



Exploring the Drivers of Bank Loyalty in a Digitized World

Tooba Sharif Khattak

*MPhil Scholar,
Department of Business Administration,
Kinnaird College for Women, Lahore, Pakistan.*

Usamah Iyyaz Billah

*Assistant Professor,
Department of Business Administration,
Kinnaird College for Women, Lahore, Pakistan.
usamahbillah@yahoo.com
(Corresponding Author)*

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Abstract: *This study investigates the relationship between customer brand engagement and brand loyalty while exploring the mediating role of online brand experience and customer satisfaction. We aim to fill the theoretical gap in an online banking context by devising a conceptual framework and examining it empirically. We collected primary data from 200 banking customers of the top ten banks in the country. The results support the significance of the relationship, indicating the mediating effect of online brand experience and customer satisfaction. However, the direct connection between brand loyalty and customer engagement remains unsupported, which points to the importance of digitization in contemporary banking. Additionally, this study incorporates the well-known 'uses and gratifications theory' with respect to customer engagement within the online banking setting. This research supports the role that digitization plays and the consumer's preference for online banking compared to conventional banking. Subsequently, efforts to create a better online banking experience would help managers improve their performance.*

Keywords: Customer engagement, brand loyalty, online banking, digitization, uses and gratifications theory.

JEL Classification: M15, M31, L84, L86.

Exploring the Drivers of Bank Loyalty in a Digitized World

1. Introduction

Many studies have shown that customer engagement is critical to improving product performance (Santini, 2019). It helps achieve good organizational results in terms of sales growth, profitability, higher turnover, improved consumer turnover in collaborative product development processes, product transfers, and a better corporate experience.

While exploring customer brand engagement in a broader context, Hollebeek et al. (2014) describe the concept as 'the best-selling activity of a customer with an affective, emotional, and behavioral relationship in time or related to customer/product-focused interaction.' Their study suggests that customer/brand collaborations evoke feelings, insights and behavioral reactions, which can integrate a limited product experience into long-term loyalty by the target market. It can be inferred that expanding the degree of consumer brand engagement tends to create a sustained, distinctive and unforgettable brand experience.

Prior studies have explored the relationship between customer satisfaction, loyalty and customer engagement (Monferrer et al., 2019). Moreover, the literature suggests that mutual interactivity on websites is likely to play a vital role in developing a sound connection between a brand and its customers (Bozkurt et al., 2020; Cyr et al., 2007; Hussain et al., 2021). Therefore, this study aims to complement the limited empirical research on customer brand engagement and loyalty in an online context, especially within the banking sector.

This is the first time that the 'uses and gratifications theory' has been applied to a customer engagement framework in an online banking context. Furthermore, we believe that the banking sector can benefit significantly from research in this critical area, as highlighted by Kaur and Arora (2022). Therefore, one of the key objectives of this study is to enrich the literature on the identified study variables and thus develop a clearer picture of their relationship. Specifically, we have investigated the mediation of online brand experience and satisfaction in customer brand engagement and loyalty.

The primary motivation for this research arises from realizing that growing organizations need competitive and user-friendly e-commerce

solutions for their customers. However, research in this area is relatively scarce in Pakistan. Therefore, a distinctive experience in terms of a web-based application is necessary, given rapidly changing consumer needs, increased technological savviness of customers, market unpredictability, and intense competition. All these factors have a significant role to play in the banking sector. Moreover, the absence of physical human interaction tends to elevate the challenge of vulnerability in online transactions.

In addition, the e-commerce environment paves the way for novel opportunities for speed and ease in collaboration with associated business partners. The level of interactivity of customers with a bank also tends to be high, thereby providing a highly satisfying brand experience. Our findings illustrate the positive impact of customer engagement on product loyalty and the strong preference of these customers for digital solutions.

