The effect of corporate reputation on customer loyalty in the Ghanaian banking industry: the role of country-of-origin

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Abstract

Purpose – Customer loyalty is of growing interest to many service firms due to the many tangible and intangible benefits it offers them. However, building customer loyalty is challenging for many service firms. This study aims to examine the impact of corporate reputation on customer loyalty. It also assesses the moderating role of the firm's country of origin in this relationship.

Design/methodology/approach – Survey research design was used to collect data from 367 universal banks' customers. Data were analysed using structural equation modelling.

Findings – The findings shed light on several crucial aspects of corporate reputation that influence customer loyalty. Specifically, signals of corporate social responsibility, corporate credibility, product attributes and relationship marketing were found to have a substantial impact on customer loyalty. Additionally, the study uncovers a noteworthy insight that the firm's country of origin plays a moderating role in the relationship between corporate reputation and customer loyalty, particularly in the context of the banking sector.

Originality/value – This research stands out due to its utilisation of signalling theory, making it one of the pioneering works in the bank brand management literature. It presents a comprehensive corporate reputation framework and its profound implications for customer loyalty. Furthermore, the study underscores the significance of considering the strength of the country-of-origin effect in shaping customer loyalty relationships.

Keywords Corporate reputation, Signalling theory, Corporate social responsibility, Relationship marketing, Product quality, Corporate credibility, Country-of-origin, Customer loyalty

Paper type Research paper

Introduction

Many service firms, such as banks, strive to establish and maintain customer loyalty. Yet, this endeavour presents one of the most challenging decisions for these firms to overcome (Khan *et al.*, 2022). According to Narteh and Braimah (2020), corporate reputation is the heart and soul of every organisation and must not be taken lightly. Some companies have lost customers due to perceived lack of corporate reputation initiatives in their respective markets (Ahn *et al.*, 2021). Corporate reputation serves as a crucial intangible resource for service firms, impacting both customers and the firms themselves. It can easily be tarnished by a company's actions and inactions (Helm and Tolsdorf, 2013). Several studies emphasise its relevance, demonstrating that corporate reputation influences firm profitability, while others confirm its effect on customer loyalty (Narteh and Owusu-Frimpong, 2011; Khan *et al.*, 2022). Despite these findings, an investigation into the corporate reputation literature reveals the existence of some pertinent research gaps.

Extant studies on consumer behaviour have often treated corporate reputation as a one-dimensional construct (Narteh and Owusu-Frimpong, 2011; Helm and Tolsdorf, 2013). Then again, Keller (2013) and Narteh and Braimah (2020) argue that one-dimensional measures do not fully capture the richness of reputation's meaning. To address this, Keller (2013) proposed a multi-dimensional construct comprising firm behaviours such as product or service quality, relationship marketing, CSR and corporate credibility, forming a corporate reputation-building framework for service firms. Despite this conceptual framework, there is a lack of empirical evidence examining its practical application and its impact on customer loyalty. The link between Keller's (2013) operationalisation of corporate reputation and its effect on customer loyalty remains largely unexplored in existing research. Therefore, the aim of this study is to bridge this gap by investigating the framework in the context of the Ghanaian banking industry.

Building a strong reputation is a paramount concern for Ghanaian banks, particularly in the aftermath of the banking sector crisis, where banks' reputation has been viewed negatively by customers (Ofori, 2023; Osakwe *et al.*, 2020). Yomboi *et al.*'s study (2021) revealed that the crisis had significant impacts on customers, leading to the loss of capital, reduced motivation for further savings, difficulties in repaying creditors and a general decline in the ability to cater to customer needs, such as educational plans. The crisis shattered the already waning trust customers had in the financial sector, as their entire savings were liquidated by the affected banks (Kamason, 2020). Between 2017 and 2019, the Ghanaian banking industry experienced its worst reputational crisis to date, resulting in the regulator revoking the licences of UT Bank Limited and Capital Bank Limited, which were subsequently taken over by GCB Bank (Bank of Ghana, 2017).

