The current issue and full text archive of this journal is available on Emerald Insight at:
https://www.emerald.com/insight/2040-0705.htm

Customer loyalty and value anticipation: does perceived competition matter?

Ishmael Ofoli Christian
University of Ghana Business School, Accra, Ghana
Thomas Anning-Dorson
Wits Business School, University of the Witwatersrand, Johannesburg, South Africa, and
Nii Nookwei Tackie
University of Ghana Business School, Accra, Ghana

Received 10 September 2020
Revised 12 March 2021
Accepted 16 April 2021

Abstract

Purpose – Drawing on customer value theory and the demanding nature of today's customers, this paper examines the moderating effects of competition, as perceived by customers, on the nexus between customer value anticipation (CVA), satisfaction and loyalty.

Design/methodology/approach – Utilizing data from the Ghanaian banking sector, which has been going through some reforms that are changing the banking landscape, the study analyzes data from 587 customers. Respondents were drawn from a cluster of banks within an enclave with different types of customers and epitomize the competitive nature of Ghana's banking sector.

Findings – CVA drives customer satisfaction, attitudinal loyalty and behavioral loyalty among bank customers. However, between attitudinal and behavioral loyalty, customers will be more behaviorally loyal to banks that successfully anticipate their needs than they would be in attitude. The relationships between CVA and satisfaction and loyalty are such that the level of competition among sector players does not alter the effect; thus, when a bank is able to anticipate customer value, customers are going to stay loyal to such a bank irrespective of the competitive offers.

Originality/value – Although the impact CVA has on satisfaction and loyalty is justified in the existing literature, extant research has not systematically examined the influence of external boundary and situational effects on the potency of anticipating customer value in detail. The current study shows the effect of competition on CVA and customer behavioral outcome. The study further concludes that irrespective of competition, banks that are perceived to be high on CVA will have their customers being loyal. This is very important in the development of bank marketing and product innovation strategies.

Keywords Customer value, Customer value anticipation, Satisfaction, Loyalty, Competition, Ghana

Paper type Research paper

Introduction

What constitutes customer value and its importance have had an appreciable level of attention in the management literature, albeit from different perspectives. In marketing, customer value has been termed the central model to competitive advantage and long-term success of business organizations (Salem Khalifa, 2004; Mishra *et al.*, 2020; Zeithaml *et al.*, 2020). For most marketing strategists and industrial-organization economists, customer value positively correlates with company success (Huber *et al.*, 2001) and is widely recognized in most business strategy models (Cravens *et al.*, 1997). For instance, superior customer value has been discussed as an indispensable tool for the success of value-based strategies (Woodruff, 1997) and the strategic weapon in attracting and holding customers (Wang *et al.*, 2004). Hence, some scholars believe that one way to gain and stay competitive is through an excellent understanding of what customers currently value (Vargo and Lusch, 2004; Torkzadeh *et al.*, 2020).

African Journal of Economic and Management Studies
Vol. 12 No. 2, 2021
pp. 321-335

2040-0705
DOI 10.1108/AJEMS-09-2020-0443

On the other hand, scholars such as Flint *et al.* (2011) believe that a more nuanced way of gaining unmatched competitive advantage, sustainable market leadership and better firm performance is by anticipating the value required by the customer (Kandampully and Duddy, 1999). The concept of customer value anticipation (CVA) responds to the challenges posed by the dynamism in customer preference and perception of value. Accordingly, CVA is seen as a critical window through which brands can better understand and meet customers' changing needs (see Flint *et al.*, 2011; Chiu *et al.*, 2014). Hence, studies on CVA have shown a positive correlation between satisfaction and loyalty, usually with satisfaction acting as a mediator for CVA and loyalty (see Zhang *et al.*, 2016).

Despite the relevance of CVA in predicting satisfaction and loyalty, studies such as Flint *et al.* (2011) agree that the concept remains underexplored with the scholarly conversation on CVA predominantly assessed from the firm's perspective. According to Zhang *et al.* (2016), from the firm perspective, though the anticipation process also entails the prediction of product offering outcomes, the anticipation process is only effective when the customer is involved in the process. Also, the existing studies (see Flint *et al.*, 2011; Kandampully and Duddy, 1999), for instance, have only looked at one of its outcomes (i.e. loyalty) as a composite unit. However, for managerial and theoretical consideration, it is essential to understand the nuances of the loyalty construct's multidimensional nature that best explains the effect of CVA. This paper investigates CVA's influence on satisfaction and two types of loyalty: attitudinal and behavioral loyalty from the customers' perspective, which has not received enough empirical analysis. By investigating the subject matter from the customers' viewpoint, the current study taps into a different theoretical strand that looks at the customer as the best judge of value.

Additionally, despite the importance of value anticipation to the value discourse, there appears to be some worrying silence on the boundary conditions to explain the predictive power of CVA; and guide successful practical implementation. Understanding the boundary conditions of CVA is essential because of the changing market conditions in terms of customer demand and competition. Anning-Dorson (2017a) asserts that market condition such as competition has a moderating impact on a firm's customer-related and market-based strategies and the intended outcomes. In today's business environment, the current competitive landscape's intensity renders competitive strategies ineffective (Boso *et al.*, 2019). We test, in this paper, the possible moderating effect of competition as perceived by customers since the availability of alternatives may render the positive effect of value anticipation void.

Lastly, aside from the lack of empirical understating of its boundary conditions and lack of in-depth exploration of CVA, there is also a paucity of research in other contexts such as emerging economies. Early studies (see Flint *et al.*, 2011; Kandampully and Duddy, 1999; Ho *et al.*, 2014; Zhang *et al.*, 2016) have shown results from more advanced economies with structured markets. As espoused by Sheth (2011), emerging markets present a different market context with less market structure and unbranded competition that shape customer value and customer behavior. Providing evidence from such contexts broadens our understanding of the CVA concept and offer theoretical and practical advancement.

The current study makes significant contributions to knowledge. First, we contribute to customer value management and the marketing literature by empirically investigating the link between CVA and customer behavioral and attitudinal outcomes (satisfaction, attitudinal loyalty and behavioral loyalty). We further find answers to our research question on how competition moderates the complex relationship between CVA and satisfaction and loyalty.