2. Literature Review

This research is based on uses and gratifications theory, which suggests how and why people actively look for and utilize media or modes of communication to satisfy their individual needs. The linkage of this theory with our research is that, in a banking context, users play a significant role in choosing their preferred media—in this case, online mediums (Kaur & Arora, 2022).

One of the critical variables studied is customer engagement, which is defined as the making of a profound association among organizations and consumers (Kumar et al., 2010, p. 297). Previous research has highlighted the urgent need for consumer engagement in various brand settings (Brodie et al., 2011). However, Hollebeek (2011b, p. 559) evaluates the idea of consumer brand engagement by describing it as a degree of customer engagement, product-related status and sense associated with a specific degree of cognitive, affective and behavioral reaction.

It is pertinent to mention that the importance of our research stems from the introduction of the variable ‘online brand experience.’ We concur that brand experience is derived through the psychological sciences and is characterized as the ‘perceptions, understandings and behavior reactions fueled through product-related incentives. It is a part of product design and ownership, packing, communication and associated conditions’ (Dennis et al., 2010). Additionally, product experience is understood as an aggregate of use, product, service and purchase experience gained from consumer brand interaction (Khan & Rahman, 2015b). Brand experience is connected to

change through product integration, testing and engagement, including brand attachment, involvement, personality and attitude.

Alloza (2008, pp.373-374) defines brand experience as a consumer's point of view at each moment of contact with the brand, regardless of whether it is on the brand image expected to endorse, during each interaction, or degree of information related to each treatment they receive. The author also describes the brand experience as a consumer perception, always informed by the brand, whether it is the brand image presented in advertisements, through personal interaction, and at the appropriate level regarding the treatment of the person receiving it (p.374).

Recent studies have started to focus on online brand experiences and social media influences (Ajina, 2019; Chatha et al., 2018; Ladik & Stewart, 2008). These online brand experiences include activities in the search for products and services in an online environment (Schmitt & Rogers, 2008). Advances in communications have provided online platforms for consumers to engage with one another. Morgan-Thomas and Veloutsou (2014) describe the experience of the online form of brands as the internal response of the individuals who become involved with online brand communication.

Brand experience in an online setting is a quick approach to enhancing the quality of the experience and creating productive relationships with consumers (Helm, 2007). Ha and Perks (2005) explain the idea of site-based interactive experiences in analyzing customer behavior, particularly with online marketing. The authors describe online brand experiences such as 'good customer navigation (e.g., using website-based communities and collaborating events) and ideas (e.g., attracting cookies, a variety of visuals and value for money) through particular websites. They also argue that the customer often chooses to use a site that ultimately conveys a positive experience, unlike traditional media.

Oliver (1997) defined customer satisfaction as 'the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or overfulfillment (p. 13).' Oliver (1997) also affirms that brand loyalty is 'a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (p. 392).' Hellier et al. (2003) define loyalty as 'the degree to which the customer has exhibited,

over recent years, repeat purchase behavior of a particular company service; and the significance of that expenditure in terms of the customer's total outlay on that particular type of service (p. 1767)

Our study aims to contribute to the literature through the variables mentioned above in our theoretical discussion. The development of the hypotheses in the following section will allow the empirical testing of these proposed hypotheses. Moreover, the conceptual model that illustrates the relationships among the study constructs is provided. Subsequently, we make practical recommendations regarding how entities within the banking sector can utilize their social media platforms, websites and apps to build a better online banking experience, thus resulting in long-term brand loyalty. We also demonstrate how online apps, websites and social media platforms are interactive tools whereby customers and brands come together and engage with each other; this creates both ease and better utility for the end user.

2.1. Hypothesis Development

In the literature (Rather & Sharma, 2017; Tiago et al., 2021), engagement is defined as a concept that propels a person toward a brand. On the other hand, brand experience is about the sensitivity, behavior, cognition, and feelings triggered by brand communication. This study considers that the ideas of 'experience' and 'engagement' are two different conceptual elements. This is because compared to consumer engagement, direct experience with the brand may not be a reinforcement. Brand experience is not considered an emotional relationship like customer engagement (Rather & Sharma, 2017; Tiago et al., 2021). In explaining the relationship between these concepts, the research suggests that brand engagement can influence the brand experience (Hollebeek, 2011a).