Additionally, in 2018, the Bank of Ghana established Consolidated Bank Ghana (CBG) to take over Sovereign Bank, Royal Bank, The Beige Bank, Construction Bank and Unibank, all of which were facing liquidity challenges (Bank of Ghana, 2018). Prior to these developments, the reputation of banks in Ghana had been a significant concern amongst industry players and academics. A consumer survey ranking Ghanaian banks highlighted that local banks faced the most substantial reputational challenges (PWC, 2021). The revocation of licences has deeply affected Ghanaians emotionally due to the loss of invested funds and the economic hardships resulting from the crises. Academics (e.g. Narteh and Braimah, 2020; Osakwe *et al.*, 2020) acknowledge the urgent need for banks to enhance their reputation, as it is a crucial factor for long-term business success, given its potential to win customer trust. Nevertheless, this call has yet to be adequately addressed.

Additionally, despite being a powerful marketing tool with significant effects on consumer behaviour (Lee *et al.*, 2019), the impact of corporate reputation on customer loyalty is often studied without considering the role of the country of origin (COO). However, existing evidence suggests that the COO can influence the relationship between corporate reputation and customer loyalty (Matarazzo *et al.*, 2018;Mariutti and de Moura Engracia Giraldi, 2019; Nainggolan and Hidayet, 2020). In other words, the COO can either enhance or diminish the impact of corporate reputation on customer loyalty. Many studies have explored the effects of COO on consumer preferences and behaviour (Thøgersen *et al.*, 2017). COO refers to the information about where a product is made and is often used by customers to assess product quality (Wu *et al.*, 2016, p. 216). Yet, the results of these studies have been inconsistent. While some scholarship suggests that consumers respond positively to brands from countries with favourable images (Lee *et al.*, 2014), others argue that the influence of COO on consumer behaviour is overrated, as most consumers rarely use COO signals in their purchasing decisions (Balabanis and Diamantopoulos, 2004).

Given these inconsistencies, there is a need for further research to assess the impact of COO on customer loyalty in different contexts (Lee *et al.*, 2019). Few studies have explored the effect of COO on strengthening or weakening the relationship between corporate reputation and customer loyalty. Therefore, this study aims to address these research gaps by investigating the relationships between the multiple dimensions of corporate reputation, as proposed by Keller (2013), and customer loyalty to universal banks. The study also examines the moderating effect of the COO of banks, particularly considering the negative impact experienced by local banks during the Ghanaian banking sector crisis.

This study utilises signalling theory to explore the connections between corporate reputation, customer loyalty and the impact of COO in the Ghanaian banking industry. Signalling theory is crucial here, as it explains how firms use strategic signals like corporate reputation and COO cues to reduce information asymmetry and convey positive brand information to consumers (Cowan and Guzman, 2020). Essentially, brands employ signals to inform consumers about their actions, attributes and quality, thereby building trust, reducing risks and increasing utility expectations (Baumgartner *et al.*, 2020; Islam *et al.*, 2021). Signalling theory is essential because sellers typically possess more information about the brand than consumers (Ali *et al.*, 2021), leading to information asymmetry. These signals help consumers overcome doubts about a brand (Latif *et al.*, 2020), making them seek authentic and reliable signals that influence customer loyalty towards corporate brand reputations (Guzmán and Davis, 2017). Thus, this study aims to investigate the relationships amongst corporate reputation, customer loyalty and COO cues by drawing on signalling theory (Cowan and Guzman, 2020). By doing so, we aim to shed light on how these strategic signals impact consumer behaviour in the Ghanaian banking industry.

