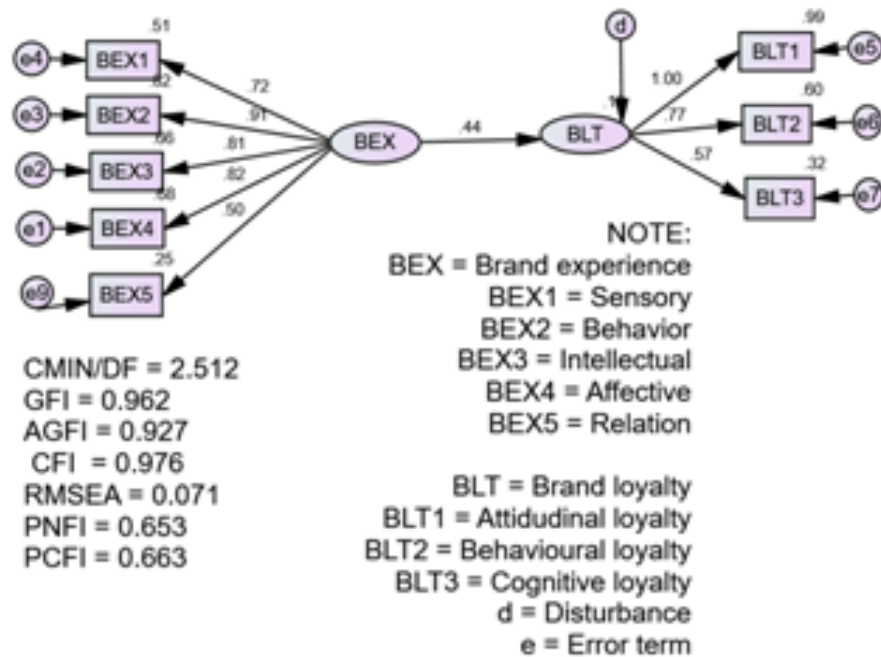
Figure 4.3: Structural Model with Direct Effect
Source: Field Data, 2017

After model fit testing, the next step was to test hypothesis one which hypothesized that, H1: Brand experience has a significant and positive impact on brand loyalty. Table 4.14 depicts the link between brand experience and brand loyalty. A path leading from BEX to BLT indicates that brand experience had a positive and significant influence on brand loyalty as evidenced by a positive path coefficient value of 0.436 and a significant p-value. These findings are in accordance with Chin (1998) who pointed out that, the meaningful discussion is attained when the standardized paths have a value of at least 0.2 and ideally above 0.30.

In addition, the critical ratio attained a value of 7.059 which is greater than 1.96; this also supports that brand experience influences brand loyalty. These results are in harmony with Hox and Bechger (1998) who pointed out the association that generates a CR value higher than 1.96 and p-value lower than 0.05 is regarded as

significant. Thus, hypothesis one (H$_1$) which states that brand experience has a positive and significant impact on brand loyalty is accepted. This implies that brand experience is a determinant of brand loyalty. It can be said that better experiences of m-money service brands increase the desire of m-money customers to be loyal.

Table 4.14:   Regression Weights and Standardized Regression Weights for the Structural Model with direct Effect

	Path		**C.R.**	**P**	**Standardized regression weight**	**Results**
BLT	<---	BEX	7.509	***	.436	Supported

Source: Field Data, 2018

4.5.1.2 The Mediation Effect of Word of Mouth in the relationship between Brand Experience and Brand Loyalty

After testing the structural model with direct effect, mediators were then added to the former model. The mediation effect of multiple mediators like this study can either be done singly or jointly (Chen and Hung, 2016; VanderWeele and Vansteelandt, 2014). However, this study opted to test the effect of mediators separately. Word of mouth (mediator) was added to the former model (model with direct effect) first so as to test hypothesis H$_2$a, H$_3$a and H$_{4a}$ which was hypothesized that:

i.   H$_{2a}$: Brand experience is positively related to word of mouth

ii.   H3a: Word of mouth is positively related to brand loyalty

iii.   H$_{4a}$: Brand experience is positively related to brand loyalty with word of mouth as a mediator variable

After adding word of mouth to the model, the following model fit indices were generated: CMIN/DF = 2.568, GFI = 0.932, AGFI = 0.896, CFI = 0.958, RMSEA =

0.073, PNFI = 0.721 and PCFI = 0.740 which are in accordance with the required model fit indices (Al-Msallam, 2015; Jafari *et al.,* 2016; Kumar, 2015; Lada *et al.*, 2014).

CMIN/DF= 2.568
GFI = 0.932
AGFI = 0.896
CFI = 0.958
RMSEA = 0.073
PNFI = 0.721
PCFI = 0.740

NOTE:
BEX = Brand experience
BEX1 = Sensory
BEX2 = Behavior
BEX3 = Intellectual
BEX4 = Affective
BEX5 = Relation

BLT = Brand loyalty
BLT1 = Attidudinal loyalty
BLT2 = Behavioural loyalty
BLT3 = Cognitive loyalty

WOM = Word of mouth
WOM1 = Word of mouth intensity
WOM2 = Word of mouth -ve valence
WOM3 = Word of mouth +ve valence
WOM4 = Word of mouth content

d = Disturbance
e = Error term

Figure 4.4: Structural Model without Direct effect (with Word of Mouth)

Source: Field Data, 2017

Table 4.15 indicates the structural model without direct effect standardized regression weights and the critical ratio values. Using standardized path coefficients, a path leading from BEX (brand experience) to WOM (word of mouth) shows that brand experience has a significant and positive impact on word of mouth. Chin (1998) pointed out that a relationship with standardized regression value of at least 0.2 is regarded as significant and worth for discussion. In this study, the path coefficients value were 0.543 suggesting that brand experience has a positive and significant influence on word of mouth.

Table 4.15: **Regression Weights and Standardized Regression Weights for the Structural Model without direct Effects**

Path			C.R.	P	Standardized regression weight	Results
WOM	<---	BEX	6.179	***	.543	Supported
BLT	<---	BEX	2.688	.007	.185	Supported
BLT	<---	WOM	5.510	***	.468	Supported

Source: Field Data, 2017

Hox and Bechger (1998) on the other hand, posits that a relationship which obtains a critical ratio value of 1.96 or higher, or -1.96 and lower is considered to be a significant relationship. In this study, the critical ratio value of the relationship between BEX and WOM was 6.179 which is above the minimum value recommended by Hox and Bechger (1998) and that the p-value was also significant suggesting that brand experience influences word of mouth. Thus, both the standardized path coefficients, critical ratio and p-values suggest that brand experience had a significant and positive relationship with word of mouth. This implies that as m-money customers are more exposed to positive brand experiences, they spread more word of mouth recommendations. Hence, H_{2a}: Brand experience is positively related to word of mouth is accepted.