This paper is divided into five sections. Section two argues the contextual justification of the Ghanaian banking industry and theoretically conceptualizes the CVA construct, operationalizing the study relationships (See Figure 1). Methodology comprising of data collection techniques and instrument measures is addressed in the third section of this paper. The fourth section addresses the results from the analysis of the relationship between CVA, satisfaction and loyalty and the moderating effect of competition on this relationship. The fifth and final section discusses the results stating their implications to research, policy and practice. Future research direction is also discussed in this section.

Conceptual background and hypotheses

Empirical context

Ghana's banking industry has undergone some structural reforms led by the Bank of Ghana (BoG) centered on recapitalization. In the last decade, this has occurred three times 2007, 2012 and 2017, with an increased minimum capital requirement, mergers and acquisitions as expected outcomes. The most recent recapitalization incident in the Ghanaian banking sector was performed to protect depositors' funds and avoid bankruptcy. Gross mismanagement and misrepresentation of stated available funds were cited as antecedents, which led to the sector's recapitalization efforts (Obuobi *et al.*, 2019). By the end of the recapitalization process and the sector reforms, the total number of universal banks had reduced from 34 to 24 through license downgrades, mergers and acquisitions. The minimum regulatory capital was also raised from GHs 60 million to GHs 400 million (i.e. about US$ 10.8 million to US$ 72.2 million). The reforms in the financial services sector coupled with increasing the likelihood of switching bank brands and growing demand for improved service delivery and quality, have incensed the sector's competitive flame YuSheng and Ibrahim (2019). Anning-Dorson (2017b) asserts that a regulatory regime has an impact on the competitiveness of an industry. As part of their competitive strategies, the current players are embarking on service innovation, improvement through IT, service delivery, process improvement and optimizing business efficiency (see: Blankson *et al.*, 2017; Boateng *et al.*, 2016; Narteh and Kuada, 2014; Hinson *et al.*, 2010).

CVA and satisfaction

In the literature on CVA, Flint *et al.* (2011) defined CVA as "as a supplier's ability to look ahead at what specific customers will value from supplier relationships including their product and service offerings and the benefits, they create given the monetary and non-monetary sacrifices that must be made to obtain those offering benefits" (p. 3). Their definition is similar to Zhang *et al.* (2016), who look at CVA as the customer's overall evaluation of the service provider's ability to meet the customer's future needs. Ballantyne and Varey (2008) note that CVA is the service provider's capacity to respond dynamically to changing customer needs. Interestingly, unlike Ballantyne and Varey (2008), Flint *et al.* (2011) consider the service providers' perspective of CVA as involving "both the processes for anticipating as well as the outcome predictions of product and service offerings that would most likely facilitate value creation by customers" (p. 219); and to the customer, "their ***sense*** that suppliers have such

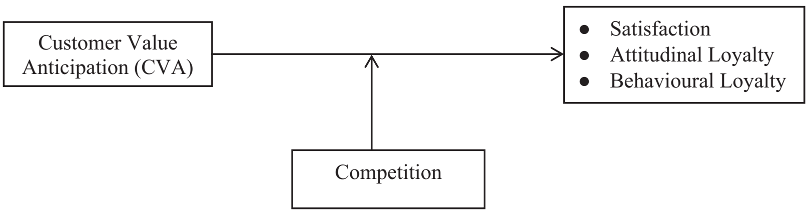

Figure 1.
Conceptual framework

processes and their *perception* that suppliers are able to actually anticipate their needs, possibly even before they do". All the various definitions of CVA help us to understand that anticipating customer value is as essential a firm strategic asset as it is essential to the customer.

Scholarly debate argues that when customers believe that their service provider has the propensity to anticipate desirable future value effectively, it enhances their satisfaction and increases their assurance to utilize their service providers' offerings (see Gronroos, 2008). At the basic level, the customer's evaluation of value influences satisfaction and their relationship with their service providers. At a transactional level, transaction-specific customer satisfaction refers to the evaluation customers make after a specific purchase experience. On the other hand, general overall satisfaction means the customers' rating of a brand based on their experiences accumulated from all previous encounters with the brand or service relationship (Johnson and Fornell, 1991). Since customers tend to value their firm-customer relationship and feel secured and satisfied when they sense an improvement in their service provider's ability to anticipate what they value (Gronroos, 2008), any failed attempt of the service provider in meeting the expectation of the customer has a high chance of forming feelings of dissatisfaction in the customer. This is consistent with the study of Cronin and Taylor (1992), who note that customer expectations serve as a reference point in customers' assessment of firm performance.

Since expectation is vital in satisfaction formation, and the CVA process involves customer expectations, we argue that value anticipation will influence satisfaction. In the Ghanaian banking industry, customers of defunct banks have had to move banks due to the revocation of the licenses. Additionally, some financial institutions (savings and loans and microfinance institutions) have also had their licenses revoked. Lastly, all banks have had to recapitalize to maintain their universal license. Considering the banking sector changes, we expect customers to be satisfied with banks perceived to have high CVA. In particular, we argue that in the Ghana banking sector, considering challenges faced by players, customers will have their current satisfaction linked with a banks capacity to meet their future needs. Hence, we hypothesize that;

H1. Customer perceived CVA is positively and significantly related to customer satisfaction

CVA and customer loyalty

Customer loyalty is an important behavioral outcome that determines the future successes of a brand. Its dimensionality has been in contention in the literature over the past few decades. What constitutes a generally accepted definition and dimensionality of customer loyalty is lacking (Uncles *et al.*, 2003). While academic debates rage, some literature streams suggest that the term customer loyalty seems to be a complex multidimensional construct (Dick and Basu, 1994; Raj *et al.*, 1997). Early studies followed either an attitudinal (Guest, 1944) or behavioral approach (Cunningham, 1956). Customer loyalty can be frequently conceptualized as futuristic intent to repurchase products and services (Dick and Basu, 1994).