Understanding these relationships contributes to consolidating the strategic importance of corporate reputation as a communication tool that enhances a firm's position through sustained loyalty. In other words, by enriching our understanding of these dynamics, this paper contributes valuable insights for service firms aiming to bolster customer loyalty and effectively manage their brand in the competitive marketplace. Moreover, the neglected moderating effect of the COO can either strengthen or weaken the impact of corporate reputation on customer loyalty. Hence, assessing its role in this relationship will provide bank managers with strategic insight into developing, implementing and managing corporate reputation to sustain customer loyalty (Rambocas and Ramsubhag, 2018). The following section discusses the theoretical foundation and literature review, followed by the proposed hypotheses. Next, the study's methodology and results are presented. Finally, the study's implications, limitations and possible directions for future research are provided.

Theoretical foundation and literature review

The signalling role of corporate reputation activities

Corporate reputation has been a subject of scholarly interest in economics, organisational theory and marketing since the 1950s (Maden *et al.*, 2012). From a marketing perspective, Fombrun *et al.* (2000, p. 243) define corporate reputation as "a collective assessment of a company's ability to provide valued outcomes to a representative group of stakeholders." Ponzi and Gardberg (2011) theorise that a firm's actions and values determine its reputation. Thus, a strong reputation necessitates diverse positive corporate behaviours (Narteh and Braimah, 2020) resulting in public approval, trust, respect and confidence in the organisation. Corporate reputation is shaped by stakeholders' direct and indirect experiences with the company, serving as signals that influence specific behavioural responses (Maden *et al.*, 2012). Building on prior studies (Maden *et al.*, 2012; Cowan and Guzman, 2020; Baumgartner *et al.*, 2020; Islam *et al.*, 2021), this study employs signalling theory to elucidate how reputation-building blocks impact and sustain customer loyalty. Signalling theory, commonly used in marketing literature, explains the interactions between parties (seller and buyer) when confronted with information asymmetry (Boateng, 2018). Essentially, corporate brands can use signals to reduce market uncertainty, enhance customer loyalty (Sun *et al.*, 2022) and facilitate the evaluation of value for money by consumers.

A firm's reputation is a crucial signal that reduces customers' risks and encourages product adoption (Maden *et al.*, 2012; Cowan and Guzman, 2020), representing quality and ethical conduct during market transactions. Signalling, as defined by Chang and Tanford (2018), encompasses various actions taken by the seller, such as Corporate Social Responsibility (CSR), corporate credibility activities, product quality and relationship marketing practices. These strategic signals contribute to a strong corporate reputation. In the global financial service sector, characterised by uncertainty and risk-averse customers, signalling theory suggests that customers engage in cognitive effort to interpret information conveyed through reputation building blocks, resulting in customer loyalty. The effectiveness of reputation signals may also be influenced by a brand's origin (Oberseder *et al.*, 2013). Origin can impact how consumers perceive corporate brand reputation. In sum, corporate reputation holds substantial importance in various disciplines, particularly marketing. Signalling theory sheds light on how reputation-building blocks influence customer loyalty, reduce uncertainty and assist consumers in evaluating value for money. A strong reputation serves as a signal of quality and ethical practices, fostering public trust and confidence in the organisation. Understanding the significance of signalling and origin can help companies effectively communicate their reputation to their target audience.

Customer loyalty

Customer loyalty, a crucial aspect of marketing, has garnered significant attention from scholars and practitioners alike (Jung *et al.*, 2020). Defined by Izogo *et al.* (2017) as the commitment of customers to continuously purchase from a company over time in a competitive context, it contributes to firm profitability and sustainable competitive advantage. By fostering a firm's competitive edge, loyalty becomes an invaluable asset, securing future sales and enhancing profitability (Adam *et al.*, 2018). Narteh *et al.* (2012) as well as Izogo *et al.* (2017) highlight various factors influencing customer loyalty, including relationship quality, service quality, CSR, corporate reputation, product quality, customer satisfaction and trust. Understanding and nurturing these factors can significantly impact a company's success.