On the other hand, Table 4.15 indicates that a path leading from WOM to BLT (brand loyalty) reveals that word of mouth is positively associated with brand loyalty. This is demonstrated by the standardized regression weights of 0.468, the critical ratio value of 5.510 and a significant p-value which are in accordance with

the recommendations by Chin (1998) and Hox and Bechger (1998) respectively. According to Hox and Bechger (1998), a critical ratio value of 1.96 or higher portray significant association between the variables and Chin (1998) posits that standardized path coefficients of 0.2 or higher depict significant relationship and worth for discussion. These findings suggest that as word of mouth increases, the loyalty of customers to m-money services also increases. Thus H_{3a}: Word of mouth is positively related to brand loyalty is accepted.

In order to test the mediation effect of word of mouth in the link between brand experience and brand loyalty, three conditions suggested by Baron and Kenny (1986) were considered. The authors pointed out that in order to conduct mediation analysis, three conditions have to be met. (i) The independent variable must affect the dependent variable (ii) The independent variable should affect the mediating variable and (iii) The mediating variable should affect the dependent variable. In other words, to conduct mediation analysis for this study, brand experience should affect brand loyalty and word of mouth and that word of mouth should affect brand loyalty. It is worth mentioning that, these conditions were met (Figure 4.4 and Table 4.15) and the mediation analysis was conducted.

In testing the mediation effect of word of mouth, the study first compared the model fit indices for the model with direct effect and that without direct to see if there was any substantial effect on the model fit in respect of added indirect effect to the model. Table 4.18 indicates a significant decrease in chi-square, suggesting for a considerable improvement of the model fit between two models from the mediation model without direct effect ($\Delta\chi^2 = 130.962$, $df = 51$, $p = .000$) to the mediation model

with direct effect ($\Delta\chi^2$ = 47.731, *df* = 19, *p* = .000). There was also decrease of Parsimony Normed Fit Index (PNFI), Parsimony Comparative Normed Fit index (PCFI) and Root Mean Square Error of Approximation (RMSEA) from 0.721, 0.740 and 0.073 to 0.653, 0.663 and 0.071 respectively. The differences in model fit indices between the models without direct effect and that with direct effect suggest that there is some degree of mediation effect (Hair *et al.,* 2010).

Table 4.16 Model Fit Indices for the Model with direct Effect and without direct Effect

Model Element	With direct effect	Without direct effect (with WOM)
χ^2 (Chi-square)	47.731	130.962
Degrees of freedom	19	51
Probability	0.000	0.000
CMIN/DF	2.512	2.568
GFI	0.962	0.932
AGFI	0.927	0.896
CFI	0.976	0.958
RMSEA	0.071	0.073
PNFI	0.653	0.721
PCFI	0.663	0.740

Source: Field Data, 2017

Moreover, Table 4.15 reveals that a path leading from BEX to BLT shows significant p-value and a critical value of 2.688 which meets the recommendation by Hox and Bechger (1998). The authors pointed out that, critical values of 1.96 or higher is enough to show a significant link between the studied variables. In the current study, the standardized regression weights of 0.185 were achieved and this satisfies the recommendation by Chin (1998) that a path coefficient value of 0.2 or greater depicts significant relationship and is enough for making a discussion about the findings. Therefore, the path coefficients, the critical ratio and the p-values suggest that brand experience is positively related to brand loyalty.

In other words, as m-money customers are more exposed to positive brand experience, the more they become loyal to mobile money services. Thus H_{4a}: Brand experience is positively related to brand loyalty with word of mouth as mediator variable is supported. It is hereby confirmed that word of mouth induces partial mediation in the link between brand experience and brand loyalty. This is because, in the absence of word of mouth, brand experience influenced brand loyalty with path coefficients of 0.436 (0.001) but when word of mouth was added to the model, the influence of brand experience on brand loyalty was reduced to 0.185 (0.007) and was not completely eliminated when word of mouth was added to the model.

However, bootstrapping was also done to further establish the existence of partial or full mediation of word of mouth in the link between brand experience and brand loyalty. The standardized indirect effect - Two-tailed significance value of bootstrapping was 0.001 which again supports the partial mediation effect of WOM as described above. Table 4.19 shows a summary of the mediation effect results.

Table 4.17: Summary of Mediation Results for Word of Mouth

Relationship (Path)	Direct without mediator	Direct with mediator	Indirect
BEX→WOM→BLT	0.436 (0.001)	0.185 (0.007)	0.001 Significant, Partial mediation

Source: Field Data, 2017

4.5.1.3 The Mediation Effect of Customer Satisfaction in the Relationship Between Brand experience and Brand Loyalty

In testing the mediation effect of customer satisfaction, a researcher used the same procedures as those used in testing the mediation effect of word of mouth. Customer satisfaction (mediator variable) was added to the former structural model (with direct

effect) and run to examine the model fit. A first run produced the following results:

CMIN/DF = 2.488, GFI = 0.941, AGFI = 0.906, CFI = 0.967, RMSEA = 0.071,

PNFI = 0.705 and PCFI = 0.721 which meets the minimum requirements of model

fit indices (Al-Msallam, 2015; Jafari *et al.*, 2016; Kumar, 2015; Lada *et al.,* 2014).
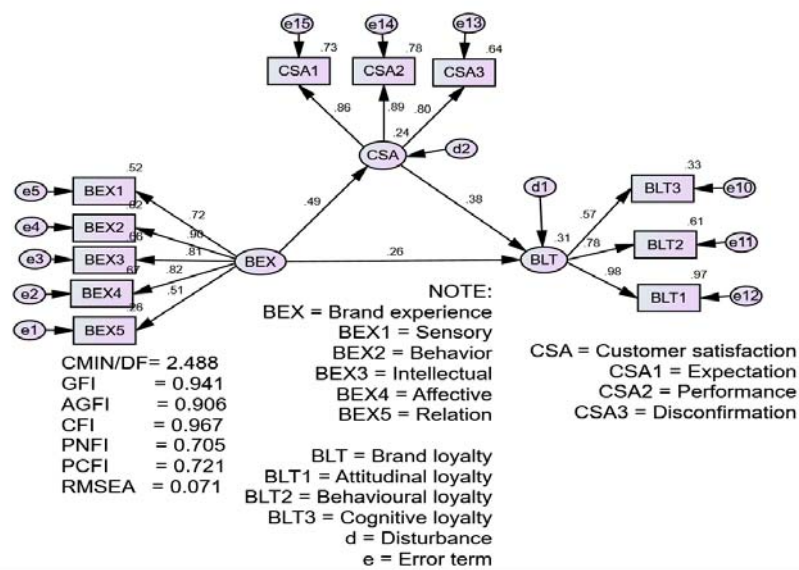
Figure 4.5: Structural Model without Direct Effect (with Customer Satisfaction)
Source: Field Data, 2017

Hence there was no need to run again to further improve the model as it was fit for

the collected data. After the model fit assessment, the three conditions by Baron and

Kenny (1986) were also checked and found that brand experience affected brand

loyalty and customer satisfaction and that customer satisfaction had an influence on

brand loyalty as depicted in Figure 4.5.