In the banking industry, the influence of customer brand engagement on product use can illustrate this phenomenon as an intellectual and creative brand experience (Nysveen and Pedersen, 2014). The impact of consumer brand engagement on brand experience in online settings has also been discussed in more recent literature (Khan et al., 2021; Liyanaarachchi et al., 2021). We therefore derive the following hypothesis to test the positive link between brand engagement and online brand experience.

Hypothesis 1: Customer brand engagement has a significant and positive relationship with online brand experience.

The word 'satisfaction' refers to 'a customer's reaction to the assessment of apparent disparity between preexpectations (or other general performance) and real product performance as observed after its utilization' (Tiago et al., 2021). The concept of satisfaction requires an appropriate level of experience with products and services that are challenged by the fact that brand experiences offer customer service and enhance customer satisfaction. This study therefore describes the role of irreplaceable and unforgettable brand experiences, which tend to increase product satisfaction in the context of bookmarking, remarketing and services, web-based brand environments, and online branding (Tiago et al., 2021). As per the above discussion, the following three hypotheses are proposed. Hypothesis 2 postulates a positive link between brand engagement and customer satisfaction. A positive relationship is proposed between online brand experience and customer satisfaction in hypothesis 3. Hypothesis 4 proposes a positive association between brand engagement and brand loyalty.

Hypothesis 2: Customer brand engagement has a significant and positive relationship with customer satisfaction.

Hypothesis 3: Online brand experiences have a positive link with customer satisfaction.

Hypothesis 4: Customer brand engagement has a significant and positive relationship with brand loyalty.

Some studies identify brand loyalty as a central result of direct experience with the brand in a retail setting across various consumer segments and socioeconomic classifications (Pina & Dias, 2021). Creating and supervising a unique brand experience is essential to building product and service brand loyalty (Guan et al., 2021). In addition, consumers tend to make purchases once they are exposed to exceptional and unforgettable product experiences, thus resulting in an improved level of loyalty to the brand.

In the context of banking operations, Sikdar et al. (2015) argue that the positive experience creates a desire to reuse. Considering the significant relationship between product experience and brand loyalty, our study also sheds light on the positive outcome of online interaction with the brand and the subsequent loyalty of the customer. Thus, we can hypothesize that online brand experience is positively linked with brand loyalty.

Hypothesis 5: Online brand experiences have a positive link with brand loyalty.

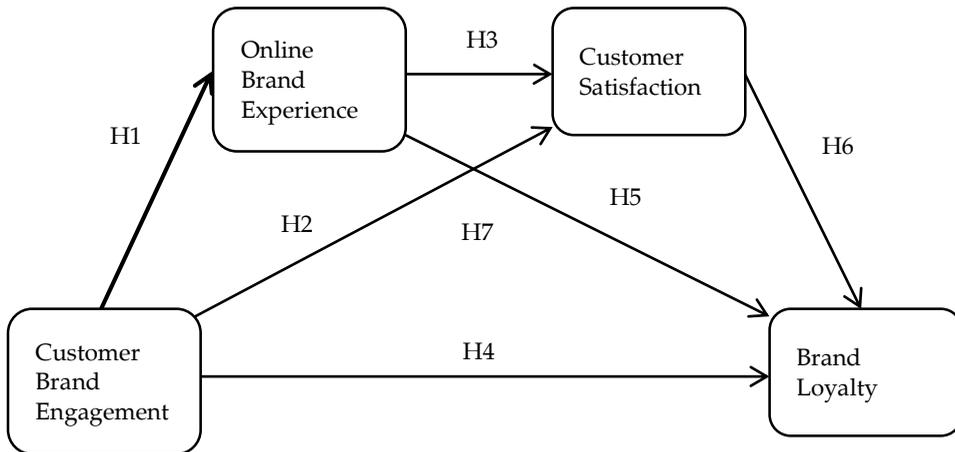
A customer's satisfaction with a particular service or product brings about a certain level of liking and loyalty toward the brand. This indicates that the relationship between loyalty and satisfaction may vary according to circumstances or from industry to industry (Liyanaarachchi et al., 2021). In this respect, Brakus et al. (2009) analyze the relationship between brand loyalty and customer satisfaction. Similarly, Nysveen et al. (2014) clarify the positive impact of customer satisfaction on loyalty, particularly in regards to services. Accordingly, we postulate that customer satisfaction is positively linked with brand loyalty in the following hypothesis.