Research model and hypotheses development

CSR signals and customer loyalty

CSR is a crucial concept where companies incorporate social and environmental concerns into their business processes and interactions with stakeholders. Engaging in CSR activities, such as supporting sustainable legislation, diversity, equality, inclusion, charity work and volunteer projects, sends strong signals about a company's reputation (Herold *et al.*, 2020). Ahn *et al.* (2021) emphasise that CSR signals are vital for a firm's survival. Neglecting CSR investment and communication can lead to negative signals and consumer boycotts. Lee and Lee (2018) conducted a study revealing that a company's dedication to CSR commitments positively influences public perceptions and, importantly, customer loyalty. Additionally, Ahn *et al.* (2021) found a positive relationship between CSR and corporate reputation, attracting socially responsible customers and influencing customer loyalty. Thus, our hypothesis is as follows:

H1. Corporate reputation building blocks of CSR signals positively affect customer loyalty.

Relationship quality signals and customer loyalty

Firms recognise the significance of developing positive customer relationships to enhance loyalty (Boateng, 2018). Existing research indicates that breaches in these relationships can negatively impact trust and loyalty (Sajtos *et al.*, 2010). Additionally, failure to effectively recover from such breaches can severely damage a company's reputation (Komaroval *et al.*, 2018). To safeguard against reputational harm through relationship marketing, firms must convey signals of empathy, care, friendliness, transparency, security, interaction, personalisation and co-creation. Thaichon *et al.* (2019) propose that these relationship quality signals play a crucial role in shaping customer perceptions of corporate reputation and influencing loyalty. Based on this premise, we hypothesise that:

H2. Corporate reputation-building block of relationship marketing practices positively affects customer loyalty.

Product quality signals and customer loyalty

Product quality refers to how well a product meets customer needs and industry standards, serving its purpose effectively (Eren, 2021). In today's competitive landscape, businesses utilise various signals to convey high-quality offerings, such as location and address, product benefits, testimonials and logos (Basoglu and Hess, 2014). Customers heavily rely on these cues to assess a company's reputation. Research suggests that the most critical product quality signals affecting corporate reputation and loyalty decisions are warranties, product price, appearance, brand name and advertising campaigns (Narteh *et al.*, 2012; Eren, 2021). Based on this, we propose the following hypothesis:

H3. Corporate reputation building block of product quality signals positively affects customer loyalty.

Corporate credibility signals and customer loyalty

Corporate credibility refers to consumers' belief in a company's expertise and trustworthiness (Newell and Goldsmith, 2001). Firms establish credibility through integrity, honesty, a competent workforce, experience and industry recognition (Azizan and Shailer, 2023). This credibility significantly impacts customer loyalty and contributes to a solid corporate reputation. Conversely, signals like producing unsafe, substandard, or imitated products and legal conflicts with state authorities indicate poor corporate credibility, leading to a negative reputation and customer churn (Hur *et al.*, 2014). Among various variables studied by Hur *et al.* (2014) as well as Azizan and Shailer (2023), corporate credibility emerges as the strongest predictor of customer loyalty. Based on this, we propose the following hypothesis:

H4. Corporate reputation building blocks of corporate credibility signals positively affect customer loyalty.

The moderating role of country of origin

Customers rely on information cues, whether internal or external, which significantly impact their product expectations (Rambocas and Ramsubhag, 2018). Internal cues pertain to a product's attributes, while external cues are unrelated to the product itself (Feng *et al.*, 2020). Notably, research indicates that customers place more emphasis on a product's external cues as they serve as indicators of its quality (Xiao *et al.*, 2019), which is closely associated with the product's Country of Origin (COO). COO acts as a crucial reputational cue affecting customer loyalty. Rambocas and Ramsubhag (2018) have verified the moderating role of COO, demonstrating that a strong COO enhances customer loyalty. Meanwhile, Samiee *et al.* (2005) found that the COO effect might be overstated because some consumers lack full knowledge or awareness of the brand's origins. Additionally, Hien *et al.* (2020) discovered that the impact of COO becomes more evident during uncertain economic climates. Furthermore, Cowan and Guzman (2020) suggested that in turbulent markets, COO can influence how reputation signals relate to customer loyalty. Consequently, corporate brands headquartered in countries with weaker reputations might benefit more from authentic reputation signals. Therefore, we hypothesise that the COO's reputation moderates the influence of the corporate reputation signal on customer loyalty. Thus:

H5. COO of banks moderates the relationship between corporate reputation and customer loyalty.