The next step was to test hypothesis H_{2b}, H_{3b} and H_{4b}: which was hypothesized that:

(i) H_{2b}: Brand experience is positively related to customer satisfaction

(ii) H_{3b}: Customer satisfaction is positively related to brand loyalty

(iii) H_{4b}: Brand experience is positively related to brand loyalty with customer

satisfaction as a mediator variable

The result of the critical ratio, p-values and the standardized path coefficients of the former structural model (with direct effect) with customer satisfaction added are indicated in Table 4.20. It shows that a path leading from BEX (brand experience) to CSA (customer satisfaction) shows that brand experience had a positive and significant association with customer satisfaction. In other words, when m-money customers are exposed more to better brand experience, the more they get satisfied with the m-money services. This is clearly shown by the presence of significant p-value, lager critical value (6.136) than the cutoff point of 1.96 and a larger standardized path coefficient of 0.486 as recommended by Hox and Bechger (1998) and Chin (1998) respectively.

These findings support H_{3a}: Brand experience is positively related to customer satisfaction. On the other hand, a path leading from CSA to BLT had a significant p-value, higher critical ratio value (5.141) than 1.96 and standardized regression weights of 0.380, all these suggest that customer satisfaction had significance and positive influence on brand loyalty. This implies that when customers become more satisfied with the m-money services their loyalty to these services also increases. Thus H_{3b}: Customer satisfaction is positively related to brand loyalty is accepted.

Table 4.18: Structural Model with Customer Satisfaction Regression Weights and Standardized Regression Weights

Path			C.R.	P	Standardized regression weight	Results
CSA	<---	BEX	6.136	***	.486	Supported
BLT	<---	CSA	5.141	***	.380	Supported
BLT	<---	BEX	3.621	***	.260	Supported

Source: Field Data, 2017

In testing mediation effect of customer satisfaction, the study first compared the model fit indices for the model with direct effect and that without direct effect (with customer satisfaction) to see if there was any substantial effect on the model fit in respect of added indirect effect to the model. Table 4.21 indicates a significant decrease in chi-square, suggesting for a considerable improvement of the model fit between two models from the mediation model without direct effect ($\Delta\chi^2$ 101.995, *df* = 41, *p* = .000) to the mediation model with direct effect ($\Delta\chi^2$ ($\Delta\chi^2$ = 47.731, *df* = 19, *p* = .000).

There was also a decrease of Parsimony Normed Fit Index (PNFI) and Parsimony Comparative Normed Fit index (PCFI) from 0.705, 0.721 to 0.653 and 0.663 respectively. This differences in model fit indices between the models without direct and that with direct effect suggests that there is some degree of mediation effect (Hair *et al.,* 2010).

Table 4.19: Model Fit Indices for the Model with Direct Effect and without Direct Effect

Model Element	With direct effect	Without direct effect (with customer satisfaction)
χ^2 (Chi-square)	47.731	101.995
Degrees of freedom	19	41
Probability	0.000	0.000
CMIN/DF	2.512	2.488
GFI	0.962	0.941
AGFI	0.927	0.906
CFI	0.976	0.967
RMSEA	0.071	0.071
PNFI	0.653	0.705
PCFI	0.663	0.721

Source: Field Data, 2017

Moreover, Table 18 indicates that a path from BEX to BLT indicates that brand experience had a positive and significant relationship with brand loyalty. This suggests that as brand experiences increases, the loyalty of customers to the m-money services also increases. This is indicated by a significant p-value, a critical ratio value of 3.621 which is greater than 1.96 as suggested by Hox and Bechger (1998) and a standardized regression value of 0.260 which is also greater than 0.02 as recommended by Chin (1998).

However, in the presence of customer satisfaction, the effect of brand experience on brand loyalty is reduced from 0.436 (0.001) to 0.260 (0.001). This shows that customer satisfaction partially mediates the relationship between brand experience and brand loyalty in m-money services in Tanzania. Thus H_{4b}: Brand experience is positively related to brand loyalty with customer satisfaction as mediator variable is accepted. However, bootstrapping was also done to further establish the existence of partial or full mediation of customer satisfaction in the link between brand experience and brand loyalty. The standardized indirect effect - Two-tailed significance value of bootstrapping was 0.001 which again supports the partial mediation effect of customer satisfaction as described above. Table 4.22 shows a summary of the mediation effect results.

Table 4.20   Summary of Mediation Results for Customer Satisfaction

Relationship (Path)	Direct without mediator	Direct with mediator	Indirect
BEX → → CSA BLT	0.436 (0.001)	0.260 (0.001)	0.001 Significant, Partial mediation

Source: Field Data, 2017

4.6 Comparison of the Effects of Mediators in the Relationship between Brand Experience and Brand Loyalty

Table 4.22 indicates the effects of mediators on the link between brand experience and brand loyalty. It reveals that although both word of mouth and customer satisfaction partially mediates the relationship between brand experience and brand loyalty, word of mouth has greater effects compared to customer satisfaction. This implies that if MNOS desires to make their customers more loyal to their services, they should create memorable brand experiences which will foster more word of mouth recommendations than on experiences which will make customers get satisfied with mobile money service brands. Figure 4.4 and Figure 4.5 also give additional information on the mediation effect of the two mediators.

Table 4.21: Summary of Mediation Effects of Mediators in the Association of Brand Experience and Brand Loyalty

Relationship (Path)	Direct without mediator	Direct with mediator	Indirect	
BEX → WOM → BLT	0.436 (0.001)	0.185 (0.007)	0.001	Significant, Partial mediation
BEX → CSA → BLT	0.436 (0.001)	0.260 (0.001)	0.001	Significant, Partial mediation

Source: Field Data, 2017

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5. 1 Overview

This section presents the discussion about the findings of this study. It also compares and contrasts the results from this study with other researcher's works conducted in different countries so as to disclose the contribution of this study. In so doing, the chapter starts discussing the demographic factors and ending on the findings obtained about the objective of this study.

5. 2 Respondents Demographic Factors

The interesting results in case of respondent's demographic factors include the involvement of youth in the micro, small and medium enterprises. Majority of individuals interviewed were young people and this is a good step for a private sector development as youth are economically active and hence they can contribute to the development of the sector.

5. 3 The influence of Brand Experience on Brand Loyalty

This study examined the association between brand experience and brand loyalty. The findings confirmed that brand experience has a significant and positive association to attitudinal, behavioural and cognitive loyalty. These results connote that, the loyalty of customers towards mobile money service increased with an increase in better experiences from these brands. In other words, if MNOs and dealers want to make their customers loyal to their brands, they should develop brands which will generate memorable experiences. Similarly, other scholars (Akin,

2016; Brakus *et al.,* 2009; Jafari *et al.,* 2016) found that brand experience has a direct effect on brand loyalty. However, this study differs from these scholars as they did not study the impact of brand experience on both types of brand loyalty (behavioural, attitudinal and cognitive brand loyalty) at the same time.

For example, Akin (2016) investigated the effect of brand experience built by GSM Operators in Turkey on young consumers' brand loyalty while considering only two types of brand loyalty namely attitudinal and behavioural loyalty. This is a significant contribution of the current study as the previous study ignored the dynamic consumer-brand relationships - brand loyalty and the different types of brand loyalty (behavioural, attitudinal and cognitive loyalty). Different from this study, some scholars concluded that brand experience doesn't have an impact on brand loyalty (Ardyan *et al.*, 2016; Forsido, 2012;Iglesias *et al.*, 2011). This may be due to the result of less experience of customers with the studied brands.