Even though loyalty was initially limited to repeat purchase, some scholars believe that attitude in the broad definition of loyalty is essential. It emphasizes the psychological processes individuals pass through in the loyalty formation period. Baldinger and Rubinson (1996) found support for this dimension of customer value by suggesting that the extension of customer loyalty's behavioral definition to include attitude better explains the overall concept of customer loyalty. Some studies operationalize attitudinal loyalty as an assessment of the customer's perception of a brand's overall rating (Fishbein and Ajzen, 1975). The brand's overall rating should include a service firm's activities, including its CVA efforts. Similarly, previous studies conceptualize attitudinal loyalty to include attribute frequency (Bettman and Park, 1980; Russo and Dosher, 1983). Hence, the current study assesses customer loyalty from both the dimensions of behavioral and attitudinal.

We argue that customers are likely to develop either attitudinal or behavioral loyalty in the Ghanaian banking space or both toward their bank. However, due to the recent events in the sector, the development of loyalty toward a particular bank brand will be influenced by customers' perception of how well a bank will be able to deal with their needs in the future–the perceived value anticipation capacity. Since CVA also involves the customer's perception of their service providers' ability to anticipate and actually offer desired future offerings which they perceive as customer value, we suggest that customers will be more loyal in both attitude and behavior to banks that can anticipate their future needs and thus propose that

H2. Customer perceived CVA is positively and significantly related to both behavioral and attitudinal loyalty

Competition as a moderator

Competition is a significant factor contributing to environment antagonism (Zahra and Covin, 1995; Song and Wang, 2018). Some studies suggest that a hostile business environment is often characterized by recurrent changes in customer preferences and unpredictable competitive strategies (see Story *et al.*, 2015). Liu and Atuahene-Gima (2018) and Jaworski and Kohli (1993) argue that market uncertainties are predicted by the dynamic nature of market characteristics and competitive pressure. Augier and Teece (2009), for instance, believe that businesses' success in such conditions depends, therefore, on their ability to develop strategies, on the one hand, and the experiences they have to deal with the uncertainties in the environment, on the other hand.

One of the most competitive industries globally is the banking sector (see Anning-Dorson *et al.*, 2017; Anning-Dorson *et al.*, 2018). Players are engineering different moves to meet customer expectations in order to cultivate loyalty among their clientele. The changing nature of consumer taste and preferences is fueling market competition among industry players. The American Marketing Association defines competition as "the rivalry among sellers trying to achieve such goals as increasing profits, market share and sales volume by varying the marketing mix elements: price, product, distribution and promotion. It is the product of vying for customers by the pursuit of differential advantage, i.e. changing to better meet consumer wants and needs. Competition empowers players to offer superior value to the customers to win customers over. It also benefits customers in terms of choice and a more generous selection in the market. The choice and the alternatives made available by competing players can motivate customer switching. Customers' perception of competitiveness can therefore impact choice (Balkyte and Tvaronavičiene, 2010).

While most financial service firms are striving to improve their business processes by liaising with customers to survive and compete successfully, Chakravarty *et al.* (2004) and Bhatnagar *et al.* (2019) observe that the banking sector is more prone to customer switching behavior due to increasing competition among retail banks and the homogeneity of banking products and services. Consumers' perceptions and evaluation of the value received in an ongoing relationship with a bank, for instance, can impact on their intention to stay with or leave a bank continually. Hence, competition serves as one of the significant market conditions that may influence customer loyalty. Some studies have shown that competition plays a moderating role between customer value and loyalty. Chen (2015), for instance, found the competition to moderate the relationship between customer value and loyalty. Similarly, Durkin (2017) observes that customers are open to choices in competitive markets and thus impact customer loyalty.

Some research streams suggest that anticipating customer value is a needful strategy that helps achieve customer satisfaction and loyalty (Otto *et al.*, 2019; Ho *et al.*, 2014; Vargo and

Lusch, 2004). However, Zhao and Cavusgil (2006) believe that when market competition is high, the ability to predict with certainty will diminish, leaving both firms and customers to act speculatively. Lastly, Chen (2015) observes that "even the most basic availability of alternatives from competitors can be negatively associated with the current customer's loyalty" (p. 109). Based on these foundations, the study, therefore, submits that:

H3a. Competition as perceived by customers moderates the CVA-satisfaction relationship

H3b. Competition, as perceived by customers, has a moderating effect on the CVA-attitudinal loyalty relationship customer

H3c. Competition, as perceived by customers, has a moderating effect on the CVA-behavioral loyalty relationship.

Research methodology

Data collection

To adequately capture the essence of customers' ability to choose among competing service providers without location hindrance and proximity challenges, this study chose a banking cluster where there were fourteen (14) banks operating a full-fledge branch in a kilometer radius within the University of Ghana (the biggest and oldest university in Ghana), Legon campus. The others had either an agency or other forms of presence, except four (4) within that radius. However, these four had at least a branch within a five-kilometer radius. These branches served over 29000 regular students (excluding 7000 distance and Sandwich and about 300 weekend/part-time students), over 4500 employees and over a hundred thousand populace within a ten-kilometer radius of the university. The suburbs within this ten-kilometer radius are a mixture of commercial and lower-middle to upper-class residential communities. This setting, therefore, epitomized the competitive banking sector of Ghana, where clients were offered the maximum choice possible. The setting offered diverse sets of customers who adequately represent the banked population in Ghana.

The data collection followed the works of Boateng *et al.* (2016) by employing the intercept approach. The study's objective and the approach to contacting willing customers were explained to the branch managers for permission to use their premises for data collection. After a customer had finished and walked out of the branch, she was approached, and the study's objective explained to her. After consenting, a questionnaire was given to this customer. Where a client was unwilling to participate, the next person was approached. This approach's benefit is that it allows the researchers to directly access the recipient of the service (respondents) immediately after the service encounter. This allows for better respondent judgment of the phenomenon under study. The data collection took three weeks to gather a substantial number of respondents–723 of which 587 were found to be complete, valid and useable for the analysis. Out this number, 49% were females; 22.7% were in the 18–25 age group; 31.3% were between the ages of 26 and 35; followed by 23.3% who were in the 36–45 age group; 12% fell into the age category of 46–55 age group, and 4.7% were above 55 years old. The rest did not indicate their age. The dominant accounts held by these clients were savings, current (checking) or foreign. All respondents had operated an account with the bank for at least a year, indicating that they were in a good position to assess the banks' value anticipation and their own satisfaction and loyalty toward the banks.