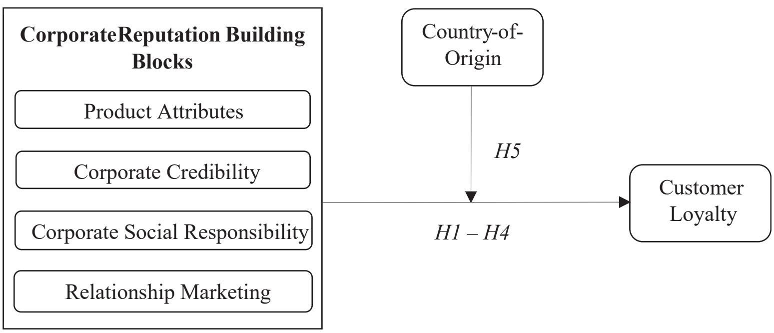
Methodology

Sample and data collection

This paper employs a quantitative research approach, utilising surveys to investigate the research hypotheses. The intercept approach (Boateng, 2018) was employed to purposively sample 367 customers of universal banks at the University of Ghana banking square, a major location for universal banks serving the public in Ghana. The intercept approach involved approaching respondents after they completed their banking transactions and were leaving the banking hall. Ultimately, the study included responses from customers of 18 universal banks. Data analysis was conducted using structural equation modelling with AMOS version 21 (Hair *et al.*, 2013).

Questionnaire and measurement items

The constructs presented in Figure 1 were captured using multiple items measured on a five-point Likert scale ranging from 1, "strongly disagree," to 5, "strongly agree." The measurement items were adapted from prior studies. The items on Product quality were 3 adapted from Narteh *et al.* (2012). Relationship marketing items were 18 adapted from Narteh *et al.* (2013). Corporate credibility had 8 items adapted from Newell and Goldsmith (2001). CSR had 9 items adapted from Turker (2009), whereas customer loyalty was measured using 7 items adapted from Hsu *et al.* (2015). Each construct and its respective measurement items are presented in Table 2.



Source(s): Adapted from Keller (2013)

Figure 1.
Research model

Control variable

Largely, empirical studies on reputation strategy-loyalty relationships include some control variables to ensure that results are not unduly influenced by these factors. In this study, education was controlled based on the argument posited by Narteh and Braimah (2020) that corporate reputation assessment may vary depending on an individual's educational standing.

Results

Sample characteristics

The demographical profile of the sample is presented in Table 1.

Psychometric properties of the scales

Confirmatory factor analysis (CFA) was conducted to assess the reliability and validity of the constructs and scales (Kyriazos, 2018). Internal consistency values were evaluated using Cronbach's alpha (CA), composite reliability (CR) and factor loadings on corresponding constructs. Table 2 presents the CFA results, indicating that CA (α), CR, AVEs and factor loadings all exceeded recommended thresholds (Bagozzi and Yi, 2012), demonstrating excellent item convergence for all constructs. The data's fit indices for the six latent variables were also strong, with Chi-square (CMIN/DF) at 1.92, Comparative Fit Index (CFI) at 0.95, Standardised Root Mean Square Residual (SRMR) at 0.05 and Root Mean Squared Error of Approximation (RMSEA) at 0.05. Additionally, each factor loading in the table surpassed 0.5, meeting the acceptability criteria (Hair *et al.*, 2013).

Finally, as shown in Table 3, the AVE of each construct was far greater than the corresponding inter-construct squared correlations (Fornell and Larcker, 1981), and the discriminant validity of the model was, therefore, established.

