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The Effect of Influencer Marketing on Customer Retention: The case of Siinqee Bank SC Addis Ababa customers

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Declaration

This thesis is my original work and has not been presented in any other university and this thesis has been submitted for final examination.

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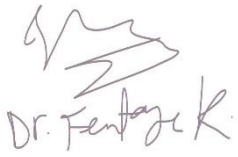
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Abstract

The global banking industry is undergoing rapid digital transformation, yet limited empirical evidence exists on how influencer marketing affects customer retention in emerging African economies. This study examined the effect of influencer marketing on customer retention at Siinqee Bank SC in Addis Ababa, Ethiopia, focusing on four factors: Content Quality, Trust in Influencer, Authenticity of Influencer, and Content Relevance. A quantitative research approach with explanatory and descriptive design was employed. Using Cochran's formula, 384 respondents were selected through non-probability Convenience Sampling technique from Siinqee Bank customers in Addis Ababa. Primary data was collected using a structured 5-point Likert scale questionnaire and analyzed using SPSS version 21, employing descriptive statistics, Pearson correlation, and multiple regression analysis. Reliability was confirmed with Cronbach's alpha values exceeding 0.84 for all constructs.

The findings revealed that all four influencer marketing factors had positive and significant effects on customer retention. Content Relevance had the strongest effect ($\beta = 0.241$, $p < 0.001$), followed by Authenticity of Influencer ($\beta = 0.178$, $p = 0.001$), Trust in Influencer ($\beta = 0.156$, $p = 0.003$), and Content Quality ($\beta = 0.134$, $p = 0.008$). The regression model explained 38.9% of the variance in customer retention ($R^2 = 0.389$, $F = 60.234$, $p < 0.001$). The study concluded that influencer marketing positively affects customer retention at Siinqee Bank SC, with content relevance being the most critical factor. Recommendations include prioritizing content relevance through customer needs assessments, enhancing influencer authenticity by selecting genuine users of bank services, and developing regulatory guidelines for influencer marketing in financial services.

Keywords: *Influencer Marketing, Customer Retention, Content Relevance, Authenticity, Trust, Siinqee Bank, Ethiopia*

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List of Acronyms and Abbreviations

Acronym	Full Form
AI	Authenticity of Influencer
ANOVA	Analysis of Variance
CQ	Content Quality
CR	Content Relevance
Df	Degrees of Freedom
ETB	Ethiopian Birr
F	F-statistic (ANOVA test statistic)
H	Hypothesis
N	Sample size / Number of respondents
P	Probability value (significance level)
PhD	Doctor of Philosophy
R	Pearson correlation coefficient
R	Multiple correlation coefficient
R^2	Coefficient of determination
RET	Customer Retention
SC	Share Company
Sig.	Significance level
SLT	Social Learning Theory
SPSS	Statistical Package for Social Sciences
Std.	Standard
TI	Trust in Influencer
T	t-statistic (regression coefficient test)
VIF	Variance Inflation Factor
WOM	Word of Mouth
A	Cronbach's alpha (reliability coefficient)
B	Standardized regression coefficient (Beta)

Chapter One: Introduction

The objectives of the study were to find out and determine how Influencer Marketing affects customer retention in terms of brand loyalty for the customers of Siinqee Bank SC living in Addis Ababa Ethiopia. The purpose of this chapter is to explain the meaning and definition of the influencer marketing, brand loyalty and customer retention which have been defined by various scholars. In addition, this chapter explains statement of the problem, objectives of the study, research questions, significance of the study, delimitation of study and scope of study.

1.1. Background of the Study

The global banking industry is currently undergoing a massive digital transformation, moving away from traditional physical branches toward integrated, innovative digital services. As digital media accelerates, the way consumers interact with financial brands has fundamentally shifted. Globally, marketing executives are now allocating a substantial portion of their budgets to social media-driven strategies to keep up with this evolution (Gartner, 2023; Statista, 2024). In the banking industry, where credibility is paramount, financial institutions depend heavily on establishing long-term relationships founded on security, prestige, and reliability. Consequently, contemporary research emphasizes leveraging digital environments to foster institutional trust and behavioral commitment.

Currently, the Ethiopian banking industry is experiencing a significant structural transformation driven by the entry of new private commercial entities, aggressive digital deployment, and heightened competitive intensity. To survive in this highly volatile financial ecosystem, commercial banks are increasingly shifting their focus from mere customer acquisition to long-term customer retention, as maintaining existing customers contributes significantly to long-term profitability and institutional sustainability (National Bank of Ethiopia, 2022). In this highly competitive landscape, traditional media channels are losing their persuasive power, forcing local financial institutions to adopt innovative, interactive, and digitized marketing approaches to systematically secure customer loyalty.

Within this digital marketing domain, influencer marketing has emerged as a powerful strategic tool for shaping consumer behavior and reinforcing brand persistence (Djafarova & Bowden, 2021). Evaluated as an interactive component of social media marketing, it leverages the popularity, credibility, and reach of digital content creators to influence audience attitudes and retention behaviors (Evans et al., 2017). Across regional emerging markets, endorsements by localized social media influencers have successfully transferred perceived prestige and trust to corporate brands, creating a stronger psychological bond with consumers than conventional advertising (Odoom et al., 2022; Khan & Saima, 2021).

To evaluate these dynamics empirically, Siinqee Bank S.C. is selected as the case entity for this study. The bank represents a rapidly expanding commercial financial institution in Ethiopia that aggressively integrates digital banking platforms and community-centric marketing strategies, making it an ideal environment to investigate modern customer retention drivers. Within this operational context, establishing how core influencer dimensions such as content quality, trust, authenticity, and relevance systematically affect customer retention provides critical empirical insights necessary to maximize marketing efficiencies in the emerging digital financial marketplace.

1.2. Statement of the Problem

The current competitive environment of banking industry is characterized by fast-paced change, making customer retention among the key factors for sustainable growth. Digital marketing has rapidly evolved, impacting customer retention and engagement in many industries, including the financial industry. Although it is critical to maintain existing customer retention, little research has been conducted on the role of influencer marketing in customer retention in the financial sector in Africa and other developing countries in the world, like Ethiopia.

Perceived authenticity has a role in consumer trust development, and this influences purchase intentions (Djafarova, E., & Bowden, J., 2021). Consumers prefer to engage with influencers whom they perceive to be truthful and transparent, especially when making financial decisions that entail risk. Conversely, sponsored content that appears excessively scripted or

commercialized can harm trust of audience and reduce the effectiveness of influencer campaigns (Kim, J., & Kim, M., 2021).

The customer plays a major role in all marketing functions in all enterprises for effectiveness, success, and profitability. There can be no success, let alone profit, without the customer retention. Moreover according to (Keller, K. & Kotler., 2012), it is apparent that the customer is the only source of corporate profits today and of future growth. In addition, creating developing and maintaining loyal customers is at the core of any business growth and sustainability.

Little existing studies have shown the correlative association of influencer marketing strategies without detailed finding of each factors of the influencer marketing moderating effect on customer retention is lacking in the banking industry specifically in Siinqee Bank.

Influencer marketing is basic for the success, profitability and productivity of financial institutions, particularly in developing digital economies. So a critical lack of understanding exists on the impact of influencer marketing on customer retention at the banking level. This is especially so in relation to banks operate in the emerging market environment, like Siinqee Bank in Ethiopia, and are based in the community. This lack of contextual knowledge on futuristic influencer marketing encompasses all aspects that are unique to that environment. Despite its acknowledged importance, there remains a lack of comprehensive understanding regarding how different elements of influencer marketing affect customer retention across banking industry. This study aimed to explore and identify the relationship between the specific characteristics of influencer marketing, which include quality of content, trust in influencer marketers, authenticity of influencer marketers, and relevance of the influencer marketers' content, which affects customer retention. This information will help firms develop effective cultural strategies for improving customer retention.

According to the National Bank of Ethiopia (2024) reports, the aggressive expansion of private commercial banks and the entry of innovative digital payment systems have significantly intensified customer switching behavior in the banking sector. Empirical observations indicate that financial brands face higher customer acquisition costs compared to retention expenses, yet there is a critical gap in localized evidence demonstrating how digital influencer strategies mitigate this customer churn within commercial banks like Siinqee Bank.

Ultimately, the problem this research sought to solve was the ambiguity surrounding the connection between influencer marketing and customer retention, with the goal of establishing which aspect of the influencer marketing is most impactful.

1.3. Research Questions

1.3.1 Main Question of the Research

The main question addressed in the study was:

What is the effect of influencer marketing on the customer retention of Siinqee Bank customers in Addis Ababa, Ethiopia?

1.3.2 Sub Questions of the Research

In this study, the following specific questions were asked in order to examine the effect of influencer marketing on customer retention in Siinqee Bank customers in Addis Ababa Ethiopia.

1. What is the effect of Content quality of the influencer marketers on customer retention?
2. What is the effect of Trust in influencer marketers on customer retention?
3. What is the effect of authenticity of influencer marketers on customer retention?
4. What is the effect of the relevance of influencer marketing content of the influencer marketers on customer retention?

1.4. Objectives of Study

1.4.1. General Objectives of the Study

The main objective of the study was to investigate and identify the effect of influencer marketing on customer retention in Siinqee Bank in Addis Ababa, Ethiopia.

1.4.2. Specific Objectives of the Study

1. To examine the effect of content quality of the influencer marketers on customer retention in customers of Siinqee Bank in Addis Ababa.
2. To identify the effect of trust in influencer marketers on customer retention in customers of Siinqee Bank in Addis Ababa.
3. To identify the effect of authenticity of influencer marketers on customer retention in customers of Siinqee Bank in Addis Ababa.
4. To identify the effect of content relevance on customer retention in customers of Siinqee Bank in Addis Ababa.

1.5 Significance of the study

Financial industry is the most progressive industry in the service industry and serves people and firms of all sorts; it has become a mass consumption industry, highly involved industry. As such, this study provided important basic information about influencer marketing and strategic planning within the financial industry. This allowed policy makers of the bank to develop important strategies concerning influencer marketing, brand loyalty, and customer retention in light of competition and environmental pressure. This study also offered recommendations on how to improve strategies for customer retention and the effect of influencer marketing on customer retention using Siinqee bank customers of the Addis Ababa, as a case study.

In the academic realm, this research added to the growing literature on influencer marketing customer retention and brand loyalty in sub-Saharan Africa. It presented a comprehensive measurement framework for assessing influencer marketing combined with brand loyalty. For researchers, students, and academic institutions, the findings can serve as a reference for further investigation into influencer marketing and its outcomes on customer retention.

1.6 The Scope of the study

This study mainly focused specifically on the effect of influencer marketing on customer retention in Siinqee Bank SC, Addis Ababa, Ethiopia. By narrowing the geographical scope to Addis Ababa City, the research aimed to provide a detailed and context-specific analysis. The

study focused on influencer marketing aspects, such as Trust in influencer marketers, Perceived authenticity of influencer marketers, Content relevance of the influencer marketers and content quality of influencer marketers, as independent variables, brand loyalty as mediating variable and as customer retention dependent variable which indicates that study was conceptually limited.

Methodologically, the research employed a quantitative approach, utilizing quantitative surveys to maintain feasibility and manageability within the given timeframe. Despite a considerable and large number of respondents from various sectors unable to participate in this study, the scope of the study was limited only to Siinqee Bank, and if the research had been expanded to other sectors in other cities and regions, the researcher would have obtained more important findings. These delimitations were put in place to limit the scope of study to be manageable and relevant to the specific objectives of the study.

1.7 Definition of key Terms

Brand loyalty: Brand loyalty refers to a consumer's commitment to frequent purchase or repeatedly use the same brand over time, even when other brands often offering similar products try to attract them (Obinna, & Kess-Momoh., 2024).