Measures

Satisfaction: We followed the works of Westbrook and Oliver (1991), Spreng *et al.* (1996), Oliver (1997), Westbrook (1987) to assess the global satisfaction of the respondents as against the transactional satisfaction observed by customers. Since CVA requires interaction with customers before appropriate cues can be picked from customers, it required that satisfaction be measured over a particular course of time rather than from just a transaction-specific measure. Three items were used on a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

Attitudinal loyalty: The study consulted the works of Morgan and Hunt (1994), Zeithmal *et al.* (1996), and Lam *et al.* (2004) to assess attitudinal loyalty as customer's willingness to say positive things about their service provider, their willingness to encourage others to use service of their service providers, and their overall thought that their service providers have the best offers in the market. Four items were also used on a five-point Likert scale.

Behavioral loyalty: Measurement items were adapted from Morgan and Hunt (1994), Zeithmal *et al.* (1996), and Lam *et al.* (2004) and were also measured on a five-point Likert scale. The items measured customers' intention to engage in repeat purchase, attachment to the brand, and the banks' offer as their first point of reference. Three items were used.

Competition: We measured the customer's perception of competition in the banking sector with three items. We were guided by the firm's perspective measure by Jaworski and Kohli (1993) as there is no direct measure of consumer assessment of competition. Competition was conceptualized as service customers' level of perception of how intense competition is in the banking sector. All the three measures were on a five-point Likert scale. They measured customers' perception of new competitive moves in the banking sector, the rivalry's perceived intensity and constant communication of competitive offerings by the players. We see these three items as measuring the possibility of swaying customers from one brand to the other.

Customer value anticipation: Measures for CVA were adapted from the work of Flint *et al.* (2011). All scale items used a five-point Likert scale. Four items were used and measured product or service innovation, product/service modification, value predictability and the understanding of customer needs.

Validation of measures

The paper used the two-step approach to structural equation modeling (SEM) of measurement and structural testing. *AMOS 22.0* for Windows and the maximum likelihood estimation procedure were employed. The confirmatory factor analysis (CFA) was done to define the model's overall strength (Bagozzi and Yi, 2012). The study follows Hair *et al.* (2010) recommendations to assess reliability and validity. The measurement model returned good indices: CMIN/DF = 1.949, CFI = 0.95, IFI = 0. 95, TLI = 0.94, NFI = 0.90, SRMR = 0.051, RMSEA = 0.056.

We checked for convergent and discriminant validity via the average variance extracted (AVE), the correlations and the factor loadings. As displayed in Table 1, the factor loadings range from 0.702 to 1.0 above the minimum threshold of 0.60 (Anderson and Gerbing, 1988). Similarly, the AVE values of 0.543–0.817 are above the minimum required value of 0.50, as suggested by Fornell and Larcker (1981), confirming the convergent validity for all the constructs measured. Additionally, the squared correlation figures between and among constructs were lower than the AVE figures. Table 2 presents results of the square root of the AVE and the correlations among the constructs diagonally. Lastly, we assessed our construct's reliability via the internal consistency by examining the composite reliability values that ranged between 0.759 and 0.88 above the recommended threshold (Hair *et al.*, 2014; Nunnally and Bernstein, 1994).

Results

The study estimated all the hypothesized paths simultaneously in a single structural equation model. In SEM, a series of interrelated dependence relationships can be statistically

Construct/Item	Factor loading	*t*-values
Customer value anticipation (CR = 0.833; AVE = 0.556)		
My bank seems to be one step ahead of its competitors in predicting my needs	1.000	FIXED
My bank is able to understand my changing needs	0.928	12.486
My bank presents new solutions to me	0.959	12.473
My bank regularly attempts to modify its products in line with my changing needs	0.948	12.335
Competition (CR = 0.777; AVE = 0.543)		
I hear about new competitive moves from different banks almost everyday	1.000	FIXED
I feel that competition in the banking sector is intense	0.807	9.641
I see that competing banks are constantly informing customers of their service offerings	0.702	8.994
Customer satisfaction (CR = 0.852; AVE = 0.554)		
I am very satisfied with the decision to choose my bank	1.000	FIXED
I feel delighted when I think of the relationship I have with my bank	0.986	14.943
Overall, my bank treats me very fairly	0.997	15.237
Attitudinal loyalty (CR = 0.822; AVE = 0.608)		
I recommend my bank to friends who seek my advice	1.000	FIXED
I say positive things about my bank to others	0.988	15.265
I think that my bank has the best offers in the present	0.939	14.817
I will encourage friends and relatives to use the services of my bank	0.927	16.035
Behavioral loyalty (CR = 0.88; AVE = 0.646)		
I consider my bank my first choice	1.000	FIXED
I intend to buy other products from my bank	0.901	13.840
I feel more attached to my bank	0.913	14.150

Table 1.
Measurement model

Variables	1	2	3	4	5
1. AL	1				
2. BL	0.422**	1			
3. CVA	245**	231**	1		
4. CPT	−0.241**	−0.197**	0.185**	1	
5. CS	301**	322**	0.311**	−206**	1

Table 2.
Factor matrix showing discriminant validity

estimated simultaneously. That is, in SEM analysis, the postulated model can be statistically confirmed in simultaneous analysis of the total system of variables to define the extent to which it is consistent with the data. SEM, also regarded as the preferred causal modeling technique, allows for measurement error control and provides the degree of fit of the tested model (MacKinnon *et al.*, 2002). The structural model provided satisfactory fit indices that paved way for the analysis of the hypothesized model (The fit indices indicated a good fit CMIN/DF = 1.342, CMIN = 7.22, DF = 5, NFI = 0.97, TLI = 0.95, IFI = 0.97, CFI = 0.97, RMSEA = 0.044, SRMR = 0.036).