Hypothesis 6: Customer satisfaction has a positive relationship with brand loyalty.

Hollebeek (2011a) observes that customer engagement with the brand incorporates proactive consumer feelings, insights and practices. These practices are usually in contradiction with the responsive idea of brand experiences and highlight the importance of product experience as a result of consumer engagement. Numerous investigations have also affirmed the impact of online media experience on customer satisfaction and loyalty (Khan & Rehman, 2015a; Nysveen et al., 2014). Our view that customer brand engagement can produce positive brand experiences is also supported by the literature (Pina & Dias, 2021). Therefore, subsequent brand experiences are likely to influence brand loyalty and satisfaction. Hence, our investigation considers that customer engagement with brand experience impacts brand loyalty and satisfaction, as shown in previous studies (Khan et al., 2021). As per the above discussion, it can be postulated that the link between customer brand engagement and brand loyalty is mediated by online brand experience and customer satisfaction.

Hypothesis 7: The link between customer brand engagement and brand loyalty is sequentially mediated by online brand experiences and customer satisfaction.

Based on the literature reviewed and subsequent hypotheses, we present a conceptual model in Figure 1.

Figure 1: Theoretical Framework

3. Research Design

The study investigates the effect of customer engagement on brand loyalty under the mediating roles of online brand experiences and customer satisfaction. We have used a quantitative approach and empirically tested the data to examine our hypotheses. Survey questionnaires were designed and distributed to collect data from the target consumers, both offline and online, with the survey items adapted from various research studies. The responses were recorded anonymously to ensure respondents' confidentiality. The study setting was natural, and we conducted our research in a noncontrived environment of consumers to avoid any bias or manipulation.

First, we collected cross-sectional data within a limited time. Although our sampling technique involved convenience sampling, the strict data collection criterion meant that the sample was limited to the target banks whose consumers used online banking apps and software. We selected the top ten banks in the country based on their annual revenue. Data were collected from 20 active customers of each bank. The respondent profile included specific criteria through which participants were shortlisted. For instance, we deemed it necessary for them to possess an active bank account.

Second, participants were required to be active users of their preferred bank's online banking app for personal or professional transactions, whether on their mobile phones or personal computers. The sample size was 200, which we deduced based on the item response theory developed by Nunnally (1978). The respondents were identified through their respective bank managers. Once this information was finalized, we

analyzed the acquired data in SPSS through appropriate reliability tests, such as a correlation matrix and double-mediation model 6 of the PROCESS macro by Hayes. We used this process as opposed to other statistical techniques, as the latest credible research supports the sequential mediation model (Du et al., 2021; Han et al., 2021; Yang & Li, 2021; Zhang et al., 2021). Table 1 summarizes the items acquired for this research.

Table 1: Summary of Items

Variables	Measurement items/author references
Customer brand engagement	Measured through a scale of seven items. Derived from Hollebeek et al. (2014).
Online brand experience	Measured through a seven-point scale from Morgan-Thomas and Veloutsou (2013).
Customer satisfaction	Adapted from Fornell (1992) and Oliver (1980) using a Likert scale of seven points.
Brand loyalty	Measured from scale of Nysveen and Pedersen (2014) using a Likert scale of seven points.