5.4 The influence of Brand Experience on Word of Mouth and Customer Satisfaction of Mobile Money Customers

This study also determined the influence of brand experience on word of mouth and customer satisfaction on m-money customers. It was revealed that brand experience has a significant and positive influence on word of mouth. This implies that better experiences from mobile money services stimulate word of mouth recommendations from these customers. Previous scholars have been searching for why individuals share about the services or products they use. They came up with the findings that extreme satisfaction or dissatisfaction (Anderson, 1998), the uniqueness of the

product offered (Bone, 1992) and commitment to the company (Dick and Basu, 1994) are the reasons which foster word of mouth recommendation. However, the current study is adding knowledge to brand management literature that better experiences encountered by customers while using service brands also results in word of mouth recommendations. Similarly, Klein *et al.* (2016) and Mukerjee (2018) found that brand experience has a positive influence on word of mouth.

It was also hypothesized that brand experience is positively related to customer satisfaction. The findings established that brand experience had a significant and positive impact on customer satisfaction. These findings suggest that as positive brand experience is increased to customers, the more they become satisfied with the m-money services. In other words, the brand experience is an antecedent of customer satisfaction. On the one hand, previous scholars in different industries have found a positive association between brand experience and customer satisfaction (Baser *et al.,* 2015; Chinomona, 2013; Maleklu and Maleklu, 2016 and Moreira *et al.,* 2017).

Unlike the current study, Mabkhot (2016) studied the effect of brand experience on brand satisfaction among other constructs in the local automobile industry of Malaysia and found an insignificant relationship between brand experience and brand satisfaction. Nysveen *et al.* (2013) also studied the association between brand experience and brand satisfaction in the service sector and found an insignificant link between the two constructs.The probable reason on these findings may be due to poor experience encountered by customers from the studied brands or less experience with the brands which made them be not satisfied with brands.

5.5 The Influence of Word of Mouth and Customer Satisfaction in Creating Loyalty of Mobile Money Customers

The current study aimed at determining the influence of word of mouth and customer satisfaction in creating loyalty of m-money customers. The results show that word of mouth positively influences brand loyalty and hence H_{3a}which stated that WOM is positively related to brand loyalty was accepted. This implies that, as word of mouth recommendations increases, the loyalty of customers towards m-money services also increases. These findings are in agreement to those found by other scholars such as Praharjo and Kusumawati (2016) and Ntale *et al.* (2013). However, the results of the current study differ with some other researchers that considered word of mouth as the consequence of brand loyalty (Niyomsart and Khamwon, 2016; Nikhashemi *et al.*, 2015; Wong *et al.*, 2015).

The study also hypothesized that: H_{3b}: Customer satisfaction is positively related to brand loyalty. It was revealed that customer satisfaction had a significant and positive association with brand loyalty and hence H_{3b} was supported. These findings suggest that when customers become satisfied with the m-money services their loyalty to the services also increases. From this study, it can be said that customer satisfaction is a determinant of brand loyalty in mobile money services in Tanzania. However, other scholars (Al-Msallam, 2015; Awan and Rehman, 2014; Masika, 2014) have come up with findings similar to the current study.

Unlike the current study, some researchers (Otengei *et al.,*2014; Tarus and Rabach, 2013; Walter *et al.,* 2013) have found that customer satisfaction does not induce loyalty to customers. In other words, for these authors, large investments by

companies aiming at creating loyalty of customers through satisfying customers will be wastage of organization resources. The differences in the findings may be caused by the complex link existing between customer satisfaction and brand loyalty, the segment of the studied population and the industry. Previous work has found that it is not enough to just satisfy customers (Sivadass and Baker-Prewitt, 2000) because even the most satisfied customer do not certainly become loyal to the product or service (Oliver 1999; Reicheld 1996). Besides, Vollmer *et al.*(2000) put it well thatthe satisfaction – loyalty link is questionable because even the dissatisfied customers may be loyal to the product or service.

5.6 The Mediation Effect of Word of Mouth and Customer Satisfaction in the Link between Brand Experience and Brand Loyalty

The findings of this study indicate that word of mouth partially mediates the link between brand experience and brand loyalty and hence H_{4a} was supported. This suggests that word of mouth is a mechanism that transfers experiences generated by m-money brands to brand loyalty of these customers. This is a significant contribution of this study in the academic literature as other scholars have not explored the mediation effect of word of mouth in the link between brand experience and brand loyalty (To the author's best knowledge). Former studies have studied either the relationship between brand experience and word of mouth (Klein *et al.*, 2016; Mukerjee, 2018) or the relationship between word of mouth and brand loyalty (Nikhashemi *et al.*, 2015; Wong *et al.*, 2015).

The current study also confirmed that customer satisfaction partially mediates the link between brand experience and brand loyalty. This implies that, in presence of

customer satisfaction as a mediator variable, the effect of brand experience towards brand loyalty was reduced but not completely eliminated. In other words, the results suggest that positive brand experience results in customer satisfaction which in turn increases the desire of customers to be loyal to the m-money brands.

A study by Hussein (2018) in Indonesia and that of Baser et al. (2015) in Turkey also found that customer satisfaction mediates the impact of brand experience on brand loyalty. Contrary to the current study, Mabkhot (2016) found that customer satisfaction does not mediate the link between brand experience and brand loyalty in the Malaysian automobile local brands. Moreira, et al. (2017) and Abbas et al. (2014) also found no mediation effect of customer satisfaction on the link between brand experience and brand loyalty in Portugal and Iran respectively.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Overview

This chapter presents the conclusion reached by the current study. The conclusions made here are based on the results obtained from for each of the specific objectives which included: (i) To determine the influence of brand experience in creating brand loyalty of mobile money customers (ii) To determine the influence of brand experience on word of mouth and customer satisfaction of mobile money customers (iii) To determine the influence of word of mouth and customer satisfaction in creating loyalty of mobile money customers and (iv) To determine the mediating effect of word of mouth and customer satisfaction in the link between brand experience and brand loyalty. The theoretical, contextual and practical implications are also described. The chapter also presents the recommendations of the study and highlights areas for future researches.

6.2 Summary of Major Findings

The results of this study revealed that brand experience has a significant and positive impact on brand loyalty. This implies that as positive experience created by m-money brands increases, the loyalty of customers towards these brands also increases. The findings also indicate that brand experience has a significant and positive influence on word of mouth and customer satisfaction. This suggests that positive brand experiences induce word of mouth recommendations and makes customers get satisfied with the m-money brands in Tanzania. On the other hand, the results show that word of mouth and customer satisfaction has a significant and

positive impact on brand loyalty. This implies that these constructs play a big role in influencing the loyalty of m-money customers. Moreover, it was found that word of mouth and customer satisfaction partially mediates the link between brand experience and brand loyalty. This suggests that word of mouth and customer satisfaction are the mechanism that transfers experiences created by m-money service brands to brand loyalty.