Table 3 summarizes the individual effects of the hypothesized relationships. As indicated in Table 3, the R^2 for CVA dimensions leading to satisfaction, behavioral loyalty and attitudinal loyalty are 0.53, 0.31 and 0.61, respectively. These values indicate that CVA adequately determines satisfaction, behavioral loyalty and attitudinal loyalty (*see* Henseler *et al.*, 2016). Table 3 also provides the standardized parameter estimates and significance levels for each path in our conceptual model. In respect of our hypotheses, H1a argues that

CVA is positively related to satisfaction. H1 is supported, as the path coefficient is positive and significant (β = 0.047, t-value = 8.55).

Additionally, the results revealed that CVA is significantly and positively related to behavioral loyalty (β = 0.048, t-value = 3.059). Thus, our argument that a significant relationship exists between CVA and behavioral loyalty is supported in H2a. In H2b, we argue that CVA is related to attitudinal loyalty. This is supported, as the path coefficient for CVA and attitudinal loyalty is positive and significant (β = 0.050, t-value = 9.912). Following from these results, all the path coefficient are positive, which implies that CVA and the dependent variables (i.e. satisfaction, attitudinal loyalty and behavioral loyalty) have relationships in the same direction. This implies that when customers perceive banks as having a better CVA, there is a higher chance of customer satisfaction and loyalty being built.

Moderation test

We postulate moderation effects of competition on the relationship between CVA on the one hand, satisfaction, attitudinal loyalty and behavioral loyalty on the other hand. In testing for these relationships, the multiplicative approach, as recommended by Marsh *et al.* (2007), was followed. The study standardized the interaction variables and created a single indicant (CVA* Competition) as per Ping's (1995) recommendation to reduce the possibility of multicollinearity and also to reduce model complexity. Contrary to our hypotheses, the empirical results indicate no significant relationship between CVA-competition interaction and two of the outcome variables, i.e. satisfaction and behavioral loyalty. The two relationships recorded (β = −0.040, t-value = 0.838) for satisfaction and (β = −0.036, t-value = 0.669) for attitudinal loyalty. Thus, as perceived by customers within the banking sector, competition does not strengthen or weaken these two relationships. However, a significant relationship was recorded for CVA- behavioral loyalty when competition is introduced (β = −0.098, t-value = 2.01). Figure 2 shows the interaction effect in graphical terms, showing that competition dampens the positive relationship between CVA and behavioral loyalty.

Discussions and conclusions

Some attempts have been made in the literature to discuss the relationship between CVA and its impact on customer behavioral outcomes such as satisfaction and loyalty. In some respects, these attempts have succeeded in sharing some useful insights and contributions to the marketing literature. However, our current understanding is limited because certain market conditions could serve as potential moderators for CVA and behavioral outcome relationships. The current study first examined the direct relationship between CVA and satisfaction and loyalty from the retail bank customers' perspective. Our findings confirm previous findings such as Gronroos (2008) and Flint *et al.* (2011). In the banking services

Dependent variable	Independent variable	Std. estimate	t-value
Direct effects			
Satisfaction	←Customer value anticipation (CVA)	0.047	8.550
Behavioral loyalty	←Customer value anticipation (CVA)	0.048	3.059
Attitudinal loyalty	←Customer value anticipation (CVA)	0.050	9.912
Moderating effect of competition			
Satisfaction	←CVA × competition	−0.040	0.838
Attitudinal loyalty	←CVA × competition	−0.036	0.669
Behavioral loyalty	←CVA × competition	−0.098	2.010

Table 3. Results for the path analysis through SEM

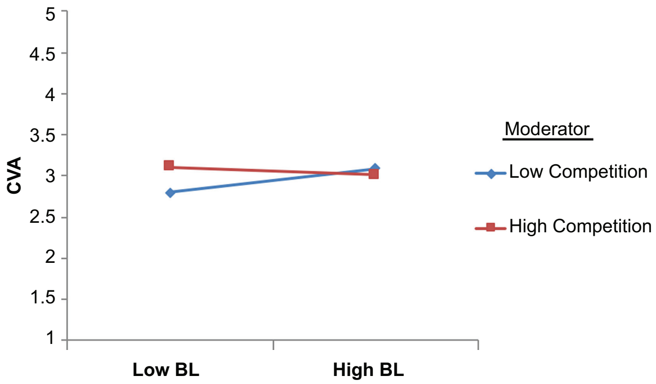

Figure 2.
CVA – competition interaction effect

sector, customers tend to reward firms that they perceive to have the capacity to anticipate their future needs with not just being satisfied with their services but with loyalty. The current study takes the CVA-loyalty relationship further by examining attitudinal and behavioral loyalty, which previous studies had not delved deeper into. The findings suggested that CVA impacts both types of loyalty.

These findings imply that customers tend to value their relationship with service providers and feel secure when they feel that the provider cannot only meet but foresee their needs. Additionally, when they sense an improvement in their service provider's ability to anticipate their value needs, they will reward such provider with some level of loyalty. The findings reinforce the assertion by Cronin and Taylor (1992), which suggests that customer expectations serve as a reference point in customers' assessment of how well the firm can meet her needs now and in the future. CVA shows banks' capacity to meet their clientele' future needs, which in turn influences their level of satisfaction now and their promise of loyalty to the bank in the future, both in terms of sharing positive news about them and their future purchases.