4. Results

4.1. Reliability Analysis

We conduct a reliability analysis to gauge the research quality and measure internal consistency, which connotes the extent to which the items are similar or close to each other. A summary of these reliability results is provided below. Table 2 shows that all four variables—loyalty, online experience, customer engagement and satisfaction—have Cronbach’s alpha values above 0.69. Thus, all the variables are deemed reliable.

Table 2: Reliability of Data

Variables	Items	Cronbach’s alpha
Customer brand engagement	7	0.777
Online brand experience	7	0.850
Customer satisfaction	3	0.741
Brand loyalty	3	0.766

4.2. Descriptive Statistics and Correlation Analysis

Table 3 gives an overview of the descriptive statistics of our study. The average mean value of the variables is approximately 3.8, which represents a tilt toward the ‘agree’ rating, with a standard deviation of approximately 0.4. This standard deviation shows how dispersed the results

are around the mean. Furthermore, we can see that the average mean value for customer brand engagement is 4.0486, which shows that the sample respondents mostly agreed with the items in the questionnaire. The exact value of the standard deviation is 0.43145. Similarly, online brand engagement has an average mean of 3.8899, while the standard deviation is 0.42459. Customer satisfaction shows similar results, with an average mean value of 3.8989 and a standard deviation of 0.48821. Finally, brand loyalty has an average mean value of 3.8400 and a standard deviation of 0.49105.

Table 3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. deviation
Consumer brand engagement		2.71	5.00	4.0486	.43145
Online brand experience		2.57	5.00	3.8899	.42459
Customer satisfaction		2.67	5.00	3.8989	.48821
Brand loyalty		2.00	5.00	3.8400	.49105
Valid N (listwise)	200				

The correlation matrix is given in Table 4. Correlation is the degree to which two variables experience movement concerning one another. Our analysis indicates a moderate positive correlation between customer engagement and online experience ($r = 0.609, p < 0.01$). Moreover, we can see that the correlation between consumer engagement and satisfaction ($r = 0.562, p < 0.01$) as well as loyalty and customer engagement ($r = 0.488, p < 0.01$) is also moderately positive.

Table 4: Correlation Matrix

Variables	1	2	3	4
Customer brand engagement	1			
Online brand experience	0.609**	1		
Customer satisfaction	0.562**	0.703**	1	
Brand loyalty	0.488**	0.700**	0.743**	1

$n = 200$, * $p < 0.05$, ** $p < 0.01$.

The results of the correlation analysis of online experience and customer satisfaction indicate the presence of a strong and positive relationship ($r = 0.703, p < 0.01$). In contrast, the correlation between online experience and loyalty is moderately positive ($r = 0.700, p < 0.01$). In addition, the analysis results show that between satisfaction and loyalty, the factor of correlation is strongly positive ($r = 0.743, p < 0.01$).

4.3. Regression Analysis

Regression analysis was carried out utilizing sequential mediation in this study. The bootstrap level was kept at 5,000, and the confidence interval was 95% (Table 5).