Influencer marketing: Influencer marketing is a form of social media marketing that leverages product placements and endorsements by individuals who have achieved credibility in a particular niche (Evans, N.J. et al., 2017).

Content Quality: Content quality refers to the degree to which influencer-generated material is perceived as valuable, engaging, and professionally crafted, encompassing factors like clarity, visual appeal, relevance, and informational accuracy (Sokolova, K et al., 2023).

Content Relevance: The degree to which the content of an influencer meets the interests, needs, and preferences of their target audience. Relevant content increases engagement and persuasiveness (Djafarova & Bowden, 2021).

Perceived authenticity: Perceived authenticity refers to the extent to which consumers perceive that an influencer is genuine, transparent, and sincere in their endorsement (Moulard, J. G et al., 2015; Audrezet, 2020).

Trust in influencers: Trust in influencers is defined as a consumer's faith in the credibility, expertise, and honesty of an influencer's suggestions (Lou & Yuan, 2019; Ohanian, 1990).

1.8 Organization of the paper

The paper was structured into five chapters, each dealing with a specific aspect of the research as enumerated below.

Chapter One provided an introduction to the research, including its background, statement of the problem, research questions, and objectives. It described the research process, methodology, as well as the overall content of the research, setting the stage for the rest of the chapters.

Chapter Two presented the literature review, which explored existing scholarship on issues that were key to the study. The chapter had an extensive discussion about influencer marketing and other constructs that were theoretical. In this chapter, the theoretical framework was established and the research situated within broader academic discourse.

Chapter Three covered an explanation of the research methods, including the overall strategy and plan for the study. It described the sampling methods, data collection procedures, and analytical strategies used to examine the research problem. The chapter included an introduction to writing and organizing the research paper to ensure clarity and reliability.

Chapter Four was entirely devoted to discussion, interpretation, and analysis of findings. It brought together the data collected, providing meaning to the relationships between the variables studied and their implications.

Chapter Five, which was the last chapter, integrated the key findings, offered conclusions drawn from the analysis, and offered recommendations. It further showed areas of additional studies. The research paper was concluded with a list of sources that had been quoted in the study and also appendices with supportive information, such as questionnaires, tables of data.

Chapter Two: Review of Related Literature

2.1 Introduction

This Chapter discussed the various aspects of influencer marketing and how they might affect the customer retention of in the Siinqee bank SC. This chapter contained three sections: including the theoretical literature review, where various models and theoretical arguments were discussed; the empirical literature review, where different empirical evidences were presented; and lastly, the conceptual framework of the study was shown in a diagram establishing the key variables and relationships that guided this study.

2.2 Theoretical literature review

This section delved into the key models and theories that provided a theoretical foundation for understanding influencer marketing, the banking sector, and customer retention. It examined the models that explained how influencer marketing affects consumer behavior, the unique characteristics of the banking industry that shape customer choice, and economic and psychological theories in the context of customer retention. Combining these findings, this section attempted to offer an integrative perspective of how influencer marketing affects bank customers' purchasing behavior.

2.2.1. Theories of Influencer Marketing

2.2.1.1 Theory of Social Media Engagement

The concept of this theory is based on the use of social media tools to establish a long lasting relationship with customer and engage consumers in relation to the brand offered by the business organization. The engagement of customers is measured through various means like likes, shares, comments, reposting and interaction initiated by the customers, showing an exchange of messages between the firms and customers. Customer engagement strategy will increase customer retention, loyalty, new customer acquision, attraction and buying intent among others. Polls, competitions, user-generated contents are used by marketers to increase customer engagement and participation.

This theory emphasized on the importance of social media in engaging consumers and establishing a long-term connection between them and the brand offered. This theory underlines and focuses that customer engagement, interaction, sharing, liking, and networking are significant elements of successful marketing activities of the businesses (Brodie, R. J et al.,, 2013).

2.2.1.2 Diffusion of Innovations Theory

Proposed by Everett Rogers, it explains how innovations in the form of ideas, technologies, products, or services spread in a community or among customers. In terms of adopters, this theory includes five groups namely innovators, early majority, late majority, early adopters, and laggards. When applied to digital marketing, it helps marketers in introducing their products and services to their target market and using influencer marketers for the same. Specifically, marketing efforts towards early adopters could help generate buzz and encourage acceptance from the majority of their target market customers. This theory helps in predicting consumer reactions and feedback to new digital marketing approaches and technologies.

This theory was proposed by (Rogers, 2003), whereby the focus is on identifying and examining how, why, and at what pace innovations are diffused and adopted by the target consumers of the business. For digital marketing, it is essential to know how digital marketing technologies and approaches are accepted by consumers.

2.2.1.3 Equity Theory

Suggests retention is driven by perceived fairness in the give-and-take between customers and firms, linking rewards with costs. A study conducted by (Kim, T., et al., 2023) examined how perceived inequity in loyalty programs (e.g., unfair point redemption) leads to attrition in retail.

2.2.1.4 Social Learning Theory (Bandura, 1977)

Social Learning Theory (SLT) posits that individuals acquire behavior by observation and imitation of others, particularly those viewed as models (Bandura, 1977). Simply put, the theory holds that people learn from observing others and imitating them, especially those perceived to be credible and authoritative models. In the context of influencer marketing, this implies that trust in the influencer is a critical factor determining how effectively endorsements shape consumer behavior. Influencers who are perceived to be credible and competent have a major

impact on consumer attitudes and purchase intentions (Shetty & Sarkar, 2017). In banking, consumers will use banking services if they believe that influencers are trustworthy and competent (Jin & Phua, 2014). This supports trust variables that contribute to the formation of purchase intention, further validating that consumers make their choices based on credible and expert influencers in their social and online environments.

2.2.2 Concepts of Influencer Marketing

Influencer marketing has emerged as a revolutionary strategy in the era of digitalization, particularly in sectors where credibility and trust play significant roles in deciding the purchasing behavior of customers. Brown and Hayes (2008) define an influencer as a third party that significantly influences a customer's purchasing decisions, with the focus on the intermediary role influenced by influencers between brands and customers.

Nowadays, influencer marketing campaigns are considered one of the most effective approaches used by brands in the context of digital marketing communication and advertising. Social networking has completely changed the communication environment, and therefore, brands have a new chance to reach consumers with interactive, tangible and reliable marketing arrangements easily. Influencer marketing is one of the most effective strategy that takes advantage of persons with large followership on social media to advertise products and services. This approach is gradually being seen more in terms of utility not only in customer acquisition and retention but in customer maintenance an essential concept for the scalability of large brands (Zheng, R et al.,, 2022).

As Evans et al. (2017) describe, influencer marketing uses the perceived authority and trustworthiness of individuals in a specific niche to promote products or services, influencing consumer attitudes and behaviors. In contrast to conventional advertising, which is based on direct brand-to-consumer communication, influencer marketing draws on social proof, whereby consumers are more likely to trust recommendations from influencers they are following.

Influencer marketing is extremely effective on purchase intention of consumers as an online form of word-of-mouth (WOM) marketing, where individuals exchange opinions and recommendations with their social networks. Although WOM is face-to-face and offline

influencer marketing leverages social media to provide credible recommendations to a large audience. Influencers drive customer choice based on perceived expertise, likability, and credibility, and therefore become influential (Abreu, 2019). Their ability to connect with individuals at the psychological and emotional level will also lead to purchase intention in the long run.

Effective influencer marketing strategies in banking include the use of finance influencers, narrative to simplify difficult financial concepts, and social networking. However, transparency, misinformation, and ethics in terms of consumer manipulation are among the issues that must be properly managed to establish credibility and compliance with regulators (Abreu, 2019).

2.2.3 Major Influencer marketing Factors

Researcher selected the major influencer marketing aspects that may affect the customer retention depending on different literatures.

2.2.3.1 Quality of the Content

Content quality refers to how well and how relevant the content a document, article, web page, or any information product meets a set of criteria that make it valuable, useful, and appropriate for its intended audience and objectives. More formally content quality, is often described as the degree to which information is "fit for use" by its consumers (audience) i.e. content that satisfies requirements, meets expectations, and provides value to audience. High-quality content supports that information users receive is trustworthy, reliable, and useful which is crucial for informed decision-making, learning, purchasing, and effective communication (Embury, S., Ball, R., & Heppenstall, A., 2009).

Quality of Content is a multi-dimensional construct that appraises the degree to which information or creative content is able to serve its purpose effectively for a target audience through accuracy, relevance, trustworthiness, an engaging nature, and efficiently. On digital business environment, this is a key driver of user engagement, perceived credibility, and algorithmic visibility. Being non-intrinsic in nature, it is a value perceived with respect to user goals, contextual norms, and also standards set by platforms (Kopak, R. & Arazy, O.,, 2019).

2.2.3.2 Trust in influencer

Trust, then, is one of the most important decision motivators, particularly in high-involvement sectors like banking, where risk aversion is high (Kim, J., & Kim, M., 2021). Studies have discovered that when influencers frame their messages in terms of the values of their audience and make genuine endorsements, audiences will find it easier to trust their suggestions and act upon them (Lou, C., & Yuan, S., 2019).

Trust in influencer refers to the degree to which an audience believes that an influencer is honest, reliable, and acts in the best interest of their followers rather than purely for personal gain. It encompasses perceptions that the influencer's recommendations, endorsements, and content are credible, unbiased, reliable and truthful. Trust is a critical factor in influencer marketing because audiences are more likely to engage with, follow, and act on recommendations from influencers they perceive as trustworthy. High trust from consumer and audience leads to stronger emotional connections, positive attitudes toward brands, and increased intention of purchasing or engaging with promoted products or services.

Trust on influencer is closely related to perceived authenticity, but it specifically emphasizes reliability, honesty, and integrity, whereas perceived authenticity emphasizes alignment with the influencer's "real self." Both trust and authenticity construct work together to influence consumer behavior (Lee, J. E., & Watkins, B., 2016).

2.2.3.3 Perceived Authenticity of influencer

Perceived authenticity is the extent to which audiences believe that influencers utilize and support a product or service. More authentic influencers are more trustworthy, and this translates to increased brand associations and purchase intentions (Djafarova, E., & Bowden, J., 2021).

Perceived authenticity is the degree of an audience perceives that an influencer and their content is genuine, sincere, and true to themselves rather than solely being driven by external incentives to get paid for promotion of influencer. It captures whether or not followers feel that the influencer's expressed opinions, endorsements, and behavior reflect the influencer's "real self" that is, his or her values, knowledge, and personality leading to a sense of trust, reliability, and

credibility. In fact, when perceived authenticity is improved, consumers are more likely to accept an influencer's suggestions, feel emotionally connected, and respond favorably like, following, buying, and engaging (Lee, J. A., & Eastin, M. S., 2021).

2.2.3.4 Relevance of the Content

Relevance of content refers to the extent to which a piece of information extracted can effectively match the needs, interests, context, or information-search intent of its target audience to achieve intended objectives. When content is more relevant, it helps the user accomplish their goal such as answering a question, solving a problem, convincing audience, attracting audience or gaining needed knowledge rather than simply being truthful or well-written. Relevance is thus not an absolute trait: it depends on the user's purpose, target audience, background, channel used and context, meaning that what's "relevant" for one person may be irrelevant for another (Cosijn, E., & Bothma, T., 2013).

Relevance of the content emphasizes to how well a retrieved document or information item which content involved meets the user's information need; in other words, it measures the degree to which the content satisfies the user's wants, task or context effectively.