Structural model and moderation effects of Bank's origin

In addition to testing the individual relationships, multi-group analysis was performed to estimate the moderating role of COO of banks on corporate reputation and customer loyalty. The multi-group analysis is a method used to test if pre-defined data groups have significant differences in their group-specific parameter estimates (Deng and Yuan, 2015). In doing so, banks were grouped into local and foreign banks. Respondents with foreign banks'

Details	Measurement	Frequency	Percentage
Gender	Male	192	52.3
	Female	175	47.7
Age	18–21	55	15
	22–26	95	25.9
	27–31	111	30.2
	32–36	56	15.3
	over 37	50	13.6
Nationality	Ghanaian	342	93.2
	Non-ghanaian	25	6.8
Education	Bachelor	200	54.5
	Master's degree	163	44.4
	PhD	4	1.1
Bank preference	Foreign bank	203	55.3
	Local bank	164	44.7

Source(s): Authors own creation

Table 1. Demographic profile and bank preference

Construct and measurement items	Loadings	*t*-value	A	CR	AVE
Relationship marketing			*0.95*	*0.96*	*0.57*
My bank is excellent in-service delivery	0.79	Fixed			
My bank's staff possess the right skills	0.82	17.96			
My bank fulfils its promises	0.80	17.42			
My bank's staff are very efficient	0.78	16.70			
My bank's staff are very approachable	0.79	16.93			
My bank fulfils its obligations	0.77	17.77			
My bank's staff are knowledgeable	0.81	17.50			
I have confidence in my bank's services	0.79	17.09			
My bank provides accurate information	0.77	16.54			
My bank shows me respect	0.83	18.07			
My bank solves problems promptly	0.70	14.60			
My bank tries to solve manifest conflicts	0.72	14.98			
My bank provides information on new products	0.78	16.63			
My bank provides timely and trustworthy information	0.77	16.46			
My bank discusses new ways of improving services with me	0.52	10.25			
My bank listens well and understands my grievances	0.70	14.47			
My bank tries to avoid potential conflicts	0.73	15.31			
My bank offers personalised services	0.72	15.06			
Corporate social responsibility			*0.92*	*0.92*	*0.58*
My bank targets sustainable growth, which considers future generations	0.77	Fixed			
My bank implements special programs to minimise its negative impact on the natural environment	0.77	15.62			
My bank makes investments to create a better life for future generations	0.84	17.48			
My bank contributes to the campaigns and projects that promote the well-being of the society	0.71	14.19			
My bank participates in activities which aim to protect and improve the quality of the natural environment	0.83	17.1			
My bank supports non-governmental organisations working in problematic areas	0.67	13.25			
Customer satisfaction is highly important to my bank	0.77	15.57			
My bank respects consumer rights beyond the legal requirements	0.69	13.69			
Product attribute			*0.90*	*0.94*	*0.84*
I like attractive and well-designed bank products/services	0.85	Fixed			
I prefer bank products/services that are safe/secured	0.94	25.76			
I will choose bank products/services which are of value to me	0.95	26.15			
Corporate credibility			*0.85*	*0.92*	*0.69*
My bank has great expertise	0.89	Fixed			
My bank has a great amount of experience	0.87	22.99			
My bank is skilled in what they do	0.88	23.61			
My bank is honest	0.72	16.74			
My bank makes truthful claims	0.78	19.17			
Customer loyalty			*0.95*	*0.92*	*0.75*
I will continue to transact business with my bank irrespective of service charges	0.78	Fixed			
I will transact with my bank anytime	0.91	19.85			
I will bank with my bank irrespective of competitor offerings	0.83	17.64			
I am committed to performing transactions with my bank in the foreseeable future	0.92	17.48			
If I could, I would like to continue patronising my bank	0.92	33.05			
I plan to continue using my bank to purchase products in the future	0.95	30.05			
It is likely that I will continue purchasing products from my bank in the future	0.92	30.15			

Source(s): Authors own creation

Table 2.
Confirmatory factor analysis and factor loadings

preferences were (n = 203), while local banks' preferences were (n = 164). The differences between the two groups were estimated by comparing the X^2 statistics of the cross-group equality constraint model and the unconstrained model. From Table 4, a meaningful difference between the variables has been established. Thus, the study argues that there is a moderating effect of COO of banks on the relationship between corporate reputation and customer loyalty. The significant difference between the two models can be identified by the chi-square difference test (X^2) variation (Satorra and Bentler, 2001).