6.3 Conclusions

6.3.1 The influence of Brand Experience on Brand Loyalty

The current study aimed at determining the influence of brand experience in creating brand loyalty of m-money customers. The study results revealed that brand experience had a significant and positive influence on brand loyalty. These findings confirm the SET by Blau (1964) which is based on the principle of generalized reciprocity. For this study, the results connote that when m-money customers are exposed to better brand experiences they have a tendency to feel obligated to pay back the benefits they get from m-money brands by being loyal to these brands. With respect to these findings, it is concluded that brand experience significantly and positively affects brand loyalty of m-money services. It can be said that brand experience is one of the determinants of brand loyalty particularly in the m-money service industry.

6.3.2   The Influence of Brand Experience on Word of Mouth and Customer Satisfaction

One of the specific objectives in this study was to determine the influence of brand experience on word of mouth and customer satisfaction. The results indicate that

brand experience has a significant and positive relationship with word of mouth and customer satisfaction. Thus, it is concluded from these findings that brand experience leads to increased word of mouth recommendations from m-money service customers in the study area and increases the desire of customers to get satisfied with these brands. In other words, brand experience is an antecedent to word of mouth and customer satisfaction. It is concluded from this findings that, for MNOs and dealers of m-money services to have a larger number of satisfied customers and benefit from the power of word of mouth recommendation, they should offer brands that create positive experiences to their customers.

6.3.3 The influence of Word of Mouth and Customer Satisfaction on Brand Loyalty

The study determined the influence of word of mouth and customer satisfaction on the loyalty of m-money customers. It was found both word of mouth and customer satisfaction has a significant and positive influence on creating loyalty of m-money customers. This means that the loyalty of customers towards m-money service brands increased with an increase in word of mouth recommendations and customer satisfaction.

Hence, the study concludes that word of mouth and customer satisfaction predicts brand loyalty in the m-money services. In addition, the literature has two streams of research in the relationship between word of mouth and brand loyalty. One stream sees word of mouth as an antecedent of brand loyalty and another regard word of mouth as a consequence of brand loyalty. However, this study confirms that word of mouth is an antecedent of brand loyalty and hence joins the former stream of

research.

6.3.4 The Mediation Effect of Word of Mouth and Customer Satisfaction on the Link between Brand Experience and Brand Loyalty

The current study determined the mediation effect of WOM and customer satisfaction on the link between brand experience and brand loyalty. The findings reveal that WOM and customer satisfaction partially mediates the effect of brand experience on brand loyalty in the m-money services in Tanzania. This means that brand experience, word of mouth and customer's satisfaction work synergistically to influence the loyalty of m-money customers.

The path leading from brand experience -- word of mouth -- brand loyalty have more influence on building the loyalty of m-money service customers than the path leading from brand experience -- brand loyalty. In other words, a desire to be loyal by customers is higher when they receive the experience of brands through word of mouth recommendations from colleagues than when they directly receive positive brand experience. In other words, word of mouth is the mechanism that transfers the influence of experiences created by m-money brands towards brand loyalty. One can also say that customers form loyalty to brands due to better experiences created by brands which make them spread word of mouth recommendations to other people.

Thus, it is concluded that word of mouth mediates the link between brand experience and brand loyalty. These findings also confirm the SET by Blau (1964) which explains that consumers have a tendency to reciprocate for the benefits they encountered. In this study, the results suggest that when consumers get better

experiences from m-money brands they tend to reciprocate by spreading the good news about the brands which in turn influences the loyalty of other consumers.

6.3.5 The Mediation Effect of Customer Satisfaction in the relationship between Brand Experience and Brand Loyalty

In an attempt to determine the mediating effect of customer satisfaction in the link between brand experience and brand loyalty, the current study came up with three hypotheses namely (i) H_{3a}: Brand experience is positively related to customer satisfaction (ii) H_{3b}: Customer satisfaction is positively related to brand loyalty and (iii) H_3: Brand experience is positively related to brand loyalty with customer satisfaction as mediator variable. The findings revealed that brand experience is significantly and positively related to customer satisfaction and hence H_{3a} was accepted. These findings suggest that when consumers are provided with better experiences generated by brands, their desire to be satisfied with m-money services also increases. Therefore, it is concluded that brand experience is one of the antecedents of customer satisfaction in the m-money services.

Moreover, the hypothesis which postulated that customer satisfaction is positively related to brand loyalty (H_{3b}) is also supported as customer satisfaction showed significant and positive association with brand loyalty. In other words, the loyalty of customers to m-money services increases when consumers are satisfied more with these brands. Thus, it is concluded that customer satisfaction is an antecedent of brand loyalty in the m-money industry in Tanzania. These findings connote that if MNOs and dealers want to increase the loyalty of their customers towards the m-money service brands they should put strategies that will make their customers get

satisfied with these brands. Furthermore, the mediation effect of customer satisfaction was also confirmed. It was found that customer satisfaction partially mediates the link between brand experience and brand loyalty and hence H_3: Brand experience is positively related to brand loyalty with customer satisfaction as a mediator variable is accepted. This means that the path leading from brand experience - customer satisfaction - brand loyalty have more influence on building the loyalty of m-money service customers than the path leading from brand experience - brand loyalty.

In other words, brand experience and customer satisfaction have a synergistic influence on building the loyalty of consumers in the m-money service brands. Therefore, it is concluded that customer satisfaction mediates the link between brand experience and brand loyalty. Hence customer satisfaction plays a big role in strengthening the link between brand experience and brand loyalty. These findings also confirm the SET by Blau (1964) which is based on the principle of generalized reciprocity. The principle states that individuals have a mutual sense of indebtedness (Majali, 2016). Thus, when they receive any benefits from other individuals feel the need to pay back for what they have received to those people. In the current study, the findings suggest that when consumers receive better experiences from the m-money service brands they tend to return back the benefits received by been satisfied with the brands and becoming loyal to the m-money services.

6.4 Implication of the Study

This section presents the implication of the study. The implications are based on theory, methodology, contextual and practical implication as detailed in the next

sections.

6.4.1 Theoretical Implication

This is one of the most important areas of contribution required by academic researches particularly doctoral researches. One of the most cited article when it comes to what constitutes a theoretical contribution to research is that of Whetten (1989). The author postulates that one way to contribute to a theory is to identify how the addition or deletion of a factor to the model affects the accepted association between the variables. De Bakker *et al.* (2005), posits that articles make a theoretical contribution if they create a systematic understanding of some phenomenon at an abstract level. On the other hand, in explaining what constitutes a theoretical contribution in the business and society field, Crane *et al.* (2016) said: "the application of existing theories to the business and society literature is probably still the most substantive contribution to the field to date". According to Corley and Gioia (2011), a good theoretical work is the one with an issue of originality of a contribution i.e. a research work which offers new insights that have not been previously debated.