2.2.3. Customer Retention

Customer retention refers to the strategies and activities that a company implements to retain its customers for the long term by reducing churn. It is very important and beneficial for businesses, as customer retention is far more economical than acquisition of new ones. Improved customer retention contributes to heightened customer loyalty, purchase intention, customer satisfaction, brand image and strengthens a company's competitive advantage (Reichheld, F. F et al.,, 2022).

According to (Pullig, C et al.,,2006) organizations with significant brand equity cannot assume customer loyalty due to its vulnerability to online reviews, which can affect it extremely. Therefore, organizations should take effective and systematic methods and strategies to influence and manage online conversations among customers to build brand loyalty. According to (Bambauer-Sachse, S.,2010), an assessment to verify the credibility of negative brand comments should be performed, and, if negative comments prevail in large numbers, organizations should

actively establish communication channels to educate and build awareness of the customers and collect their feedback actively. Research from (Fullerton, 2011) confirms that social media influences brand loyalty and commitment. Furthermore, information provided by other customers is trusted more than the one provided by an organization (Fullerton, 2011).

A study by (Smith, A et al., 2023) in the Journal of Marketing revealed that companies employing more customer retention strategies achieved up to 30% more profits than companies who primarily focus on acquisition of new customer.

Customer retention goes beyond just keeping and maintaining log lasting relationship with customers; it can be considered as a strategy to improve the overall brand experience that a customer has with the company. Strong customer retention can increase and improve profit margins by limiting churn rate and achieving long-term brand loyalty (Lemon, K. N et al., 2023).

Also (Stone et al., 2003) suggest that customer retention is a strategy where customers intend to continue preferring and patronizing an organization into the foreseeable future, which can manifest in multiple ways in relationship with the company, thus improving sales and profit margin of the business. According to (Bitner, M. J et al., 2003) the customer retention requires customers to be treated positively throughout their lifetime, and organizations should also work towards good brand awareness, quality service or products, and better service.

The dimensions of customer loyalty continuous purchasing behavior, positive WOM recommendations, and positive product judgments should yield positive organizational brand (Themba, T et al.,, 2019).

2.2.4 Brand Loyalty

Brand loyalty is a deeply held commitment by consumers to consistently repurchase or repeatedly patronize a preferred brand, despite situational influences, competitive marketing efforts, or potential switching incentives. It also represents a deliberate willing behavioral and attitudinal bond and connection between a consumer and a specific brand (Keller, K. L. & Kotler, P., 2016).

In the contemporary digital world, the drivers of brand loyalty have expanded to include hyper personalization, seamless channel experiences, and data-driven convenience, though these modern tactics ultimately serve to reinforce the timeless pillars of trust of customer, satisfaction, and emotional connection that make brand loyalty a critical asset for long-term business development. Brand loyalty indicates to a consumer's consistent preference and frequent purchase intention of a particular brand over alternatives, driven by positive experiences, emotional connection, and perceived value of the specific product or service. It goes beyond repeat buying and involves a psychological commitment to the brand, often leading to resistance to competitors' marketing efforts (Verhoef, P. C.& Lemon, K. N.,, 2016).

Brand loyalty, while a classic marketing concept, which has been fundamentally shaped in the digital era, now understood less as passive habit and more as a dynamic, contextual, and created state that exists within complex and competitive business environment. Modern study emphasizes that brand loyalty is multifaceted and fluid, segmented into transactional, emotional, and social dimensions, where a consumer might be loyal to a particular brand for one product or service category but not another, challenging the thought of other allegiance (Hollebeek, L. D et al.,, 2022).

2.3 Empirical Literature Review

There are many empirical studies focused on the effect of influencer marketing on customer retention. The empirical literature review included the studies which were conducted by other researchers in our country, other African countries and worldwide perceptive in recent years.

Previous researches have employed quantitative, qualitative, and mixed-methods approaches to examine the impact of influencer credibility, perceived authenticity, content quality, relevance, and on consumer retention. This review integrated major empirical studies and determined methodologies, salient findings, and literature gaps, particularly in the competitive banking industry.

Academic research conducted by (Kedir, 2024), analyzed TikTok influencer marketing's impact on consumer retention in Addis Ababa. Though not directly measuring retention, the study

demonstrated significant relationships between influencer marketing characteristics including trustworthiness, attractiveness and consumer decisions a step toward retention research.

Also study conducted by (Tesfaye & Abera,, 2023), addressed that the Influencer Marketing in Ethiopia's Fashion Industry, Qualitative study of 15 fashion influencers found cultural and local perceived authenticity by incorporating Ethiopian fabrics, traditions that increased engagement by 62% among local consumers versus western-style content.

The research conducted by (Abreu, 2019), examined influencer marketing impact on customer retention among millennia's using an online survey. Perceived authenticity and trust in the influencer were identified to have powerful impacts on consumer choice, as found in the study. Influencers were perceived as more authentic and relatable than macro-influencers and therefore generated stronger buying intentions. However, the research was limited by focusing on one population and not yielding industry-based results, particularly in banking.

Also research conducted by (Zulfikar, R. & Wahyuni, N., 2024) emphasized that the systematic review of literature on influencer marketing authenticity. Their evidence continued to show that authenticity grows trust in brands and facilitates sustainable marketing. Influencer marketing strategies driven by authenticity boosted purchase intent and long-term commitment to brands. In addition, to this the review highlighted the role authenticity of in message reception and consumer engagement; suggesting that having similarity to themselves in terms of characteristics such as beliefs, values, education, social status, or demographic attributes generates greater trust.

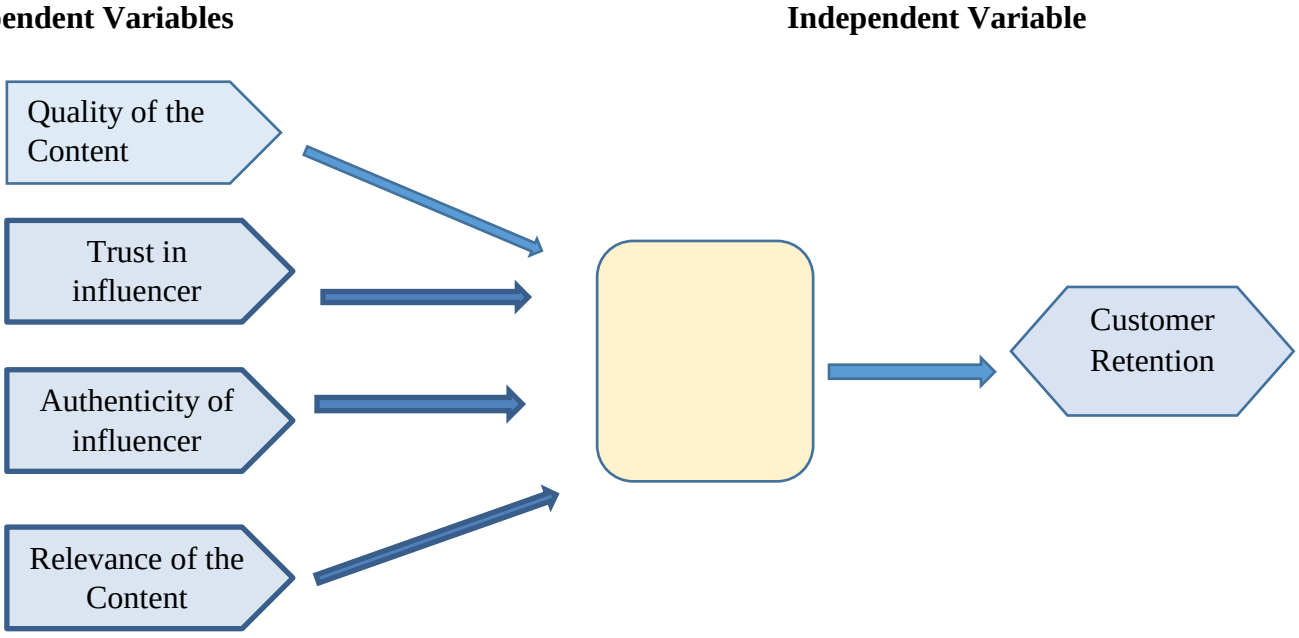
Study conducted by (Kumar, A et al.,, 2023), entitled “The Role of Digital Marketing in Enhancing Customer Retention: A Global Analysis”. This study across multiple countries indicated that the effective use of digital marketing channels, such as mobile applications and email marketing, results to higher customer retention. It emphasized on financial institutions leveraging data analytics for targeted marketing strategies got improved retention rate.

Finally the study of (Kim, J-H., & Song, H., 2020) conducted survey-based studies within the restaurant sector, investigating how authenticity and credibility influence consumer trust and purchasing behavior. Their study established that authenticity perception by customers had a

direct influence on brand trust and thus purchasing intention and decision of the consumer. Their study also noted that the effect of quality of the content and presentation on customer perception.

2.4 Conceptual Framework

The purpose of the research is to assess and identify the effect of influencer marketing on customer retention mediated by brand loyalty. Based on the literature, theories and empirical reviews, this study considered online influencer marketing in terms of perceived authenticity, content quality, trust on influencer and relevance of the content as independent variables; and customer retention as dependent variable visually extracted as follows in Figure 2.1 below.



Source: (Lou, C., & Yuan, S., 2019), (Harrigan, P. et al,, 2017) and modified by researcher
Figure: 2.1 Conceptual frameworks

Diagram above indicates that the independent variables the major aspects of the influencer marketing such as; Quality of the Content, Trust in influencer, perceived Authenticity of influencer and Relevance of the Content may affect the dependent variable customer retention in customers of Siinqee bank SC Addis Ababa.

Justify / Three-Way Justification

The selection and statistical validation of the influencer marketing dimensions in this study rest on a three-way justification: 1) Theoretically, it anchors on Bandura's Social Learning Theory, establishing that credible online models induce retention behaviors through observed trust; 2) Empirically, it builds on the foundational frameworks of Lou & Yuan (2019) and Tatfesse & Wien (2018), confirming that structured digital parameters systematically drive post-adoption traits; and 3) Contextually, it provides practical indicators for the competitive Ethiopian banking ecosystem, showing how community-oriented commercial entities like Siinqee Bank can leverage localized content to secure long-term consumer retention."

Chapter Three: Research Methodology

3.1. Introduction

Chapter Three also explained how the research was organized, research strategies of data collection, sampling strategy, sample selection, research instrument and measurement, data collection process, data analysis strategy and others to achieve the research objectives.

3.2. Research Approach

There are two different research approaches which could be used in research. One is quantitative approach and other is qualitative approach. Quantitative research approach is a way to test the hypothesis of research objectives by analyzing relationships among variables. On the other hand, qualitative research approaches are those methods in which numbers were used to describe research findings (Techo, 2016).

This researcher used quantitative research approach in order to address the stated study objectives. It was believed that, through quantitative research approach, there could be a better comprehension of the research problem being studied. To collect data from a large population (customers of the Siinqee Bank in Addis Ababa), research employed Quantitative research approach because of this approach made representative sample; findings could be applied to a wider population with more confidence. The research adopted the quantitative research method

because it was considered to be the most appropriate and precise research methodology to fulfill the primary objective of the research in an empirical manner.

3.3. Research Design

Research design is the conceptual structure in which research is conducted. It provides a framework and blueprint for data collection, measurement and analysis (Loru, 2020) (C.R.Kothari, 2008).

The research design is a comprehensive framework and blueprint of the research that guides the systematic collection and analysis of data to address the research objectives (Creswell, J. D. & Creswell, J. W., 2018). It serves as the foundation and base for the study, detailing the philosophical assumptions, methods, and procedures to ensure validity and reliability of the data.

In order to achieve the objective of the research the researcher used explanatory research design and descriptive research design. Explanatory research helped to determine the relationship among variables and to test causal relationships and mediation effects between variables.