Moreover, we assessed if the paths were invariant. The baseline model (an unconstrained model) was examined against a fully constrained model in which the regression weights between foreign and local banks were specified to be equal across groups through sequential chi-square tests, as suggested by LaNoue *et al.* (2015). As shown in Table 4, the chi-square difference between foreign banks and local banks was significant ($\Delta\chi^2$ = 11.16, Δd.f. = 5, p < 0.05). This is an indication that the COO effect is an important factor in the Ghanaian banking landscape since it strengthens the relationship between corporate reputation and customer loyalty, in favour of foreign banks.

	RM	CSR	PA	CC	CL
RM	*0.76*				
CSR	0.74	*0.76*			
PA	0.74	0.47	*0.92*		
CC	0.82	0.69	0.75	*0.83*	
CL	0.69	0.66	0.51	0.71	*0.86*

Note(s): Relationship marketing (RM), Corporate social responsibility (CSR), Products attributes (PA), Corporate credibility (CC) and Customer loyalty (CL). The diagonal refers to the construct AVE (average variance extracted)
Source(s): Authors own creation

Table 3. Inter-construct correlations

	Full model	Customers of local banks	Customers of foreign banks
Path			
Control variable			
Education	0.02 (ns)	0 (ns)	0.03 (ns)
Independents			
Relationship marketing	0.23 (***)	0.39 (***)	0.13 (ns)
CSR	0.23 (***)	0.11 (ns)	0.32 (***)
Product attributes	−0.16 (**)	−0.13	−0.19 (**)
Corporate credibility	0.55 (***)	0.45 (***)	0.62 (***)
Fits			
CMIN	2.13	4.11	2.67
DF	4	4	4
CMIN/DF	0.53	1.03	0.67
CFI	1.0	1.00	1.00
SRMR	0.03	0.06	0.02
RMSEA	0.00	0.01	0.00
PClose	0.92	0.58	0.73
R^2	0.69	0.66	0.73

Note(s): **p < 0.01 level (two-tailed). ***p < 0.001 level (two-tailed). ns = not significant
Source(s): Authors own creation

Table 4. Findings of hypothesis testing

The structural model's chi-square (CMN/DF) is 0.53; the CFI is 1.00 and SRMR is 0.03. The RMSEA is 0.00. These values indicate that an acceptable model fit has been achieved and attained an excellent level of nomological validity (Hu and Bentler, 1997).

Discussion

This study examined four strategic corporate behaviours (see Figure 1) as the corporate reputation mix. The findings of the study support the hypothesised relationships specified in the conceptual model (see Figure 1), as portrayed in Table 4. The results illustrate a significant positive relationship between relationship marketing and customer loyalty at ($\beta = 0.23$, $p < 0.00$). This result is consistent with the views of Aldaihani and Ali (2019) and Darmayasa and Yasa (2021) who have reasoned that relationship marketing practices of firms are strategic signals that energies customer loyalty. Similarly, the relationship between CSR and customer loyalty is significant ($\beta = 0.23$, $p < 0.001$). Our result is in line with that of Cowan and Guzman (2020) and Islam *et al.* (2021), who found that CSR signals are significantly and positively associated with corporate reputation and customer loyalty. Also, there was a significant positive relationship between corporate credibility and customer loyalty at ($\beta = 0.55$, $p < 0.001$). This finding is similar to Bachria *et al.* (2019) who revealed that corporate credibility signals significantly enhances customer loyalty. Furthermore, there was a significant relationship between product quality and customer loyalty at ($\beta = -0.16$, $p < 0.00$), but this was inverse in direction from our data. Indeed, such a finding contradicts widely held empirical stances in the literature (Narteh *et al.*, 2012; Eren, 2021), offering curiosities for research pursuits. Finally, the moderating role of COO was positively significant because variables in the local bank model exhibited a 0.66% of variance in customer loyalty compared to the 0.73% variance accountable in the foreign bank model. This reasoning is in line with the existing COO literature, which suggest that some consumers pay attention to external information cues when forming perception and evaluations of products (Rambocas and Ramsubhag, 2018; Cowan and Guzman, 2020).