The study further investigates the effect of competition as perceived by customers as a possible moderator for the CVA-customer behavior relationship. The findings show that competition does not influence CVA-Satisfaction and CVA-attitudinal loyalty relationships. While we argue that consumers' perceptions and evaluation of the value received in an ongoing relationship impact their intention to stay with continually or leave a firm, the moderation effect of competition only had partial confirmation. Competition as an important market condition (see Liu and Atuahene-Gima, 2018; Song and Wang, 2018; Zahra and Covin, 1995) does not influence satisfaction and attitudinal loyalty of bank customers, if they perceive their service providers as having high levels of CVA capacity. This means that irrespective of the level of competition as perceived by customers, the value anticipation capability built by banks will protect them in times of competition. Such capability will help them keep satisfying their clientele as well as have some level of loyalty from them which will let them recommend the brand. However, we also found that competition has the potential of shaping the relationship between CVA and customers' behavioral loyalty. As explained earlier, behavioral loyalty is the expression of the customers' intention to engage in repeat purchase, their attachment to the brand and the consideration of the brand being the preferred even in the face of competitors. The findings show that as competition increases, the CVA-behavioral loyalty relationship is dampened.

Implications, conclusions and limitations

Principally, we argue that customers will be satisfied and loyal to banks that successfully anticipate their desirable future value in a firm-customer relationship. We further argued that loyalty can be measured and compared across two distinct customer loyalty dimensions (i.e. attitudinal loyalty and behavioral loyalty). Our findings contribute to the literature by demonstrating the key empirical evidence of the comparative explanatory effect of each of the two major dimensions of loyalty to CVA. Comparatively, we find that the predictive power of CVA is largely explained by behavioral loyalty than attitudinal loyalty. Empirically, to the best of our knowledge, the existing literature has received less attention on the differential weights explained by these distinct dimensions of customer loyalty so far as the influence of CVA is concerned.

Second, our proposed moderating effect of competition on our baseline conceptual model, especially using customer mindset metrics, presents a new way of understanding market competition's nature and its effects on the consumer and firm strategic intentions and processes. To the best of our knowledge, our work is the first to test the effect of situational conditions of competition on the link between CVA and satisfaction and loyalty, respectively, following calls from the extant literature (Flint *et al.*, 2011). Novel and innovatively, our measurement of competition from the customer's perspective presents insightful knowledge that adds to the marketing literature. The results suggest that competition has a significant moderating effect on CVA and behavioral loyalty but not satisfaction and attitudinal loyalty.

We offer the following practical implication. While customers may not have all that it takes to make projections into the future as to what precisely to get from their service firms, they are however satisfied with and will be loyal to service providers who are able to do so. Customers are particularly aware and consequently judge their interaction with their service providers, and they expect value from it now and in the future. Service firms that develop the capacity to predict customer needs stand to gain in this competitive landscape. While service marketers may typically treat CVA as a predictor of a service firm's market potential, the study's findings provide a more nuanced picture of the effect of CVA. Specifically, CVA influences satisfaction and loyalty and further shows that firms that are high on CVA will be more competitive now and in the future.

In more specific terms, this study offers that as an antecedent to building satisfaction and loyalty, firms must seek to find strategic ways through their CVA capabilities to be competitive. Firms can benefit from stimulating a sense of community by increasing the collaborative effect needed for a successful CVA process to enhance customer satisfaction and loyalty. Firms should improve on CVA capabilities and communicate same to the market as that can create competitive advantage.

Just like any other empirical piece, we acknowledge the limitations associated with this study and thus invite further research. First, because our empirical analysis focused on banking services, the generalizability of the findings may be constrained by some sector differences. We call for future studies to compare more sectors and analyze the potential effect of sectors on the effect of CVA on customer behavior. Our model only considered competition as the potential market level moderator. Further research may consider other boundary conditions, such as customer segments and other external market conditions. Despite these limitations, we believe our findings have brought up key issues that are incidental to CVA and customer management.

References

Anderson, J.C. and Gerbing, D.W. (1988), "Structural equation modeling in practice: a review and recommended two-step approach", *Psychological Bulletin*, Vol. 103 No. 3, pp. 411-421.

Anning-Dorson, T. (2017a), “Moderation-mediation effect of market demand and organization culture on innovation and performance relationship”, *Marketing Intelligence and Planning*, Vol. 35 No. 2, pp. 222-242.

Anning-Dorson, T. (2017b), “How much and when to innovate: the nexus of environmental pressures, innovation and service firm performance”, *European Journal of Innovation Management*, Vol. 20 No. 4, pp. 599-619.

Anning-Dorson, T., Hinson, R.E. and Amidu, M. (2018), “Managing market innovation for competitive advantage: how external dynamics hold sway for financial services”, *International Journal of Financial Services Management*, Vol. 9 No. 1, pp. 70-87.

Anning-Dorson, T., Nyamekye, M.B. and Odoom, R. (2017), “Effects of regulations and competition on the innovativeness-performance relationship”, *International Journal of Bank Marketing*, Vol. 35 No. 6, pp. 925-943.

Augier, M. and Teece, D.J. (2009), “Dynamic capabilities and the role of managers in business strategy and economic performance”, *Organization Science*, Vol. 20 No. 2, pp. 410-421.

Bagozzi, R.P. and Yi, Y. (2012), “Specification, evaluation, and interpretation of structural equation models”, *Journal of the Academy of Marketing Science*, Vol. 40 No. 1, pp. 8-34.

Baldinger, A.L. and Rubinson, J. (1996), “Brand loyalty: the link between attitude and behaviour”, *Journal of Advertising Research*, Vol. 36 No. 6, pp. 22-35.

Balkyte, A. and Tvaronavičiene, M. (2010), “Perception of competitiveness in the context of sustainable development: facets of ‘sustainable competitiveness’”, *Journal of Business Economics and Management*, Vol. 11 No. 2, pp. 341-365.

Ballantyne, D. and Varey, R.J. (2008), “The service-dominant logic and the future of marketing”, *Journal of the Academy of Marketing Science*, Vol. 36 No. 1, pp. 11-14.

Bettman, J.R. and Park, C.W. (1980), “Effects of prior knowledge and experience and phase of the choice process on consumer decision processes: a protocol analysis”, *Journal of Consumer Research*, Vol. 7 No. 3, pp. 234-248.

Bhatnagar, S., Mishra, J. and Syed, A. (2019), “Customer disloyalty in retail banking services: attitudinal and behavioural dimensions”, *Asia-Pacific Journal of Business Administration*, Vol. 11 No. 1, pp. 46-67.