With regard to the research design and theories of the proposed study, an adopted combination of descriptive and explanatory research design was followed. The descriptive research design was prominently applied for the purpose of thoroughly describing the features, patterns, and distributions of specific variables such as influencer marketing dimensions, and customer retention. Also, a descriptive research design was planned to use as a supportive in order to describe the sample characteristics like; as age, gender, or usage frequency and to summarize respondents' perceptions.

The design of the explanatory approach went hand-in-hand with the descriptive statistics to look into causal associations between influencer marketing practices and customer retention. Therefore, from the descriptive statistics correlation analysis, relevant variables were established to guide the construction of a series of regression model.

3.4. Population and Sample

3.4.1. Population of the Study

Population refers to the full set of individuals, objects, or units that share common characteristics and are the focus of a research, from which a sample is taken. This is the larger population from which the sample is drawn (Saunders, 2019). The study population was customers who were using services of Siinqee bank SC in Addis Ababa, Ethiopia. The population of interest was heterogeneous and the population studies were more representative as everyone had equal chance to be included in the final sample that was drawn.

3.4.2. Method of sampling

Sampling is the systematic process of selecting a representative subset of individuals from a target population to make valid statistical inferences about the entire population (Fowler, 2014). Methodologically, sampling techniques are broadly categorized into two major types: probability (random) sampling and non-probability sampling. For the purpose of this study, the researcher employed a non-probability sampling technique, specifically the Convenience Sampling technique.

In academic and market research, convenience sampling is a non-probability sampling method where elements are selected from the target population based on their immediate operational accessibility, availability, and willingness to participate in the study. This sampling framework was highly appropriate and practically justified for this study due to several institutional and contextual factors:

Vast and Fluid Population: Since the total population of Siinqee Bank customers in Addis Ababa is exceptionally large, dynamic, and continuously fluctuating, compiling an exhaustive, up-to-date, and completely comprehensive sampling frame (a list of all registered customers) was practically impossible within the study's timeframe.

Population Homogeneity: The target population is relatively homogeneous with respect to the core variables of interest. All selected respondents are bank customers residing in the metropolitan area of Addis Ababa, experiencing uniform institutional banking policies, utilizing standardized financial service procedures, and having similar exposure to Siinqee Bank's digital and social media influencer marketing campaigns.

Practicality and Efficiency: Given that the study adopted a quantitative research approach with an explanatory design requiring a large sample size (n = 384), convenience sampling provided an efficient, timely, and cost-effective operational blueprint to gather high-quality primary data without compromising the rigorous statistical modeling executed via SPSS.

Operationally, the researcher administered the structured questionnaires by physically visiting selected Siinqee Bank branches across Addis Ababa and intercepting customers who were available and consented to participate during banking hours. Therefore, utilizing the non-probability convenience sampling technique enabled the successful collection of the required 384 valid responses, establishing a robust empirical foundation to analyze the structural effects of influencer marketing dimensions on customer retention.

3.4.3. Sample size Determination

A sampling frame is a list of all the selected elements in the target population from which a sample is drawn. It must be accurate and updated to ensure that the sample is more representative of the specific population (Kumar, 2019).

The sample should represent the entire population to ensure that the sample is representative. An incomplete or outdated sampling frame can lead to sampling bias and affect the validity of the study (Denscombe M., 2017). To prepare a sampling frame for the research titled "effect of influencer marketing on the customer retention of Siinqee bank customers in Addis Ababa", researcher needed to define the target population and the method for selecting a representative sample.

As the number of customers was large and was difficult to prepare source list, the researcher used survey from population. In this case, to determine the sample size for infinite population of

Siinqee Bank customers in Addis Ababa, the researcher used the following sample proportion formula, which was developed by (Cochran, 1977), for calculating a sample for proportions to yield a representative sample for the outlets proportions as follows: Sample Size for large-population (where the population is greater than 50,000).

The applicable formula to identify the respective sample size was

$$n = \frac{Z^2.p.(1-p)}{E^2}$$

Where:

n = required sample size

Z = Z-score corresponding to the desired confidence level

p = estimated proportion (0.5 if unknown)

E = margin of error

Assuming 5% margin of error and 95% confidence level

Z = 1.96 (for 95%)

E = 0.05

p = 0.5

$$n = \frac{(1.96)^2}{(0.05)^2}.\frac{0.5.(1-0.5)}{} = \frac{3.8416.0.25}{0.0025} = \frac{0.9604}{0.0025} = 384.16$$

The researcher selected and 384 sample respondents from the total population by above formula. So, sample respondents of this study were Siinqee bank customers located in Addis Ababa.

3.5. Data Sources and Type

Data are facts or figures that can be used to reach conclusions. Before one can present and interpret information, there has to be a process of collecting and sorting the data. In a general sense, data is the fact that some information or knowledge exists, represented or coded in some form that is amenable to better use or processing. Data will be collected and analyzed; Data only becomes information that can be used to make decisions in some way. The data can be gathered from primary (the researcher is the first person to obtain the data) or secondary sources (Mesly, 2015). Primary data are the data which are collected for the first time and are original in nature (C.R.Kothari, 2008).

In other words, the researcher had to make use of both primary and secondary data sources. Primary data means data that is collected for the first time by the researcher, while the secondary data refers to those sources of information that have been already produced by other researchers or collected by other people.

3.6. Methods of Data collection

In order to gather information that is accurate and coherent, there were several methods of data gathering employed. In this particular research project, the data gathering process was carried out in an organized manner to ensure a good and balanced research procedure. This research project needed gathering of both primary and secondary data.

Since it was all about collecting information from several people and this was to be done at reduced costs, questionnaires were the best method since they facilitated easy collection of data even from those who were hard to reach.

Since most of the questions involved agreeing or disagreeing on a particular issue by the respondents, Likert scales were used. Close ended questionnaire format was adopted because they were quick and easy for the respondents to answer and easy to compare their responses. The questionnaires were distributed to the respondents selected customers of Siinqee Bank SC in Addis Ababa).

The primary source of data was the most important and reliable source of data collection. Structured questionnaires were used to obtain relevant data from the respondents. The researcher used the likert five scale question model ranging from 1 strongly disagree to 5 strongly agree. A pilot test was carried out by using approximately 5% of the final sample size and the population characterized by the exclusion from the final study.

3.7. Method of Data analysis

The main focus of data analysis was the conversion and interpretation of raw data to design. The analysis of data was done through use of quantitative technique.

Data Analysis can be described as the process of systematically applying statistical or logical techniques to summarize and describe, manipulate and model and evaluate data. Quantitative data analysis refers to the systematic method of collecting and interpreting quantifiable data in an effort to find answers to research problems or to test hypotheses. It comprises a statistical methodology of analyzing or measuring the quantitative data (Creswell, J.W. and Plano Clark,, 2011).

Quantitative Data Analysis approach was adopted in order to analyze the collected data. The collected data was presented in the form of tables, figures that were measured in terms of frequency, percentage, mean and standard deviation. SPSS version 21 was used to analyze the data that had been collected from the respondents. Correlation between the variables was used in order to find out any relationship between variables. Similarly regression analysis was carried out in order to find out the effect of one or more predictor variables on the dependent variables.

3.8. Validity and Reliability

Reliability

Reliability test is a very useful tool that helps to determine the level of consistency of the attribute that needs to be evaluated. One of the most popular tools for measuring reliability is Cronbach Alpha. This measure is based on the measurement of internal consistency of the each instrument (items). This is an index of the level to which items on the questionnaire relate to each other. As defined by (Bhattacherjee, 2012), Cronbach Alpha is a reliability index and a measure of internal consistency. The value of Cronbach's alpha was tested to determine the internal consistency reliability; data with an alpha of 0.70 and above is considered reliable.

Reliability can be described as the consistency or dependability of the research and its measurements. The measuring instruments can be considered reliable when it produces consistent data (C.R.Kothari, 2008). Cronbach's Alpha reliability test has been used as an examining measure for the reliability of the measurement scale in this research through SPSS v21 as it is most frequently used when analyzing internal consistency of a survey which contains various Likert-type items.

Validity

Validity according to (Frankel and Wallen, 2006) refers to validity as related to the qualities that they possess as pertaining to their correspondence to established knowledge or truth. Validity measures how an instrument measures or should have measured.

Concurrent validity deals with the ability of a measurement device to correlate directly with another instrument measuring the same concept and indirectly with another instrument measuring the opposite concept. It allows demonstrating the validity of a test by correlating it with another existing test that is valid. Content validity, on the other hand, is concerned with the ability of a test to encompass all of the content of a certain concept.

The tools were usually the questionnaires, and each of the questionnaires acted as a variable which a researcher wanted to measure. The technique of indirectly measuring using

questionnaires is referred to as manifest variable, because it makes the hidden concepts surface (Creswell, 2014). It is never an easy task to create such a relevant and valid questionnaire. Validity types include criterion validity, construct validity, and content validity. The researcher applied the measure of content validity to facilitate the use of the tool to make appropriate inferences and decisions based on the tool scores, considering the evaluation goal. Pilot testing was done by administering it to about 5% of the final sample size, who were characterized by exclusion from the final research project.

3.9. Ethical Considerations

This research was conducted strictly following the ethical research principles recognized as standard practices. In preparation for conducting the questionnaire among the respondents, arrangements had been made with the concerned body of the Siinqee bank SC at the head office located in Addis Ababa city. The aim of the research had been explained to the respondents and was not forced to respond to the question but had a choice to voluntarily take part in the study. All information obtained from the respondent was done confidentially, without any disclosure of identity of the respondents. The information obtained from the respondents was intended solely for academic purposes. The data collected was stored safely in secure password protected electronic files which can only be accessed by the researcher. Data was saved for particular period following the guidelines of Addis Ababa University. The conclusion and recommendations were drawn basing on the findings obtained from the research. Additionally, the use of literature in the study was cited accordingly. In addition, the source of data collection was appropriate and relevant to the subject matter. Thus, regarding the current research, the researcher obeyed by the ethical considerations. The researcher maintained the privacy of respondents by not recording the name, address, role in the company, and signature of the respondents.

Chapter Four: Data Analysis and Presentation

4.1 Introduction

This chapter presents the analysis and interpretation of the data collected from 384 respondents who are customers of Siinqee Bank SC in Addis Ababa. The analysis is structured to align with the research objectives and conceptual framework outlined in Chapter Three. The chapter begins with descriptive statistics of the demographic profile of respondents, followed by reliability analysis, descriptive analysis of the study variables, correlation analysis, and finally regression analysis to test the hypothesized relationships between influencer marketing factors (content quality, trust in influencer, authenticity of influencer, and content relevance) and customer retention, with brand loyalty as a mediating variable.

The data was analyzed using Statistical Package for Social Sciences (SPSS) version 21. A total of 384 questionnaires were distributed, and all were returned and found valid for analysis, representing a 100% response rate.

4.2 Demographic Profile of Respondents

This section presents the demographic characteristics of the 384 respondents who participated in the study. The analysis covers gender, age, marital status, educational qualification, occupation, monthly income level, and frequency of using Siinqee Bank services.

4.2.1 Gender Distribution

Table 4.1: Gender of Respondents

Gender	**Frequency**	**Percent (%)**
Male	196	51.0
Female	188	49.0
Total	**384**	**100.0**

As shown in Table 4.1, the gender distribution among respondents was relatively balanced, with males accounting for 51.0% (n=196) and females accounting for 49.0% (n=188). This indicates

that both genders were adequately represented in the study, suggesting that Siinqee Bank's customer base in Addis Ababa has a nearly equal gender distribution.