Moreover, Colquitt and Zapata-Phelan (2007) and Raghuram *et al.* (2017) posits that one way on which empirical work can make theoretical contributions is by (i) testing the theory by using a hypothetico-deductive model use theory which involves formulating hypotheses before testing those hypotheses with observation. In theory testing, a researcher explores the mediators that express the fundamental associations or the moderators that reflect the theory's boundary conditions and or incorporates the antecedents or consequences those were not part of the original formulation

(Colquitt and Zapata-Phelan, 2007) (ii) building theory (iii) expanding the theory, (iv) reporting and (v) qualifying the theory. Hence, the author's group contributors to testers, builders, expanders, reporters and qualifiers (Colquitt and Zapata-Phelan, 2007 and Raghuram *et al.,* 2017). Testers are the ones that "focus on testing existing models in contexts different from those in which the theory was developed, rather than on building new" and qualifiers "represent moderate levels of theory testing and building (e.g. use of new moderators or mediators)" (Raghuram *et al.,* 2017, pg. 1644)

In the current study, one of the significant theoretical contributions is establishing that word of mouth mediates the link between brand experience and brand loyalty in the m-money service brands. Previous scholars have studied either the relationship between word of mouth and brand experience or brand experience with brand loyalty separately. To the author's best knowledge none of the studies has studied the relationship between brand experience and brand loyalty in the presence of word of mouth as a mediator variable. Thus this study has provided insights on the mediating role played by word of mouth in the link between brand experience and brand loyalty. It has shown that the creation of a better brand experience and word of mouth recommendations increases the loyalty of customers for mobile money brands.

On the other hand, this study strengthens the theoretical foundation of the association between brand experience and brand loyalty. There has been a debate in the literatures that have divided scholars into three groups. First, the stream that posits that brand experience impacts brand loyalty positively (Akin, 2016; Jafari *et al.,*

2016). Second, the stream that postulates that brand experience doesn't impact brand loyalty (Ardyan *et al.,* 2016; Iglesias *et al.,* 2011) and the third group are those states that brand experience influences brand loyalty but through other variables (Baser *et al.,* 2015; Francisco-Maffezzolli *et al.,* 2014; Kim *et al.,* 2015; Rajumesh, 2014; Pollalis and Niros, 2016). However, this study has confirmed that brand experience has a significant and positive relationship with brand loyalty and that word of mouth and customer satisfaction partially mediates the relationship between these constructs.

Moreover, this study also adds more insights into the complex customer satisfaction – loyalty relationship. For decades now, the relationship is still unclear among the two constructs (Al-Msallam, 2015; Bianchi, 2015; Otengei *et al.,* 2014; Tarus and Rabach, 2013 and Walter *et al.,* 2013). However, the current study indicates that there is a positive and significant impact of customer satisfaction towards brand loyalty and hence deviates from the findings of other researches which found that customer satisfaction does not influence brand loyalty.

Nevertheless, this study adds to the literature as it has confirmed the social exchange theory (Blau, 1964) which posits that people have a tendency to show reciprocity in any social exchange. They carry a mutual sense of indebtedness (Majali and Bohari, 2016). The significant relationship between brand experience and word of mouth, customer satisfaction and brand loyalty, and between word of mouth and brand loyalty and between customers' satisfaction and brand loyalty suggests that the theory fits perfectly in explaining the association between these constructs in the m-money service brands. These results imply that m-money service customers who are

exposed to positive brand experience reciprocates such as to become loyal to the respective m-money service brands and offers a positive word of mouth recommendations to other consumers which in turn influenced loyalty of other customers. They also become satisfied with the m-money services and felt the need to give in return by increasing their loyalty to the respective m-money service brands.

In addition, the current study adds knowledge to the extant literature onto how the studied variables namely brand experience, word of mouth, customer satisfaction and brand loyalty relates in the service brands like m-money service brands. The service sector (such as m-money services) has not been given much attention by brand experience researchers (Khan and Rahman, 2015).

6.4.2 Contextual Implication

Contextually, this study contributes to the understanding of the relationships of brand experience, word of mouth, customers' satisfaction and brand loyalty in the m-money services in Africa particularly Tanzania. This adds knowledge to the literature on how consumers experience service brands particularly m-money brands in Africa. Majority of studies about brand experience and its consequences have concentrated searching consumers' brand experiences for developed economies while ignoring the experience encountered by consumers in developing economies (Khan and Rahman, 2015) particularly Africa.

However, brand experience stimuli perceptions vary across different cultures and various loyalty antecedents studied (Moreira *et al.,* 2017). Tanzania being an

emerging economy, multi-ethnic and multi-religion with more than 40 million people in Africa is worth studying how consumers relate with the service brands. Hence the findings from this study can be compared with other results from different countries and provide empirical support on the roles played by brand experience, word of mouth and customers satisfaction on brand loyalty in diverse cultural contexts.

6.4.3 Practical Implication

This study has a number of practical implications in brand management literature, particularly in the Tanzanian context. It is important to mobile money operators, mobile money service dealers, consumers and the government of Tanzania and other countries in particular Africa. The findings from this study revealed that brand experience significantly increases the desire of consumers to be loyal to the m-money services. This implies that m-money operators have to nature positive brand experiences to their customers to enable them repurchase the services.

This is because consumers are no longer purchasing the functional needs of products or services only but are also looking for brands that create memorable experiences (Zarantonello and Schmitt, 2010). This calls for positive brand experience creation by mobile money operators so as to continue existing in the competitive business environment. In the world of stiff competition, an experience can be utilized to differentiate themselves from competitors and generate value to consumers as well as suppliers. On the other hand, the study results indicate that loyalty of customers towards m-money services significantly and positively increases with an increase in word of mouth recommendations. This suggests that to reduce operational costs by

having loyal customers, m-money service operators and m-money service dealers have to appreciate the power embedded in the word of mouth by providing good customer care.

With these findings, they should understand that word of mouth may patronize or work against their m-money services (Lam and Mizerski, 2005). The power of word of mouth recommendations as revealed by this study can also be used by these operators and dealers to market their products as word of mouth marketing is thousands of times more powerful than conventional marketing (Silverman, 2011).

Satisfied customers are also important in building loyalty towards services brands. As depicted by the current study that satisfied customers were loyal to the m-money service brands and hence mobile money operators and dealers should improve their services and customer care to meet customers' needs. The study revealed that the satisfaction-loyalty relationship is important to mobile money operators and dealers as the changes of customer's satisfaction level will result in changes in customers' share of spending. For the government of Tanzania, the current study is important for policy formulation particularly those relating to mobile money services in the country so as to create a conducive business environment which will nature the growth of the industry.

6.5 Recommendations from the Study

This study has come up with a number of recommendations that need to be addressed by part concerned for smooth running of the mobile money industry. These recommendations are based on the study results, reviewed policy and areas of

future research.

6.5.1 Recommendation from the Study Results

It is recommended that for being more competitive, mobile network operators and dealers should create better experiences for their customers. This seems to be the best option, particularly on the existing competition among MNOs as it will make customers to become loyal to the m-money brands. It is also recommended that MNOs should invest more in enhancing WOM recommendations from customers than how to satisfy them. This is because WOM plays a big role in building the loyalty of mobile money customers than customer satisfaction. Besides, it is also recommended that MNOs and dealers should fully utilize the power embedded in WOM to market their brands as WOM is thousand times more powerful than the traditional marketing tool.