Table 5: Regression Results

Y: Brand loyalty (BL)							
X: Customer brand engagement (CBE)							
M1: Online brand experience (OBE)							
M2: Customer satisfaction (BS)							
Sample size: 200							
Outcome variable: OBE (online brand experience)							
Model 1	R	R-sq	MSE	F	df1	df2	p
	.608	.370	.113	175.251	1.000	298.000	.000
	coeff	Se	t	p	LLCI	ULCI	
Constant	1.465	.1842	7.956	.000	1.103	1.827	
CBE	.598	.045	13.238	.000	.509	.687	
Outcome variable: BS (customer satisfaction)							
Model 2	R	R-sq	MSE	F	df1	df2	p
	.723	.522	.114	162.741	2.000	297.000	.000
	coeff	Se	t	p	LLCI	ULCI	
Constant	.358	.203	1.763	.078	-.041	.758	
CBE	.240	.057	4.207	.000	.128	.353	
OBE	.659	.058	11.360	.000	.545	.774	
Outcome variable: BL (brand loyalty)							
Model 3	R	R-sq	MSE	F	df1	df2	p
	.783	.614	.094	157.098	3.000	296.000	.000
	coeff	Se	t	p	LLCI	ULCI	
Constant	.328	.185	1.771	.077	-.036	.692	
CBE	-.008	.053	-.158	.874	-.113	.096	
OBE	.409	.063	6.493	.000	.285	.533	
BS	.501	.052	9.535	.000	.397	.604	
Direct effect of X on Y							
	Effect	Se	t	p	LLCI	ULCI	
	-.0084	.053	-.158	.874	-.1133	.096	
Indirect effect(s) of X on Y							
	Effect	BootSE	BootLLCI	BootULCI			
Total	.563	.064	.439	.692			
Ind1	.245	.049	.154	.346			
Ind2	.120	.034	.060	.193			
Ind3	.198	.035	.133	.271			
Indirect effect key							
Ind1 ⇒ CBE ⇒ OBE BL							
Ind2 CBE BS ⇒ BL							
Ind3 ⇒ CBE ⇒ OBE ⇒ BS ⇒ BL							

In model 1, the value of R depicts that the relevance of the relationship between online experience and customer engagement is 60.8 percent. The value of R-squared is 0.370, which shows that the amount of variation in online experience due to customer engagement is 37 percent. Moreover, the values of f ($F = 175.251$) and $p = 0.000$ show that the model is a good fit. Earlier research in the same context has also demonstrated that online engagement between banks and customers establishes strong bonds between the two entities, which ensure lasting relational exchanges (Pralhad, 2004).

Therefore, based on the results, we can affirm that hypothesis 1 (customer engagement has a positive impact on online experience) is supported. Moreover, $p = 0.000 < 0.05$ and the coefficient value of 0.598 indicates a significant relationship between customer engagement and online experience; that is, a one-unit change in customer brand engagement results in a shift in online brand experience by 0.598.

Model 2, which reflects the value of R, shows that the level of the relationship between satisfaction and other variables is 72.3 percent. The value of R-squared is 52.2 percent, which shows the amount of variation in customer satisfaction due to the other variables. The following values of the model ($F = 162.741$) and $p = 0.000$ show that the model is a good fit. Hypothesis 2 (customer brand engagement positively impacts customer satisfaction) is thus also supported. Moreover, $p = 0.000 < 0.05$ and the coefficient value of 0.240 indicates a significant relationship between customer engagement and satisfaction, that is, that a one-unit change in engagement results in a change in satisfaction by 0.240 points.

Hypothesis 3 (online experience positively impacts satisfaction) is also supported. The condition ($p = 0.000 < 0.05$) and the coefficient value of 0.659 indicate a significant relationship between online experience and satisfaction. This means that a one-unit change in online brand experience results in a change in customer satisfaction by 0.659 points. Model 3 shows that the value of R, the level of the relationship between loyalty and other variables, is 78.3 percent. Furthermore, the value of R-squared is 61.4 percent, which shows the amount of variation in brand loyalty due to the other variables. Finally, the values of f ($F = 157.098$) and $p = 0.000$ show that the model is a good fit.

Hypothesis 4 (customer engagement positively impacts product loyalty) is not supported by the study's results. We see that $p = .874 > 0.05$, while the coefficient value of -0.008 indicates an insignificant relationship

between customer engagement and loyalty; that is, a one-unit change in customer engagement results in a shift in product loyalty by -.008

Hypothesis 5 (online experience positively impacts product loyalty) is supported. The function $p = 0.000 < 0.05$ and the coefficient value of 0.409 indicate a significant relationship between online experience and loyalty; that is, a one-unit change in online experience results in a change in loyalty by 0.409. The relationship between online experience and loyalty is also found to be significant in other studies (Stever & Lawson, 2013).