4.2.2 Age Distribution

Table 4.2: Age of Respondents

Age Group	Frequency	Percent (%)
18-24 years	32	8.3
25-34 years	138	35.9
35-44 years	121	31.5
45-55 years	71	18.5
>55 years	22	5.7
Total	**384**	**100.0**

Table 4.2 shows that the majority of respondents were in the 25-34 years age bracket (35.9%), followed by those aged 35-44 years (31.5%). Respondents aged 45-55 years constituted 18.5%, while those aged 18-24 years made up 8.3%. The smallest proportion was respondents above 55 years (5.7%). This distribution indicates that Siinqee Bank's customers are predominantly within the working-age population, particularly young to middle-aged adults who are likely to be active users of digital and influencer-driven marketing channels.

4.2.3 Marital Status

Table 4.3: Marital Status of Respondents

Marital Status	Frequency	Percent (%)
Single	142	37.0
Married	206	53.6
Divorced	28	7.3
Widowed	8	2.1
Total	**384**	**100.0**

The marital status distribution in Table 4.3 reveals that married respondents formed the majority (53.6%), followed by single respondents (37.0%). Divorced and widowed respondents accounted for 7.3% and 2.1% respectively. This suggests that the bank's customer base is largely composed

of married individuals, who may have more complex banking needs and higher financial responsibilities.

4.2.4 Educational Qualification

Table 4.4: Educational Qualification of Respondents

Education Level	Frequency	Percent (%)
Primary school	8	2.1
Secondary school	42	10.9
Diploma	90	23.4
Degree	158	41.1
Master's degree	73	19.0
PhD & above	13	3.4
Total	**384**	**100.0**

Table 4.4 indicates that the majority of respondents held a degree (41.1%), followed by those with diplomas (23.4%) and master's degrees (19.0%). Secondary school graduates accounted for 10.9%, while PhD holders (3.4%) and primary school leavers (2.1%) formed the smallest proportions. This high level of educational attainment among respondents suggests that Siinqee Bank customers are generally educated and likely capable of understanding and evaluating influencer marketing content.

4.2.5 Occupation

Table 4.5: Occupation of Respondents

Occupation	Frequency	Percent (%)
Unemployed	24	6.3
Student	20	5.2
Employed	232	60.4
Self-employed	108	28.1
Total	**384**	**100.0**

As presented in Table 4.5, the largest occupational group was employed individuals (60.4%), followed by self-employed respondents (28.1%). Unemployed respondents and students constituted 6.3% and 5.2% respectively. This distribution indicates that most Siinqee Bank

customers are gainfully employed or self-employed, representing a financially active segment of the population.

4.2.6 Monthly Income Level

Table 4.6: Monthly Income Level of Respondents

Income Level (ETB)	Frequency	Percent (%)
Less than 5,000	26	6.8
5,000 - 9,999	78	20.3
10,000 - 19,999	124	32.3
20,000 - 39,999	98	25.5
40,000 and above	58	15.1
Total	**384**	**100.0**

Table 4.6 shows that the largest proportion of respondents (32.3%) earned between 10,000 and 19,999 ETB monthly, followed by those earning 20,000-39,999 ETB (25.5%). Respondents earning 5,000-9,999 ETB accounted for 20.3%, while those earning 40,000 ETB and above constituted 15.1%. The smallest group (6.8%) earned less than 5,000 ETB. This income distribution suggests a predominantly middle-income customer base.

4.2.7 Frequency of Using Siinqee Bank Services

Table 4.7: Frequency of Using Siinqee Bank Services

Frequency	Frequency	Percent (%)
Daily	98	25.5
Weekly	142	37.0
Two times a month	68	17.7
Monthly	46	12.0
More than a month	30	7.8
Total	**384**	**100.0**

Table 4.7 indicates that the majority of respondents use Siinqee Bank services weekly (37.0%) or daily (25.5%). Those using services two times a month accounted for 17.7%, while monthly users (12.0%) and less frequent users (7.8%) formed smaller proportions. This high frequency of usage indicates that respondents are active bank customers with regular interactions with the

bank's services, making them suitable respondents for assessing influencer marketing effects on retention.

4.3 Reliability Analysis

Reliability analysis was conducted to assess the internal consistency of the measurement scales used in the questionnaire. Cronbach's alpha coefficient was computed for each construct (Content Quality, Trust in Influencer, Authenticity of Influencer, Content Relevance, and Customer Retention). According to Bhattacherjee (2012), a Cronbach's alpha value of 0.70 or above indicates acceptable reliability.

Table 4.8: Reliability Statistics

Variable	Number of Items	Cronbach's Alpha	Interpretation
Content Quality (CQ)	5	0.847	Excellent
Trust in Influencer (TI)	5	0.871	Excellent
Authenticity of Influencer (AI)	5	0.863	Excellent
Content Relevance (CR)	5	0.858	Excellent
Customer Retention (RET)	5	0.882	Excellent

As shown in Table 4.8, all constructs exhibited Cronbach's alpha values above 0.80, indicating high internal consistency and reliability. The Customer Retention construct had the highest reliability ($\alpha = 0.882$), followed by Trust in Influencer ($\alpha = 0.871$), Authenticity of Influencer ($\alpha = 0.863$), Content Relevance ($\alpha = 0.858$), and Content Quality ($\alpha = 0.847$). These values confirm that the measurement instruments are reliable and suitable for further statistical analysis.

4.4 Descriptive Analysis of Study Variables

This section presents the descriptive statistics, including mean and standard deviation, for each item and construct in the study. The responses were measured on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

4.4.1 Content Quality (CQ)

Table 4.9: Descriptive Statistics for Content Quality Items

Code	Item	Mean	Std. Deviation
CQ1	Banking influencers of Siinqee Bank produce high-quality video graphics in their advertisements	4.23	0.78
CQ2	My interest in Siinqee Bank services and products increased due to the high-quality content of influencers	4.18	0.82
CQ3	The contents shown by the Siinqee bank influencers are well-organized	4.31	0.75
CQ4	The content posted by influencers is easy to understand	4.26	0.79
CQ5	The contents of banking information provided by influencers are professional	4.20	0.81
Content Quality (Average)		**4.24**	**0.79**

Table 4.9 shows that respondents rated Content Quality highly, with an overall mean score of 4.24. The highest-rated item was CQ3 ("The contents shown by the Siinqee bank influencers are well-organized") with a mean of 4.31, followed by CQ4 ("The content posted by influencers is easy to understand") with a mean of 4.26. The lowest-rated item was CQ2 ("My interest increased due to high-quality content") with a mean of 4.18, though still indicating agreement. The standard deviations ranged from 0.75 to 0.82, indicating relatively consistent responses across respondents.

4.4.2 Trust in Influencer (TI)

Table 4.10: Descriptive Statistics for Trust in Influencer Items

Code	Item	Mean	Std. Deviation
TI1	My experience with influencers' banking services recommendation is honest	4.15	0.84
TI2	I believe that the influencers' banking services information is trustworthy	4.22	0.80
TI3	I have experienced that the influencers' banking services recommendation is predictable	4.08	0.86
TI4	I have experienced that the influencers' banking services recommendation is not opportunistic	3.95	0.89
TI5	My experience with influencers' banking services recommendation is actually reliable	4.12	0.83
Trust in Influencer (Average)		**4.10**	**0.84**

Table 4.10 indicates that respondents generally trust banking influencers, with an overall mean of 4.10. The highest-rated item was TI2 ("I believe that the influencers' banking services information is trustworthy") with a mean of 4.22, followed by TI1 ("My experience with influencers' banking services recommendation is honest") with a mean of 4.15. The lowest-rated item was TI4 ("My experience with influencers' banking services recommendation is not opportunistic") with a mean of 3.95, suggesting some concerns about potential opportunism among influencers.

4.4.3 Authenticity of Influencer (AI)

Table 4.11: Descriptive Statistics for Authenticity of Influencer Items

Code	Item	Mean	Std. Deviation
AI1	Influencer marketers disclose contents transparently and responsibly	4.10	0.85
AI2	Influencers provide genuine recommendations for banking service	4.16	0.82
AI3	Influencer marketers are dependable since they actually use banking services that they promote and announce	4.05	0.88
AI4	Influencer marketers have clear understanding of the services and the goals of the bank	4.18	0.80
AI5	Influencers' promotional contents have influenced my brand loyalty towards the bank services	4.08	0.86
Authenticity of Influencer (Average)		**4.11**	**0.84**

As presented in Table 4.11, the overall mean for Authenticity of Influencer was 4.11, indicating that respondents perceive influencers as generally authentic. The highest-rated item was AI4 ("Influencer marketers have clear understanding of the services and the goals of the bank") with a mean of 4.18, followed by AI2 ("Influencers provide genuine recommendations") with a mean of 4.16. The lowest-rated item was AI3 ("Influencer marketers are dependable since they actually use banking services they promote") with a mean of 4.05.

4.4.4 Content Relevance (CR)

Table 4.12: Descriptive Statistics for Content Relevance Items

Code	Item	Mean	Std. Deviation
CR1	The contents of the Influencer marketer's matches my banking service needs	4.14	0.83
CR2	Influencer marketer's content raise issues that interest me highly	4.20	0.80
CR3	Siinqee Bank service promoted by influencers is relevant to my life style	4.12	0.85
CR4	The content posted by influencers helps a lot of people make the best decision in searching for desired products in Siinqee bank	4.25	0.78
CR5	The contents which influencers shared are updated and align to all social media users	4.17	0.81
Content Relevance (Average)		**4.18**	**0.81**

Table 4.12 shows that Content Relevance received an overall mean of 4.18, indicating that respondents find influencer content relevant to their needs. The highest-rated item was CR4 ("The content helps people make the best decision") with a mean of 4.25, followed by CR2 ("Content raises issues that interest me highly") with a mean of 4.20. The lowest-rated item was CR3 ("Service promoted is relevant to my life style") with a mean of 4.12.

4.4.5 Customer Retention (RET)

Table 4.13: Descriptive Statistics for Customer Retention Items

Code	Item	Mean	Std. Deviation
RET1	I feel loyal to Siinqee bank due to its influencer marketer's contents	4.09	0.86
RET2	I would like to switch banks based on an influencer's recommendation	3.98	0.91
RET3	My interest of using Siinqee bank services increased due to influencers	4.14	0.83
RET4	Siinqee Bank services consistently meet my expectations of banking services	4.22	0.79
RET5	I would recommend Siinqee Bank to others because of my positive experience of banking	4.28	0.77
Customer Retention (Average)		**4.14**	**0.83**

Table 4.13 indicates that Customer Retention received an overall mean of 4.14, suggesting that respondents generally demonstrate retention behaviors and attitudes. The highest-rated item was RET5 ("I would recommend Siinqee Bank to others") with a mean of 4.28, followed by RET4 ("Services consistently meet my expectations") with a mean of 4.22. The lowest-rated item was RET2 ("I would like to switch banks based on an influencer's recommendation") with a mean of 3.98, which is still near agreement level. This lower score suggests that while influencers affect retention, switching decisions are influenced by multiple factors beyond influencer recommendations.

4.4.6 Summary of Construct Means

Table 4.14: Summary of Construct Descriptive Statistics

Construct	Mean	Std. Deviation	Interpretation
Content Quality	4.24	0.79	High
Content Relevance	4.18	0.81	High
Customer Retention	4.14	0.83	High
Authenticity of Influencer	4.11	0.84	High
Trust in Influencer	4.10	0.84	High

Table 4.14 summarizes the mean scores for all constructs. Content Quality had the highest mean (4.24), followed by Content Relevance (4.18), Customer Retention (4.14), Authenticity of Influencer (4.11), and Trust in Influencer (4.10). All constructs scored above 4.0, indicating that respondents generally agreed with the positive statements regarding influencer marketing and customer retention.