Implications of the study

The study's results reveal significant managerial implications for attracting and retaining customers. Notably, four dimensions of corporate reputation emerged as crucial in building customer loyalty for banks. Additionally, the findings indicate that banks with foreign origins enjoy stronger reputations than local ones, bolstering customer loyalty towards foreign banks. This outcome was widely predicted due to the Central Bank of Ghana's banking sector clean-up, which affected only local banks, resulting in closures and mergers (Torku and Laryea, 2021). Bank managers must prioritise building robust bank reputations and leveraging COO (Country of Origin) to enhance customer loyalty. For managers of local banks, other product or service features can be employed to improve their reputation. The study highlights the importance of corporate citizenship, tailored product offerings, branded customer service and honesty with customers as effective means for banks to establish a strong reputation. A diverse range of relationship marketing strategies is necessary for bank managers to achieve a solid corporate reputation, a key driver of customer loyalty.

Concerning CSR (Corporate Social Responsibility) activities, consumer awareness is crucial. Studies like Hur *et al.* (2014) indicate that consumers' lack of awareness of CSR initiatives can create a negative reputation for firms and adversely affect consumer behaviour. To address this, banks should invest in CSR activities and effectively communicate their good deeds through both traditional and online media. Corporate credibility is pivotal, and bank managers should utilise a high level of advertising credibility to effectively convey their message to the target audience. Customers' evaluation of corporate credibility is influenced by marketing communication activities, necessitating credible advertising and the use of celebrities with high public statuses as brand ambassadors (Kim *et al.*, 2014). Product quality is another critical factor. Bank managers must research and develop superior products compared to those offered by competitors. Managers of local banks can employ strategic and targeted communication to promote the quality and value their products provide to customers, thereby countering the COO effect of foreign banks. Lastly, managers of local banks should devise a strategy that emphasises patriotism and other product features to enhance their reputation and competitiveness.

Policymakers hold a vested interest in fostering a thriving banking landscape with active local participation. Therefore, a crucial policy shift is necessary to support local banks in establishing a robust corporate reputation. Empirical results indicate that foreign banks enjoy a stronger reputation than their local counterparts, leading to heightened customer loyalty towards foreign-origin banks. Neglecting this issue could render local banks insolvent and eventually lead to their collapse due to customer churn. It is imperative for policymakers to act and assist local banks in building a solid reputation that attracts customer loyalty and enhances competitiveness. Local businesses play a vital role in cultivating strong communities by sustaining vibrant town centres, retaining capital within the local economy, fostering economic and social connections amongst neighbours and contributing to local causes. From the perspective of signalling theory, the examined corporate reputation framework serves as strategic signals that can significantly impact banks' ability to influence customer loyalty.

Conclusion, limitation and directions for future research

The current study provides banking industry managers with specific strategies to create content, deliver value and enhance corporate reputation, leading to increased customer loyalty. However, some limitations open opportunities for future research. The study solely focused on the Ghanaian banking sector, warranting validation by replicating the framework in other financial sectors like insurance services. Additionally, incorporating sectors such as hotels, telecommunication and media into future studies would be beneficial. Furthermore, as reputation is time-dependent, a longitudinal approach is recommended to track the evolving correlations between reputation and customer loyalty (Fombrun *et al.*, 2000). By considering these aspects, researchers can develop a more comprehensive understanding of reputation management in different industries and its impact on customer loyalty.

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