Our results show that hypothesis 6 (satisfaction positively impacts loyalty) is supported. Moreover, $p = 0.000 < 0.05$, while the coefficient value of 0.501 indicates a significant relationship between the levels of satisfaction and loyalty; that is, a one-unit change in satisfaction results in a change in loyalty by 0.501. This aspect of loyalty and satisfaction has also been highlighted in previous research (Sashi, 2012).

In examining the results of the direct effect of X on Y, we can confirm that the interactive value of ULCI is 0.096 and that of LLCI is -0.113. Therefore, as the ULCI value is positive and the LLCI value is negative, the hypothesis is not supported (customer product engagement positively impacts product loyalty).

We now look at the indirect effect of X on Y. The values of boot ULCI (0.692) and boot LLCI (0.439) indicate that the indirect influence of customer product engagement (X) on product loyalty (Y) through the mediation of online product experience and product satisfaction is significant, as both values are positive. The results support hypothesis 7, according to which online product experiences and product satisfaction act as mediators. It is relevant to mention that many studies in the social sciences and marketing have utilized the role of indirect effects to support these findings (Choo et al., 2022; Vieira, 2022). Table 6 presents a summary of the supported and unsupported hypotheses.

Table 6: Summary of Results

	Hypothesis statements	Results
H1	Brand engagement has a positive impact on online brand experience	Supported
H2	Customer brand engagement has a positive impact on customer satisfaction	Supported
H3	Online brand experience has a positive impact on customer satisfaction	Supported
H4	Customer brand engagement has a positive impact on brand loyalty	Not supported
H5	Online brand experiences have a positive impact on brand loyalty	Supported
H6	Customer satisfaction has a positive impact on brand loyalty	Supported
H7	The link between customer brand engagement and brand loyalty is sequentially mediated by online brand experiences and customer satisfaction	Supported

5. Discussion of Research Findings

As mentioned earlier, we have developed the framework of this study using the literature pertaining to customer product engagement, online product experience, product satisfaction, and product loyalty. This study analyses the bond between customer product engagement and two mediators: online product experience and product satisfaction. The relationship of the two mediators with product loyalty was also investigated. To empirically examine these relationships, survey questionnaires were employed to gather data from bank customers. Our results support the claims of this study.

The analysis supports the study's first hypothesis: customer brand engagement positively impacts online brand experience. Moreover, the regression analysis of the data establishes a significant relationship between the two variables. Through customer brand engagement, banks not only interact with their customers but also increase the strength and service of their relationship with their customers. Earlier research has also proven that the engagement between customers and banks establishes intimate bonds, which induce lasting relational exchanges between the two parties (Pralhad, 2004).

The analysis supports the second hypothesis that customer brand engagement has a positive impact on customer satisfaction. The regression analysis establishes a significant relationship between the two variables. The correlation between the two variables is deduced to be moderately positive. This suggests that when banks increase website services related to customer

brand engagement, this will also increase customer satisfaction. Through engagement via websites, customer satisfaction is enabled, whereby consumers can directly communicate with the bank, leading to a sense of familiarity (Stever & Lawson, 2013).

The third hypothesis, that online brand experiences have a positive impact on customer satisfaction, is supported by the analysis. The regression analysis establishes a positive and significant relationship between the two variables. The correlation between the two variables is moderately positive, proving that when the online brand experience between customers and banks increases, the satisfaction generated by customers also increases. Online brand experience has been found to keep customers from switching banks (Giovanis, 2016).

The analysis does not support the fourth hypothesis that customer brand engagement has a positive impact on brand loyalty. The regression analysis establishes a nonsignificant relationship between the two variables. The correlation between the two variables is weakly moderate, proving that when customer brand engagement decreases, brand loyalty between banks and customers also decreases.