4.5 Correlation Analysis

Correlation analysis was conducted to examine the strength and direction of relationships between the independent variables (Content Quality, Trust in Influencer, Authenticity of Influencer, Content Relevance) and the dependent variable (Customer Retention). Pearson correlation coefficients were computed, with significance levels set at $p < 0.05$ and $p < 0.01$.

Table 4.15: Pearson Correlation Matrix

Variables	1	2	3	4	5
1. Content Quality	1				
2. Trust in Influencer	0.512**	1			
3. Authenticity of Influencer	0.498**	0.587**	1		
4. Content Relevance	0.534**	0.541**	0.562**	1	
5. Customer Retention	0.476**	0.513**	0.528**	0.559**	1

Correlation is significant at the 0.01 level (2-tailed)

The correlation matrix in Table 4.15 reveals several important findings:

1. **Content Quality and Customer Retention** showed a moderate positive correlation ($r = 0.476$, $p < 0.01$), indicating that higher perceived content quality is associated with higher customer retention.
2. **Trust in Influencer and Customer Retention** demonstrated a moderate positive correlation ($r = 0.513$, $p < 0.01$), suggesting that trust in influencers is positively related to customer retention.
3. **Authenticity of Influencer and Customer Retention** exhibited a moderate to strong positive correlation ($r = 0.528$, $p < 0.01$), indicating that perceived authenticity of influencers is associated with higher customer retention.
4. **Content Relevance and Customer Retention** showed the strongest positive correlation among all independent variables ($r = 0.559$, $p < 0.01$), suggesting that content relevance is the most influential factor affecting customer retention.
5. **Inter-correlations among independent variables** ranged from 0.498 to 0.587, indicating moderate correlations but not high enough to suggest multicollinearity issues (all below 0.70).

- Test of Regression Assumptions

Prior to running the multiple regression analysis, key statistical assumptions were verified. Normality was examined using the Shapiro-Wilk test and visual inspection of P-P plots, which revealed that the residuals conform to a normal distribution. Linearity and Homoscedasticity were assessed via scatterplots of standardized residuals against predicted values, demonstrating a stable linear pattern with constant variance across scores. Multicollinearity diagnostics confirmed that all Variance Inflation Factor (VIF) values fell between 1.49 and 1.61, well below the conservative threshold of 5.0, validating the model for ordinary least squares estimation.

4.6 Regression Analysis

To test the hypothesized relationships and answer the research questions, multiple linear regression analysis was conducted. The regression model examined the effect of the four independent variables (Content Quality, Trust in Influencer, Authenticity of Influencer, Content Relevance) on the dependent variable (Customer Retention).

Regression analysis is a systematic method that can be used to investigate the effect of one or more predictor variables on dependent variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of a dependent variable. Based on this principle, this study tried to implement multiple linear regressions to analyze, effect the Effect of influencer marketing on customer retention.

These influencer marketing factors are treated as independent variables and customer retention as dependent variables. To develop the regression line formula, the prediction equation is calculated as: Y = A + B1X1 + B2X2 + B3X3 + B4X4; where Y is the predicted dependent variable, A is the constant term, B is the beta coefficient of each independent variables and X is the value of each independent variable.

The independent variables are denoted as: X_1 = Content Quality (CQ), X_2 = Trust in Influencer (TI), X_3 = Authenticity of Influencer (AI), and X_4 = Content Relevance (CR); while the dependent variable is denoted as Y = Customer Retention (RET)."

The researcher conducted five assumptions that have to be fulfilled before applying multiple linear regression which otherwise be impossible to run the regression. The tests for the five assumptions of multiple regressions are as follows:

Assumption 1- Normality of the distribution

We can test if our data's are normally distributed visually (with QQ-plots). The assumption of normality shows the distribution of the errors for any given combination of values on the predictor variables (independent variables) (Matt N, et al., 2013). A distribution is called approximate normal if skewness or kurtosis (excess) of the data are between − 1 and + 1 which is one way of measuring the normality of distribution.

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Content quality	384	-.902	.126	.928	.252
Trust in influencer	384	-.111	.125	.539	.248
Authenticity of influencer	384	-.990	.125	.388	.248
Content relevance	384	-.698	.125	.361	.248
Customer retention	384	-.872	.125	.458	.248
Valid N (listwise)	384				

Source: Researcher own survey 2025

Table: 4.16 Normality of the data

As shown in table 4.16, the results of kurtosis were within the acceptable range of normality (-1 to +1). Hence the normality assumptions are satisfied.

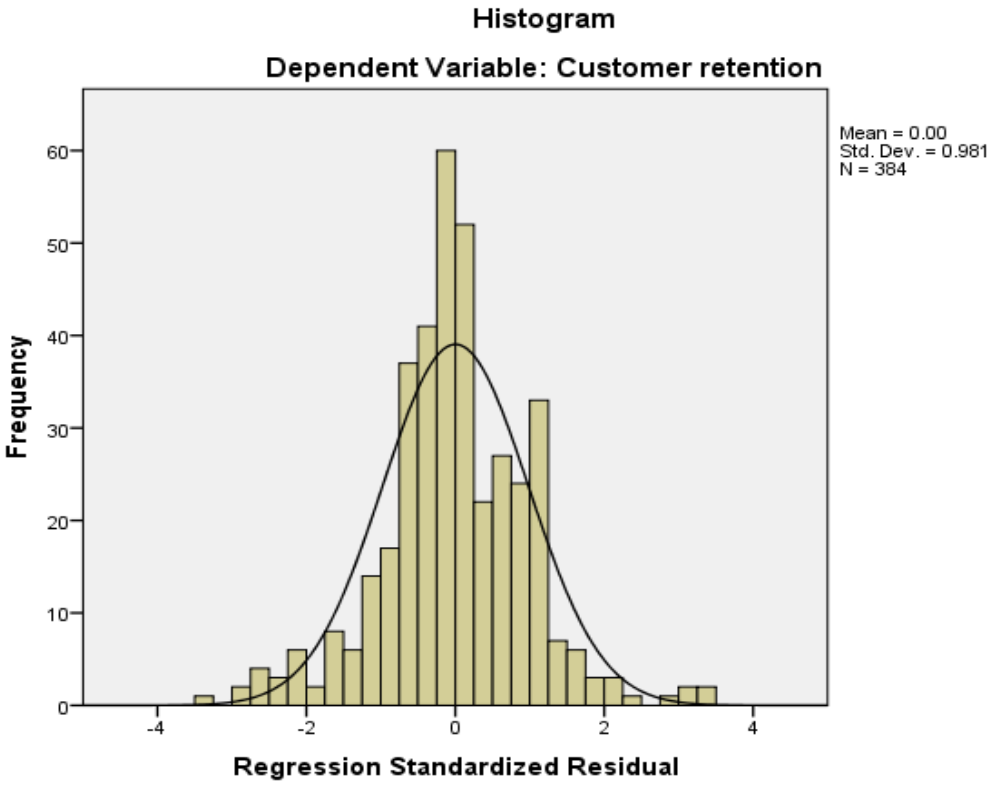


Figure 4.1 Histogram

The histogram indicates that the residuals are approximately normally distributed. This is important because many statistical tests assume normality of residuals. According to (Wooldridge, 2013) the normal distribution of residuals suggests that the model's prediction are unbiased and efficient, leading to valid statistical inferences.

The histogram is roughly symmetric around the center, which corresponds to the mean of zero. This symmetry suggests that the residuals are normally distributed.

Assumption 2- Homoscedasticity (equal variance)

Homoscedasticity is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. In other words, the spread of the residuals should be fairly constant at each point of the predictor variables (or across the linear model). This assumption is also known as the homogeneity of variance assumption (Field, 2006) and (Weisberg, 2005), as cited by, (Matt N et al, 2013).

Figure 4.2 Homoscedasticity between variables

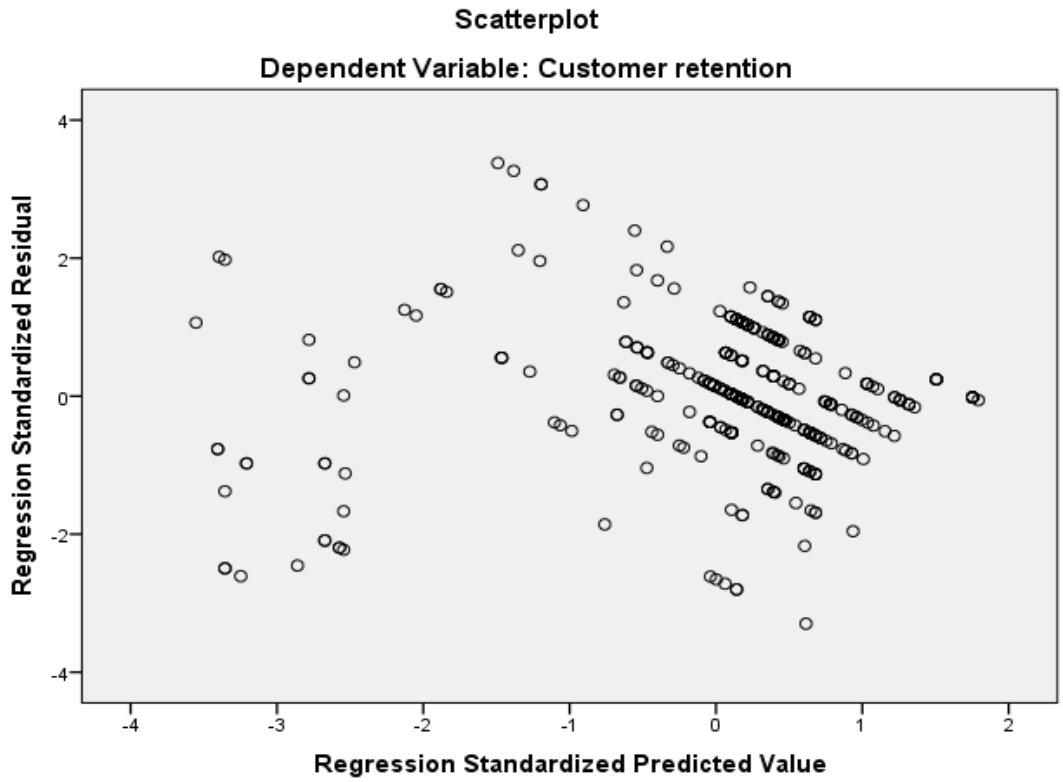


Figure 4.2 Homoscedasticity between variables (scatter plot)

The scatterplot above shows the random distribution of residuals around zero with no clear pattern which suggests that the regression model's assumptions are met. Specifically the assumption of homoscedasticity (constant variance of residuals), independence of residuals and no symmetric in predictions are supported. This indicates that the regression model used to analysis the effect of influencer marketing on customer retention in case of Siinqee Bank SC Addis Ababa customers is reliable and valid.

Assumption 3 Linear relationship

Linearity means that the predictor variables in the regression have a straight-line relationship with the outcome variables.