Blankson, C., Ketron, S. and Darmoe, J. (2017), “The role of positioning in the retail banking industry of Sub-Saharan Africa”, *International Journal of Bank Marketing*, Vol. 35 No. 4, pp. 685-713.

Boateng, H., Adam, D.R., Okoe, A.F. and Anning-Dorson, T. (2016), “Assessing the determinants of internet banking adoption intentions: a social cognitive theory perspective”, *Computers in Human Behavior*, Vol. 65, pp. 468-478.

Boso, N., Adeola, O., Danso, A. and Assadinia, S. (2019), “The effect of export marketing capabilities on export performance: moderating role of dysfunctional competition”, *Industrial Marketing Management*, Vol. 78, pp. 137-145.

Chakravarty, S., Feinberg, R. and Rhee, E.Y. (2004), “Relationships and individuals’ bank switching behaviour”, *Journal of Economic Psychology*, Vol. 25 No. 4, pp. 507-527.

Chen, S.C. (2015), “Customer value and customer loyalty: is competition a missing link?”, *Journal of Retailing and Consumer Services*, Vol. 22, pp. 107-116.

Chiu, C.M., Wang, E.T., Fang, Y.H. and Huang, H.Y. (2014), “Understanding customers’ repeat purchase intentions in B2C e-commerce: the roles of utilitarian value, hedonic value and perceived risk”, *Information Systems Journal*, Vol. 24 No. 1, pp. 85-114.

Cravens, D.W., Greenley, G., Piercy, N.F. and Slater, S. (1997), “Integrating contemporary strategic management perspectives”, *Long Range Planning*, Vol. 30 No. 4, pp. 493-506.

Cronin, J.J. Jr and Taylor, S.A. (1992), “Measuring service quality: a reexamination and extension”, *Journal of Marketing*, Vol. 56 No. 3, pp. 55-68.

Cunningham, R.M. (1956), "Brand loyalty-what, where, how much", *Harvard Business Review*, Vol. 34 No. 1, pp. 116-128.

Dick, A.S. and Basu, K. (1994), "Customer loyalty: toward an integrated conceptual framework", *Journal of the Academy of Marketing Science*, Vol. 22 No. 2, pp. 99-113.

Durkin, S. (2017), "The competitive effects of loyalty discounts in a model of competition implied by the discount attribution test", *Antitrust Law Journal*, Vol. 81 No. 2, pp. 475-506.

Fishbein, M. and Ajzen, I. (1975), *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research*, Addison-Wesley Publishing Co, MA.

Flint, D.J., Blocker, C.P. and Boutin, P.J. Jr (2011), "Customer value anticipation, customer satisfaction and loyalty: an empirical examination", *Industrial Marketing Management*, Vol. 40 No. 2, pp. 219-230.

Fornell, C. and Larcker, D.F. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research*, Vol. 18 No. 1, pp. 39-50.

Grönroos, C. (2008), "Service logic revisited: who creates value? And who co-creates?", *European Business Review*, Vol. 20 No. 4, pp. 298-314.

Guest, L. (1944), "A study of brand loyalty", *Journal of Applied Psychology*, Vol. 28 No. 1, pp. 16-27.

Hair, J.F., Black, W.C., Babin, B.J. and Anderson, R.E. (2010), *Multivariate Data Analysis*, 7th ed., Prentice Hall, , NJ.

Hair, J.F. Jr, Sarstedt, M., Hopkins, L. and Kuppelwieser, V.G. (2014), "Partial least squares structural equation modeling (PLS-SEM): an emerging tool in business research", *European Business Review*, Vol. 26 No. 2, pp. 106-121.

Henseler, J., Ringle, C.M. and Sarstedt, M. (2016), "Testing measurement invariance of composites using partial least squares", *International Marketing Review*, Vol. 33 No. 3, pp. 405-431.

Hinson, R., Boateng, R. and Madichie, N. (2010), "Corporate social responsibility activity reportage on bank websites in Ghana", *The International Journal of Bank Marketing*, Vol. 28 No. 7, pp. 498-518.

Ho, Y.C., Hsieh, M. and Yu, A.P. (2014), "Customer loyalty in medical tourism services industry", *Information Technology Journal*, Vol. 13 No. 4, pp. 652-660.

Huber, F., Herrmann, A. and Morgan, R.E. (2001), "Gaining competitive advantage through customer value oriented management", *Journal of Consumer Marketing*, Vol. 18 No. 1, pp. 41-53.

Jaworski, B.J. and Kohli, A.K. (1993), "Market orientation: antecedents and consequences", *Journal of Marketing*, Vol. 57 No. 3, pp. 53-70.

Johnson, M.D. and Fornell, C. (1991), "A framework for comparing customer satisfaction across individuals and product categories", *Journal of Economic Psychology*, Vol. 12 No. 2, pp. 267-286.

Kandampully, J. and Duddy, R. (1999), "Competitive advantage through anticipation, innovation and relationships", *Management Decision*, Vol. 37 No. 1, pp. 51-56.

Lam, S.Y., Shankar, V., Erramilli, M.K. and Murthy, B. (2004), "Customer value, satisfaction, loyalty, and switching costs: an illustration from a business-to-business service context", *Journal of the Academy of Marketing Science*, Vol. 32 No. 3, pp. 293-311.

Liu, W. and Atuahene-Gima, K. (2018), "Enhancing product innovation performance in a dysfunctional competitive environment: the roles of competitive strategies and market-based assets", *Industrial Marketing Management*, Vol. 73, pp. 7-20.

MacKinnon, D.P., Lockwood, C.M., Hoffman, J.M., West, S.G. and Sheets, V. (2002), "A comparison of methods to test mediation and other intervening variable effects", *Psychological Methods*, Vol. 7 No. 1, pp. 83-104.

Marsh, H.W., Wen, Z., Hau, K.T., Little, T.D., Bovaird, J.A. and Widaman, K.F. (2007), "Unconstrained structural equation models of latent interactions: contrasting residual- and mean-centered approaches", *Structural Equation Modeling: A Multidisciplinary Journal*, Vol. 14 No. 4, pp. 570-580.