6.5.2 Recommendation from the Reviewed Policy

It is recommended that the government have to put in place a well-defined and comprehensive financial consumer protection policy in order to protect the money for customers and ensure acceptance, usage and continued growth of the m-money services in urban and rural areas. It is also recommended that, while providing a well-defined and comprehensive consumer protection which accommodate m-money consumer demands, the government and MNO should ensure that consumers are trained on various issues including the PIN and security risks associated with the use of m-money services. Moreover, create awareness to vulnerable consumers that are prone to abuse from hostile financial practices especially rural people, small and medium enterprises, youth and women. Moreover, it is recommended that an

appropriate national identification system is put in place and the government should endorse appropriate policies which will enforce rules and regulations to be followed during the identification process by all parties i.e. customers, agents and MNOs. This will safeguard the consumers' money and make the m-money services trustworthy which in turn will accelerate its growth, acceptance and usage by the majority of unserved and unbanked individuals particularly the rural population.

5.4.2 Limitation and Areas for Future Research

The current study recommends a number of areas where future research can be conducted. This study has studied the relationship between brand experience, word of mouth, customer satisfaction and brand loyalty on service brands particularly mobile money service brands. However, other scholars may research the association of these constructs on other services brands like those of the banking industry and others may involve product brands in the country.

On the other hand, the coverage of this study was limited to Rukwa and Katavi regions but other studies may include other regions of the country to gather more information on how consumers experience these mobile money services in the country at large. Future research may also consider involving more brand-related concepts such as brand involvement, brand commitment, brand personality, brand image and brand value in order to have a comprehensive model of the antecedents of brand loyalty in the service brands. Moreover, this study is a cross-sectional which collected data at a single point of time. It is suggested that other researches may consider conducting a longitudinal study to ascertain the influence of brand experience on brand loyalty and mediators used in this study to have better

inferences over time. Furthermore, the same research may be replicated to other countries in the mobile money industry and compare the results. This is because experience encountered by customers varies according to cultural norms. For that case experiences of mobile money customers in Tanzania may not be the same as those from South Africa and from other countries.

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APPENDICES

Appendix 1: Questionnaire

My name is Juma Matonya. I am carrying out a research entitled **"The Effect of Brand Experience on Loyalty in Mobile Money Services: Mediating Role of Word-of-mouth and Customer Satisfaction"** in partial fulfillment of the award of PhD degree of the Open University of Tanzania.

Please note that, the information you provide will be kept confidential and will only be used for the purpose of this research and that no attempt will be made to disclose your identity.

Thank you in advance.

A: Respondent-mobile money service information

1. Which mobile money service are you frequently using? (a) M-pesa …..(b) Airtel money …..(c) Tigo-pesa …..(d) Hatotel …….(e) Ezy-money…… **(chose one by putting a tick)**

2. How long have you been using this service? (a) 6 months (….) (b) 7 – 11 months (b) 1-2 years (...)

    (c) Above 2 years (…) **(chose one by putting a tick)**

3. How often do you use this mobile money service? (a) Often, once or more frequently a day ……   (b) Occasionally, some times a week ……(c) Rarely, some times a month …….(**(chose one by putting a tick)**

C: Measures of brand experience, word of mouth and brand loyalty

NB: (a) 1= strongly disagree **2**= disagree **3**= neither disagree nor agree **4**= agree **5**= strongly agree**.**

(b) "this brand" means the brand I mostly use for money transfer

Measures of brand experience					
(i) Sensory					
4. This brand makes a strong impression on my visual sense	1	2	3	4	5
5. I find this brand interesting in a pleasure/excitement way (sensorial way)	1	2	3	4	5
6. This brand does not appeal to my senses ®	1	2	3	4	5
(ii) Affective	1	2	3	4	5
7. This brand induces feelings	1	2	3	4	5
8. I do not have strong emotions for this brand ®	1	2	3	4	5
9. This brand is an emotional brand	1	2	3	4	5
(iii) **Behavior**					
10. I engage in actions when I use this brand	1	2	3	4	5
11. This brand results in bodily experiences	1	2	3	4	5
12. This brand is not action oriented ®	1	2	3	4	5
(iv)Intellectual					
13. I engage in a lot of thinking when I encounter this brand	1	2	3	4	5
14. This brand does not make me think ®	1	2	3	4	5
15. This brand stimulates my curiosity and problem solving	1	2	3	4	5
(v) Relational					
16. As customer of this brand, I feel like I am part of a community	1	2	3	4	5
17. I feel like I am part of this brand family	1	2	3	4	5
18. When I use this brand, I do not feel left alone ®	1	2	3	4	5
® = means response will be reverse coded					
Measures of word of mouth					
(i) WOM intensity					
19. I spoke of this brand much more frequently than about any other brand	1	2	3	4	5
20. I spoke of this brand company much more frequently than about any other type of product or service	1	2	3	4	5
(ii) Positive valence WOM					
21. I have spoken favourably of this brand to others	1	2	3	4	5
22. I am proud to say to others that I am a customer of this brand	1	2	3	4	5
(iii) Negative valence WOM					
23. I mostly say negative things of this brand to others	1	2	3	4	5
24. I have spoken unfavorably of this brand to others	1	2	3	4	5
(iv)WOM content					
25. I discuss the variety of the services offered to others	1	2	3	4	5
26. I discuss the quality of the services offered to others	1	2	3	4	5
Measures of brand loyalty					
(i) Cognitive loyalty					
27. I would be willing to pay higher price for using this	1	2	3	4	5

brand over other brands					
28. Price is not an important factor in my decision to remain with this brand	1	2	3	4	5
29. When someone praises my mobile money brand it feels like a personal compliment	1	2	3	4	5
30. I am very interested in what others think about my mobile money brand	1	2	3	4	5
(ii) Attitudinal loyalty					
31. I recommend this brand to someone who asks my advice	1	2	3	4	5
32. I encourage friends and relatives to do business with this brand	1	2	3	4	5
33. I will speak positively about my mobile money brand	1	2	3	4	5
34. I am committed to this brand	1	2	3	4	5
35. I would purchase this service again, even if it receives bad evaluations by the media or other people	1	2	3	4	5
(iii) Behavioral loyalty					
36. I will use this brand the next time I want to use mobile money services	1	2	3	4	5
37. I intend to keep using this mobile money brand	1	2	3	4	5
38. When I last used mobile services, this brand was my first choice	1	2	3	4	5
39. I would like to switch to another mobile money operator that offer better services	1	2	3	4	5
40. I would like to switch to another mobile money operator that offer more services	1	2	3	4	5
Measures of customer satisfaction with brands					
41. Expectations of the service	1	2	3	4	5
1= Not very good, 2= Not good, 3= Good, 4= very good, 5 = excellent					
Perceived performance					
42. The overall quality of this service was:	1	2	3	4	5
1= poor, 2= fair, 3 = good, **4** = very good, **5** = excellent					
Disconfirmation					
43. My expectation regarding the performance of this brand was:	1	2	3	4	5
1= Much worse than I thought **2**= Somewhat worse than I thought **3**= As I expected **4**= Somewhat better than I thought **5**= Much better than I thought					

C: Demographic information

44. Age i. 20 – 30 (….) ii. 31 – 40 (….) iii. 41 – 50 (….) vi. 51 or above (….)

45. Gender (i) Male (…) (ii) Female (…) 46. Marital status (i) Married (….)   (ii)

Single (…)   (iii) Widowed (….) (iv) Divorced (…) (v) Separated (…..)