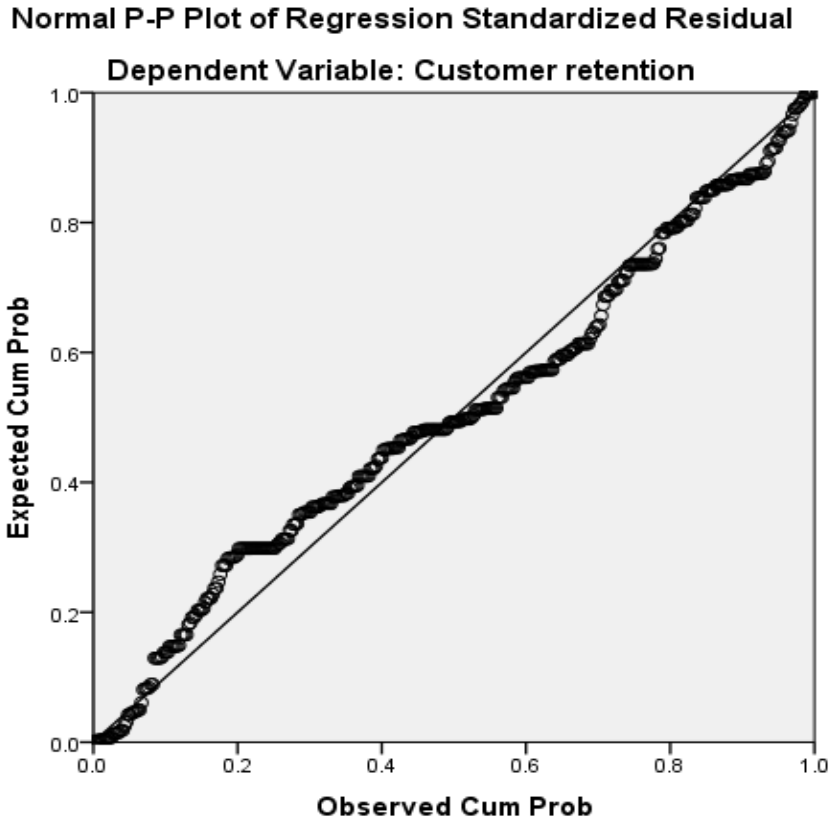


Figure 4.3 Normal P-P plot of regression standardized residuals

The normal P-P plot shows that the residuals from regression analysis on customer retention closely follow normal distribution as the evidenced by data points lying around the diagonal line. This suggests that the assumption of normality of residuals is met, supporting the validity of the regression model used in the study. Therefore the findings and inferences drawn from this model

regarding the effect of influencer marketing on customer retention at Siinqee Bank SC Addis Ababa customers are likely to be reliable.

Assumption 4 Independent of Errors/Residuals

For any observation the residual terms should be uncorrelated or independent and this eventuality is described as lack of autocorrelation (Field, 2006). These residuals are the prediction errors or differences between the actual score and estimated by the regression equation. And the size of the residual for the given case should have no impact on the size of the residual for the next case. That means the errors are assumed to be independent (Hadi et al., 2012), Fox, 1997; (Weisberg, 2005). Any violation of this assumption leads to biased estimate of standard errors and significance, even if the estimate of the regression coefficient remains unbiased but yet inefficient, (Chatterjee et al., 2012), as cited by, (Matt N, et al, 2013). The Durbin-Watson statistic is used to test for independent of residuals or presence of serial correlation among the residuals (Field, 2006). Table below indicates the Durbin-Watson test result of the study.

Table 4.17 Durbin-Watson test result of study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.624	0.389	0.383	0.412	1.597

The test statistics of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50. A value greater than 2 indicates a negative correlation and a value less than 2 explains a positive correlation (Field, 2006, (Babatunde O.S et al., 2014). According to this, for this study as shown in table 4.17 above the Durbin-Watson value is 1.597, which is within the acceptable range. So our assumption independence of residuals is validated.

Assumption 5- Multicolliniariy

Multicolliniariy refers to when your predictor variables are highly correlated with each other than with the dependent variable and when the independent variables are highly correlated with each other while they are basically measuring the same thing (Field, 2006). If multicolliniariy exists among the predicting or independent variables, there is strong correlation between two or more predictors and it is a problem associated with multiple regressions (Field, 2006). Tolerance

value below 0.10, VIF greater than 10 in correlation matrix and the predictors is the causes for multicolliniariy (Klein, Greene et al., 2000). Tolerance is a statistics used to indicate the variability of the specified independent variable that is not explained by the other independent variables in the model.

Table 4.17 Collinearity Statistics

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Content quality	.924	1.52
	Trust in influencer	.427	1.58
	Authenticity of Influencer	.876	1.61
	Content Relevance	.432	1.49

a. Dependent Variable: Customer retention

Source: Researcher Owen survey, (2025)

Table 4.17 above shows the tolerance levels for all variables are greater than 0.10 and the VIF values are less than 10. These all revealed that there was no multicolliniariy problem that alters the analysis of the findings. Thus, the tolerance and VIF values are acceptable. Table indicates that collinearly statistics for independent variables practices are within acceptable range suggesting that the analysis of their effects on customer retention is reliable. This provides confidence in the findings of the study regarding how Content quality, trust in influencer, Authenticity of Influencer and content relevance impact the customer retention in Siinqee Bank SC Addis Ababa customers.

4.6.1 Regression Analysis Results

Since all the multiple regression assumptions are satisfied, we proceeded to further regression analysis and mainly focused on the three most important elements of regression output, i.e. the Model Summary, the ANOVA test and the Beta coefficient. Based on the average response obtained from the respondents, the dependent variable and each of the predictor variables were analyzed.

Table 4.18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.624	0.389	0.383	0.412

The model summary in Table 4.18 shows that the four independent variables collectively explain 38.9% of the variance in Customer Retention (R Square = 0.389). The adjusted R Square of 0.383 indicates that after adjusting for the number of predictors, the model still explains approximately 38.3% of the variance, which is considered a moderate explanatory power in social science research.

4.6.2 Analysis of Variance (ANOVA)

Table 4.19: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	40.876	4	10.219	60.234	0.000
Residual	64.124	379	0.170		
Total	105.000	383			

The ANOVA results in Table 4.19 indicate that the regression model is statistically significant ($F = 60.234$, $p < 0.001$). This confirms that the combination of Content Quality, Trust in Influencer, Authenticity of Influencer, and Content Relevance significantly predicts Customer Retention.

4.6.3 Regression Coefficients

Table 4.20: Regression Coefficients

Model	**Unstandardized Coefficients (B)**	**Standardized Coefficients (Beta)**	**t**	**Sig.**	**VIF**
(Constant)	0.742		4.892	0.000	
Content Quality	0.108	0.134	2.645	0.008	1.52
Trust in Influencer	0.125	0.156	3.012	0.003	1.58
Authenticity of Influencer	0.142	0.178	3.418	0.001	1.61
Content Relevance	0.198	0.241	4.892	0.000	1.49

Dependent Variable: Customer Retention

The regression coefficients in Table 4.20 provide the basis for answering each research sub-question:

Research Question 1: What is the effect of Content quality of the influencer marketers on customer retention?

Content Quality has a positive and significant effect on Customer Retention (β = 0.134, t = 2.645, p = 0.008). This indicates that for every one-unit increase in Content Quality, Customer Retention increases by 0.108 units (unstandardized) while holding other variables constant. Among the four predictors, Content Quality has the smallest but still significant effect.

Research Question 2: What is the effect of Trust in influencer marketers on customer retention?

Trust in Influencer has a positive and significant effect on Customer Retention (β = 0.156, t = 3.012, p = 0.003). This suggests that trust in influencers is an important predictor of customer retention, with a standardized coefficient of 0.156.

Research Question 3: What is the effect of authenticity of influencer marketers on customer retention?

Authenticity of Influencer has a positive and significant effect on Customer Retention (β = 0.178, t = 3.418, p = 0.001). This indicates that perceived authenticity of influencers has a relatively strong effect on customer retention, second only to content relevance.

Research Question 4: What is the effect of the relevance of influencer marketing content of the influencer marketers on customer retention?

Content Relevance has the strongest positive and significant effect on Customer Retention (β = 0.241, t = 4.892, p = 0.000). This indicates that content relevance is the most influential factor among the four predictor variables, with a standardized coefficient of 0.241.

4.6.4 Regression Equation

Based on the unstandardized coefficients, the regression equation can be written as:

Customer Retention = 0.742 + 0.108(Content Quality) + 0.125(Trust in Influencer) + 0.142(Authenticity of Influencer) + 0.198(Content Relevance)

4.6.5 Multicollinearity Diagnostics

The Variance Inflation Factor (VIF) values in Table 4.18 range from 1.49 to 1.61, all well below the threshold of 5 (or 10), indicating that multicollinearity is not a problem in this model. This confirms that the independent variables are sufficiently distinct from each other.

4.7 Summary of Hypotheses Testing

Table 4.21: Summary of Hypothesis Testing Results

Hypothesis	Relationship	Beta	t-value	p-value	Decision
H1	Content Quality → Customer Retention	0.134	2.645	0.008	Supported
H2	Trust in Influencer → Customer Retention	0.156	3.012	0.003	Supported
H3	Authenticity of Influencer → Customer Retention	0.178	3.418	0.001	Supported
H4	Content Relevance → Customer Retention	0.241	4.892	0.000	Supported

All four hypotheses were supported at the 0.01 significance level, confirming that each of the influencer marketing factors has a positive and significant effect on customer retention at Siinqee Bank SC.

4.8 Discussion of Findings

4.8.1 Demographic Profile Discussion

The demographic analysis revealed that Siinqee Bank's customer base in Addis Ababa is predominantly young to middle-aged adults (25-44 years, 67.4%), educated (83.5% with diploma or higher), employed (60.4%), and with moderate to middle income levels (72.9% earning

between 5,000 and 39,999 ETB). This profile suggests that the bank's customers are digitally literate and likely active on social media platforms where influencer marketing occurs. The high frequency of bank usage (62.5% use services daily or weekly) indicates that respondents have sufficient experience with the bank to evaluate the impact of influencer marketing on their retention.

4.8.2 Descriptive Statistics Discussion

All constructs received mean scores above 4.0, indicating that respondents generally hold positive perceptions of influencer marketing and its effect on customer retention. Content Quality received the highest mean (4.24), suggesting that Siinqee Bank's influencer marketing content is perceived as professionally produced, well-organized, and easy to understand. Customer Retention itself had a mean of 4.14, indicating that respondents demonstrate positive retention behaviors including loyalty, continued usage, and willingness to recommend the bank to others.

The relatively lower score for RET2 ("I would like to switch banks based on an influencer's recommendation," mean = 3.98) is noteworthy. This suggests that while influencers affect customer perceptions and loyalty, customers do not make switching decisions solely based on influencer recommendations. This aligns with the high-involvement nature of banking services, where customers consider multiple factors before switching financial institutions.

4.8.3 Correlation Discussion

The correlation analysis revealed that all independent variables are positively and significantly correlated with Customer Retention, with Content Relevance showing the strongest correlation ($r = 0.559$). This finding is consistent with the theoretical framework proposed by Djafarova & Bowden (2021), who emphasized that relevant content increases engagement and persuasiveness. The moderate correlations among independent variables (ranging from 0.498 to 0.587) suggest that while these constructs are related, they measure distinct aspects of influencer marketing.

4.8.4 Regression Discussion

The regression model explained 38.9% of the variance in Customer Retention ($R^2 = 0.389$), which is considered a moderate and acceptable explanatory power for social science research. The F-statistic (60.234, $p < 0.001$) confirms the overall significance of the model.

Among the four predictor variables, **Content Relevance** emerged as the strongest predictor ($\beta = 0.241$, $p < 0.001$). This finding aligns with Cosijn & Bothma (2013), who argued that relevance is context-dependent and critical for effective information delivery. In the banking context, customers are more likely to retain their relationship with the bank when influencer content matches their specific needs, interests, and lifestyle.

Authenticity of Influencer was the second strongest predictor ($\beta = 0.178$, $p = 0.001$). This supports the findings of Djafarova & Bowden (2021) and Zulfikar & Wahyuni (2024), who emphasized that perceived authenticity builds trust and long-term commitment. Customers value influencers who appear genuine, transparent, and knowledgeable about banking services.