Mishra, S., Ewing, M.T. and Pitt, L.F. (2020), "The effects of an articulated customer value proposition (CVP) on promotional expense, brand investment and firm performance in B2B markets: a text based analysis", *Industrial Marketing Management*, Vol. 87, pp. 264-275.

Morgan, R.M. and Hunt, S.D. (1994), "The commitment-trust theory of relationship marketing", *Journal of Marketing*, Vol. 58 No. 3, pp. 20-38.

Narteh, B. and Kuada, J. (2014), "Customer satisfaction with retail banking services in Ghana", *Thunderbird International Business Review*, Vol. 56 No. 4, pp. 353-371.

Nunnally, J.C. and Bernstein, I.H. (1994), *Psychometric Theory*, 3rd ed., McGraw-Hill, New York.

Obuobi, B., Nketiah, E., Awuah, F. and Amadi, A.G. (2019), "Recapitalization of banks: analysis of the Ghana banking industry", *Open Journal of Business and Management*, Vol. 8, pp. 78-103.

Oliver, R.L. (1997), "Loyalty and profit: long-term effects of satisfaction", *Satisfaction: A Behavioural Perspective on the Consumer*, McGraw-Hill Companies, New York, NY.

Otto, A.S., Szymanski, D.M. and Varadarajan, R. (2019), "Customer satisfaction and firm performance: insights from over a quarter century of empirical research", *Journal of the Academy of Marketing Science*, Vol. 48 No. 3, pp. 543-564.

Ping, R.A. Jr (1995), "A parsimonious estimation technique for interaction and quadratic latent variables", *Journal of Marketing Research*, Vol. 32 No. 3, pp. 336-347.

Raj, G., Javalgi, R. and Moberg, C.R. (1997), "Service loyalty: implications for service providers", *Journal of Services Marketing*, Vol. 11 No. 3, pp. 165-179.

Russo, J.E. and Dosher, B.A. (1983), "Strategies for multiattribute binary choice", *Journal of Experimental Psychology: Learning, Memory, and Cognition*, Vol. 9 No. 4, p. 676.

Salem Khalifa, A. (2004), "Customer value: a review of recent literature and an integrative configuration", *Management Decision*, Vol. 42 No. 5, pp. 645-666.

Sheth, J.N. (2011), "Impact of emerging markets on marketing: rethinking existing perspectives and practices", *Journal of Marketing*, Vol. 75 No. 4, pp. 166-182.

Song, M. and Wang, S. (2018), "Market competition, green technology progress and comparative advantages in China", *Management Decision*, Vol. 56 No. 1, pp. 188-203.

Spreng, R.A., MacKenzie, S.B. and Olshavsky, R.W. (1996), "A reexamination of the determinants of consumer satisfaction", *The Journal of Marketing*, Vol. 60 No. 3, pp. 15-32.

Story, V.M., Boso, N. and Cadogan, J.W. (2015), "The form of relationship between firm-level product innovativeness and new product performance in developed and emerging markets", *Journal of Product Innovation Management*, Vol. 32 No. 1, pp. 45-64.

Torkzadeh, S., Zolfagharian, M. and Iyer, P. (2020), "Customer value co-creation behaviors and service outcomes: insights from a transformative service", *Journal of Strategic Marketing*, pp. 1-23, doi: 10.1080/0965254X.2020.1777458.

Uncles, M.D., Dowling, G.R. and Hammond, K. (2003), "Customer loyalty and customer loyalty programs", *Journal of Consumer Marketing*, Vol. 20 No. 4, pp. 294-316.

Vargo, S.L. and Lusch, R.F. (2004), "Evolving to a new dominant logic for marketing", *Journal of Marketing*, Vol. 68 No. 1, pp. 1-17.

Wang, Y., Po Lo, H., Chi, R. and Yang, Y. (2004), "An integrated framework for customer value and customer-relationship-management performance: a customer-based perspective from China", *Managing Service Quality: An International Journal*, Vol. 14 Nos 2/3, pp. 169-182.

Westbrook, R.A. (1987), "Product/consumption-based affective responses and post purchase processes", *Journal of Marketing Research*, Vol. 24 No. 3, pp. 258-270.

Westbrook, R.A. and Oliver, R.L. (1991), "The dimensionality of consumption emotion patterns and consumer satisfaction", *Journal of Consumer Research*, Vol. 18 No. 1, pp. 84-91.

Woodruff, R.B. (1997), "Customer value: the next source for competitive advantage", *Journal of the Academy of Marketing Science*, Vol. 25 No. 2, p. 139.

YuSheng, K. and Ibrahim, M. (2019), "Service innovation, service delivery and customer satisfaction and loyalty in the banking sector of Ghana", *International Journal of Bank Marketing*, Vol. 37 No. 5, pp. 1215-1233.

Zahra, S.A. and Covin, J.G. (1995), "Contextual influences on the corporate entrepreneurship-performance relationship: a longitudinal analysis", *Journal of Business Venturing*, Vol. 10 No. 1, pp. 43-58.

Zeithaml, V.A., Berry, L.L. and Parasuraman, A. (1996), "The behavioral consequences of service quality", *The Journal of Marketing*, Vol. 60 No. 2, pp. 31-46.

Zeithaml, V.A., Verleye, K., Hatak, I., Koller, M. and Zauner, A. (2020), "Three decades of customer value research: paradigmatic roots and future research avenues", *Journal of Service Research*, Vol. 23 No. 4, pp. 409-432, doi: 10.1177/1094670520948134.

Zhang, H., Liang, X. and Wang, S. (2016), "Customer value anticipation, product innovativeness, and customer lifetime value: the moderating role of advertising strategy", *Journal of Business Research*, Vol. 69 No. 9, pp. 3725-3730.

Zhao, Y. and Cavusgil, S.T. (2006), "The effect of supplier's market orientation on manufacturer's trust", *Industrial Marketing Management*, Vol. 35 No. 4, pp. 405-414.

Corresponding author
Thomas Anning-Dorson can be contacted at: thomasdorson@gmail.com