The fifth hypothesis, that online brand experiences have a positive impact on brand loyalty, is supported by our analysis. The regression analysis establishes a significant relationship between online product experience and product loyalty. Furthermore, the variables are deemed reliable when run through a reliability analysis. These findings show that online brand experience, primarily between banks and customers, explains the brand loyalty generated by consumers. Brand loyalty between banks and their customers leads to positive relationships between these entities. This leads to changes in the traditional roles of banks and customers (Sashi, 2012).

The analysis supports the sixth hypothesis: customer satisfaction has a positive impact on brand loyalty. The regression analysis establishes that customer satisfaction plays a significant role in mediating loyalty. This indicates that product satisfaction explains the relationship between customer product engagement between brands and consumers. Attachment and commitment caused by satisfaction can be crucial and highly beneficial for the brand, eventually generating product loyalty and making customers advocate their brand (Turri et al., 2013).

The results support the seventh hypothesis that the impact of customer brand engagement on brand loyalty is mediated by online brand

experiences and customer satisfaction. The regression analysis establishes that this mediating effect is statistically significant. It also shows that online product experience and product satisfaction explain the relationship between customer product engagement and product loyalty.

6. Conclusions

The findings of this research contribute to the literature by providing a better understanding of product engagement and its influence on product loyalty and satisfaction, particularly in an online banking context. Our findings show that good online banking services heavily influence loyalty. Thus, banks must focus on creating ease and convenience in their online banking apps and services. Most previous studies based on customer engagement have discussed product experience because of customer product engagement, while our research has provided a fresh perspective on these variables.

It is pertinent to mention here that our research makes a valid contribution to the gaps in the current literature. There is limited research on customer brand engagement and loyalty interaction in an online context, especially in the banking sector. Furthermore, the association of customer satisfaction and brand loyalty has been studied for the first time with the mediation of online experience and customer satisfaction in Pakistan.

7. Theoretical and Practical Implications

This study provides pertinent implications for decision-makers in the banking sector. Our findings depict a positive impact of customer engagement on product loyalty and customers' current strong preference for digital solutions. Moreover, the empirical results show that the indirect impact of customer product engagement on product loyalty via online product experience and satisfaction has a higher significance than the direct effects. This is a notable finding that proposes that enhancing the level of consumer engagement, with an explicit focus on establishing a high-quality online brand experience, can result in better customer satisfaction and bank loyalty in the long term.

This research makes an important theoretical contribution by showcasing the relevance of 'uses and gratifications theory' to a customer engagement framework in an online banking setting. This research supports the role of digitization in current times and consumers' preference for online rather than conventional banking systems. Subsequently, concerted efforts

to create a better online banking experience will aid managers in improving banking performance.

Our respondents highlighted several specific implications for decision-makers to give a better online experience to their customers. These include creating a better interface of the application, better security checks to prevent viruses or manipulation, more robust integration with customer helplines, autofilling of beneficiary names, app-based loan facilities, better liaisons with business partners, including educational institutions, and easy utilization of award points.

8. Limitations and Directions for Future Research

We used only survey questionnaires to gather data, which did not provide as detailed results as other methods might have provided. Additionally, there is a possibility that the individuals in the sample did not give honest responses to the questionnaire, which the study could have gathered by observing the customers first-hand. Another limitation of our study is that it has a cross-sectional time frame, which implies that the data collection was done at a single moment in time. Along with the chances of the standard method bias being present, chances of the responses changing over time are also possible.

Our study gives rise to several directions for future research. First, the relationship between customer engagement, online experience, satisfaction and loyalty in a brand context can be applied to other service sectors. Second, future research could employ longitudinal studies to conduct their research more evaluatively. Third, this study was conducted during the COVID-19 pandemic. Future studies of a similar nature can take place in more normalized conditions. Finally, research could be conducted on these study variables in other sectors, including everyday consumer goods, electronic goods and textiles.

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