47. Level of education (i) Primary school (…) (ii) Secondary school (…)   (iii)

Certificate/diploma (…) (iv) Graduate (…) (v) Postgraduate (…)

48. What is your monthly income? (i) Below 100, 000 (…) (ii) 101,000 – 1mil (…)

(iii) 1,001,000 - 2mil (…) (iv) 2,001,000 – 3mil (...) (v) 3,001,000 - 4mil (…) (vi)

4,001,000 - 5ml (...) (vii) above 5ml (…)

Thank you for your participation

Appendix II: Clearance letters

Λ

THE OPEN UNIVERSITY OF TANZANIA

DIRECTORATE OF POSTGRADUATE STUDIES

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P.O. Box 23409
Dar es Salaam, Tanzania
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Our Ref:PG201610881   **Date: 9th November 2017**

Regional Administative Secretary,
Rukwa Region,
P.O.Box 128,
Sumbawanga.

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later, the Open University mission is to generate and apply knowledge through research.

To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you Mr **Juma Matonya** Reg.**PG201610881** pursuing PhD. We hereby grant this clearance to conduct a research titled *"The Effect of Brand Eperience on Loyalty in Mobile Money Services : Mediatitng Role of Word-of Mouth and Customer Satisfaction''*. He will collect his data at Sumbawanga Municipal Council in Rukwa Region from 20th November 2017 to 28th February, 2018.

Incase you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

Prof HosseaRwegoshora
For: VICE CHANCELLOR

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Our Ref:PG201610881

Date: 9th November 2017

Regional Administative Secretary,
Katavi Region,
P.O.Box 235,
MPANDA.

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No. 55 in the official Gazette. The act was however replaced by the Open University of Tanzania charter of 2005, which became operational on 1st January 2007. In line with the later, the Open University mission is to generate and apply knowledge through research.

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Incase you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

Prof HosseaRwegoshora
For: VICE CHANCELLOR

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KWA YEYOTE ANAYEHUSIKA,
S.L.P.
SUMBAWANGA

YAH:KIBALI CHA NDG.JUMA MATONYA KUFANYA UTAFITI KATIKA MANISPAA YA SUMBAWANGA

Kichwa cha barua hapo juu chahusika,

Mtajwa hapo juu ni mwanachuo katika Chuo Kikuu Huria –Mpanda .
Bw. Juma Matonya anafanya utafiti juu ya matumizi ya mitandao ya simu
na jinsi ilivyorahisisha manunuzi, biashara, n.k.

Kupitia barua hii namtambulisha kwako/kwenu aweze kupatiwa msaada
anaouhitaji kwa ajili ya kukamilisha utafiti wake ngazi ya PHD.

Nawasilisha,

Kaponela S.S.
Kny:Mkurugenzi wa Manispaa
Sumbawanga

K.N.Y. MKURUGENZI
HALMASHAURI YA MANISPAA
SUMBAWANGA

JAMHURI YA MUUNGANO WA TANZANIA
OFISI YA RAIS
TAWALA ZA MIKOA NA SERIKALI ZA MITAA

MKOA WA KATAVI
Fax No. (025)

Simu No.(025) 25297116
In reply please use
Unapojibu Tafadhali taja

OFISI YA MKUU WA WILAYA,
S.L.P. 34,

MPANDA.

Kumb. Na. AB.119/429/01/80

20 Novemba, 2017

Mkurugenzi wa Manispaa,
S. L. P. 216,
MPANDA .

YAH: KIBALI CHA UTAFITI KWA BWANA JUMA MATONYA

Nimepokea barua kutoka Ofisi ya Mkuu wa Mkoa wa Katavi yenye Kumb. Na. AB.309/366/01/113 ya tarehe 20 Novemba, 2017 ambayo inatoa kibali cha kufanya utafiti kwa ndugu Juma Matonya ambaye ni mwanafunzi wa shahada ya Uzamivu (PHD) katika Chuo Kikuu Huria cha Tanzania.

Kwa barua hii naomba umpe ushirikiano ili aweze kufanya utafiti katika Halmashauri yako ya Manispaa Mpanda.

Nashukuru kwa ushirikiano wako.

Bayaga G. J.
Kny: KATIBU TAWALA WILAYA
MPANDA

Nakala:-   Mkuu wa Wilaya,   -   Aisome katika jalada
            S. L. P. 34,
            MPANDA.

            Bwana Juma Matonya   -   Kwa taarifa

JAMHURI YA MUUNGANO WA TANZANIA
OFISI YA RAIS
TAWALA ZA MIKOA NA SERIKALI ZA MITAA
HALMASHAURI YA MANISPAA MPANDA

Nukushi: 025 252-957 128
Simu Na: 025-252 957 129
Barua pepe: td mpandatown@go.tz

Ofisi ya Mkurugenzi,
Manispaa ya Manispaa,
S.L.P 216,
MPANDA.

Kumb.Na.KTV/MMC/.P.16/1........

20/11/2016

Kwa yoyote anayehusika,
Manispaa ya Mpanda,

YAH: KUMTAMBULISHA NDUGU. JUMA MATONYA MWANAFUNZI WA SHAHADA YA UZAMIVU (PHD) CHUO KIKUU HURIA

Mada tajwa hapo juu yahusika.

Mtajwa hapo juu ni mwanafunzi wa Chuo Kikuu Huria ambaye kwa sasa anakamilisha matakwa ya masomo yake ya shahada ya Uzamivu (PHD) akijikita katika eneo la masoko (Marketing).

Hivyo kwa mujibu wa ratiba ya masomo yake anatakiwa kufanya utafiti juu ya huduma za kifedha kwa kutumia simu za mkononi.

Hivyo, Mwananchi wa Manspaa ya Mpanda naomba mwanafunzi huyu akifika katika ofisi yako au dukani kwako umpatie ushirikiano wa kutosha ili aweze kufanikisha utafiti wake kwa manufaa ya taaluma anayoisomea na Jamii kwa ujumla kwani tafiti hizi pia Serikali hutumia kwa kufanyia maamuzi mbalimbali yenye manufaa kwa Umma.

Nategemea ushirikiano wanu.

Deodatus C. Kangu
Kny: **Mkurugenzi wa Manispaa**
Mpanda.

NV:MKURUGENZI WA MANISPAA
HALMASHAURI YA MANISPAA
S.L.P. 216
IPANDA

Nakala: Afisa Biashara wa Manispaa – Kwa taarifa.
Watendaji wa Kata na Mitaa – Kwa taarifa
Mwenyekiti wa TCCIA Mkoa wa Katavi – Kwa taarifa lakini pia naomba umpatie ushirikiano mwanafunzi huyu.