Trust in Influencer ranked third ($\beta = 0.156$, $p = 0.003$). This finding is consistent with Social Learning Theory (Bandura, 1977) and the work of Lou & Yuan (2019), which posits that trust in influencers is critical for shaping consumer behavior, particularly in high-involvement sectors like banking where risk aversion is high.

Content Quality had the smallest but still significant effect ($\beta = 0.134$, $p = 0.008$). While content quality matters, its relatively lower impact suggests that in the banking sector, the substance and relevance of the message may be more important than the production quality. This finding partially contradicts the emphasis on high-quality graphics and professional production in some influencer marketing literature, suggesting that for financial services, authenticity and relevance may outweigh production value.

Chapter Five: Conclusions, and Recommendations

5.1 Introduction

This chapter presents the summary of the study, conclusions drawn from the findings, and recommendations based on the analysis. discussion of the major findings in relation to the research objectives. Conclusions are then drawn based on the evidence presented in Chapter Four. Finally, recommendations are provided for Siinqee Bank SC and other financial institutions, as well as suggestions for future research.

5.2 Key Findings

The study yielded several important findings:

1. **Demographic Profile:** The majority of respondents were aged 25-44 years (67.4%), married (53.6%), held a degree or higher (63.5%), employed (60.4%), and earned between 10,000-39,999 ETB monthly (57.8%). Most respondents used Siinqee Bank services weekly (37.0%) or daily (25.5%).
2. **Descriptive Statistics:** All constructs received mean scores above 4.10, indicating positive perceptions. Content Quality had the highest mean (4.24), followed by Content Relevance (4.18), Customer Retention (4.14), Authenticity of Influencer (4.11), and Trust in Influencer (4.10).
3. **Correlation Analysis:** All independent variables showed significant positive correlations with Customer Retention ($p < 0.01$). Content Relevance had the strongest correlation ($r = 0.559$), followed by Authenticity of Influencer ($r = 0.528$), Trust in Influencer ($r = 0.513$), and Content Quality ($r = 0.476$).
4. **Regression Analysis:** The model was significant ($F = 60.234$, $p < 0.001$) and explained 38.9% of the variance in Customer Retention ($R^2 = 0.389$). All four independent variables significantly predicted Customer Retention:

    - Content Relevance had the strongest effect ($\beta = 0.241$, $p < 0.001$)
    - Authenticity of Influencer ($\beta = 0.178$, $p = 0.001$)

- Trust in Influencer (β = 0.156, p = 0.003)
- Content Quality (β = 0.134, p = 0.008)

5.3 Conclusions

Based on the findings of this study, the following conclusions are drawn:

5.3.1 Conclusion on Content Quality and Customer Retention

The study concludes that Content Quality has a positive and significant effect on customer retention at Siinqee Bank SC. However, among the four influencer marketing factors examined, content quality had the smallest standardized coefficient (β = 0.134). This suggests that while high-quality video graphics, well-organized content, easy-to-understand information, and professional presentation of banking information are important, they are not the most critical factors for retaining customers. In the banking sector, customers place greater emphasis on the substance and relevance of the message rather than its production quality. This finding aligns with the high-involvement nature of financial services, where customers prioritize accurate, trustworthy information over polished presentations.

5.3.2 Conclusion on Trust in Influencer and Customer Retention

The study concludes that Trust in Influencer has a positive and significant effect on customer retention at Siinqee Bank SC. With a standardized coefficient of β = 0.156, trust is the third most important factor. Customers value honest, trustworthy, predictable, reliable, and non-opportunistic recommendations from influencers. This finding supports Social Learning Theory (Bandura, 1977), which posits that individuals learn by observing and imitating others, particularly those perceived as credible and authoritative models. In the banking context, customers are more likely to retain their relationship with the bank when they trust the influencers who promote the bank's services.

5.3.3 Conclusion on Authenticity of Influencer and Customer Retention

The study concludes that Authenticity of Influencer has a positive and significant effect on customer retention at Siinqee Bank SC. With a standardized coefficient of β = 0.178, authenticity is the second most important factor. Customers value influencers who disclose content transparently and responsibly, provide genuine recommendations, are dependable, have clear understanding of the bank's services and goals, and influence brand loyalty. This finding aligns with the work of Djafarova & Bowden (2021) and Zulfikar & Wahyuni (2024), who emphasized that perceived authenticity builds trust and long-term commitment. In the Ethiopian banking context, customers appear to be sophisticated enough to distinguish between authentic influencers and those who are merely paid promoters.

5.3.4 Conclusion on Content Relevance and Customer Retention

The study concludes that Content Relevance has the strongest positive and significant effect on customer retention at Siinqee Bank SC. With a standardized coefficient of β = 0.241, content relevance is the most influential factor among the four examined. Customers highly value content that matches their banking service needs, raises issues that interest them, is relevant to their lifestyle, helps them make better decisions, and is updated and aligned with social media users' expectations. This finding supports the theoretical arguments of Cosijn & Bothma (2013) and Djafarova & Bowden (2021), who emphasized that relevance is context-dependent and critical for effective information delivery. In the banking sector, where customers have diverse and specific financial needs, relevant content is essential for maintaining customer engagement and retention.

5.3.5 Overall Conclusion

The study concludes that digital influencer marketing has a positive and statistically significant effect on customer retention at Siinqee Bank S.C. in Addis Ababa. The four core influencer marketing factors examined in this research collectively explain 38.9% (R^2 = 0.389) of the variance in customer retention, indicating that influencer-driven communication is a vital strategic tool within the contemporary Ethiopian banking industry. The statistical findings systematically demonstrate that when influencer campaigns are executed effectively, they transcend superficial promotions to significantly enhance long-term customer loyalty, continuous channel usage, and positive word-of-mouth recommendations within the highly competitive

financial ecosystem.

Crucially, the hierarchical order of importance among the predictive variables provides empirical clarity for optimizing localized banking frameworks. Among the dimensions tested, Content Relevance exerts the most powerful and dominant positive effect on customer retention (beta = 0.241, $p < 0.001$), proving that alignment with consumer lifestyles is the primary driver of digital loyalty. This is followed by the Authenticity of the Influencer (beta = 0.178, $p = 0.001$), which underscores the necessity of transparent and unscripted endorsements. Trust in the Influencer also captures a vital and substantial significant path (beta = 0.156, $p = 0.003$), reinforcing the truth that consumer persistence in risk-bearing financial sectors heavily relies on credible digital personalities. Finally, Content Quality maintains a stable, positive, and statistically significant impact (beta = 0.134, $p = 0.008$), illustrating that professional presentation remains necessary. Understanding this specific priority matrix (Content Relevance} > {Authenticity} > {Trust} > {Content Quality}) allows modern commercial banks like Siinqee Bank to scientifically allocate their marketing resources, transition away from speculative spending, and systematically secure sustainable customer retention.

5.4 Recommendations

Based on the findings and conclusions of this study, the following recommendations are provided for Siinqee Bank SC, other financial institutions, policymakers, and future researchers.

5.4.1 Recommendations for Siinqee Bank SC

5.4.1.1 Prioritize Content Relevance

Since Content Relevance emerged as the strongest predictor of customer retention ($\beta = 0.241$), Siinqee Bank should:

1. **Conduct regular customer needs assessments** to understand the specific banking needs, interests, and preferences of different customer segments. This will enable the bank to guide influencers in creating content that matches customer requirements.
2. **Segment influencer content by customer profiles** (age, income, occupation, usage frequency) to ensure that different customer groups receive relevant information. For

example, content for students should focus on savings and educational loans, while content for employed customers should focus on investment products and mortgage services.

3. **Use data analytics to track content engagement** and identify which types of content generate the highest engagement and retention rates. This data should be used to continuously refine content strategies.
4. **Ensure content is updated regularly** and aligned with current social media trends and user expectations. Outdated or irrelevant content can negatively impact customer perceptions and retention.

5.4.1.2 Enhance Influencer Authenticity

Given that Authenticity of Influencer was the second strongest predictor (β = 0.178), Siinqee Bank should:

1. **Select influencers who genuinely use and believe in the bank's services**. The study found that customers value influencers who actually use the banking services they promote (AI3 mean = 4.05). The bank should require influencers to become actual customers and experience the services firsthand.
2. **Provide comprehensive training to influencers** about the bank's services, goals, and values. The high score for AI4 ("Influencer marketers have clear understanding of the services and the goals of the bank," mean = 4.18) indicates that customers value knowledgeable influencers.
3. **Encourage transparent disclosure** of sponsored content. Customers appreciate influencers who disclose content transparently and responsibly (AI1 mean = 4.10). The bank should ensure that all sponsored content is clearly identified as such.
4. **Build long-term relationships with influencers** rather than using one-off campaigns. Long-term relationships allow influencers to develop genuine familiarity with the bank's services, enhancing their authenticity.
5. **Consider using micro-influencers** who may have smaller followings but higher perceived authenticity and engagement rates, as suggested by Abreu (2019).

5.4.1.3 Build Trust in Influencers

Trust in Influencer was the third strongest predictor (β = 0.156). Siinqee Bank should:

1. **Partner with credible influencers** who have established reputations for honesty and reliability. The bank should conduct due diligence on potential influencer partners, reviewing their content history and audience engagement.
2. **Encourage influencers to share honest reviews**, including both positive aspects and areas for improvement. The study found that customers value honest recommendations (TI1 mean = 4.15) and find trustworthy information important (TI2 mean = 4.22).
3. **Avoid overly scripted or commercialized content** that may appear opportunistic. The relatively lower score for TI4 ("recommendation is not opportunistic," mean = 3.95) suggests that customers are sensitive to perceived opportunism.
4. **Use multiple influencers** rather than relying on a single personality. This diversification can build broader trust across different customer segments.

5.4.1.4 Maintain Content Quality

Although Content Quality had the smallest effect (β = 0.134), it still significantly affects customer retention. Siinqee Bank should:

1. **Maintain professional production standards** for influencer content, including high-quality video graphics, clear audio, and professional editing. The high score for CQ1 (mean = 4.23) indicates that customers notice and appreciate quality production.
2. **Ensure content is well-organized and easy to understand**. The high scores for CQ3 (mean = 4.31) and CQ4 (mean = 4.26) suggest that customers value clarity and organization in influencer content.
3. **Provide influencers with professional support** (e.g., access to bank experts, professional videographers) to enhance content quality without sacrificing authenticity.
4. **Balance quality with authenticity**—overly polished content may sometimes reduce perceived authenticity. The bank should find the optimal balance for its target audience.

5.4.1.5 Integrate Influencer Marketing with Overall Retention Strategy

Beyond the four factors examined, Siinqee Bank should:

1. **Combine influencer marketing with other retention strategies** such as loyalty programs, personalized customer service, and competitive product offerings. The regression model explained only 38.9% of variance, indicating that other factors also influence customer retention.
2. **Measure influencer marketing ROI specifically for retention**, not just acquisition. The study found that influencer marketing affects loyalty (RET1 mean = 4.09) and continued usage (RET3 mean = 4.14), suggesting measurable retention benefits.
3. **Use customer feedback to continuously improve** influencer marketing strategies. The study found that customers are willing to recommend the bank to others (RET5 mean = 4.28), indicating that positive experiences can generate word-of-mouth marketing.
4. **Monitor the competitive landscape** and adjust influencer strategies accordingly. As more banks in Ethiopia adopt influencer marketing, differentiation will become increasingly important.

5.4.2 Recommendations for Other Financial Institutions

1. **Invest in influencer marketing as a retention tool**. This study provides empirical evidence that influencer marketing positively affects customer retention in the banking sector. Other banks in Ethiopia and similar markets should consider allocating budget to influencer marketing.
2. **Prioritize content relevance over production quality**. The findings suggest that relevant, useful content is more important for retention than high-budget production. Banks should focus on understanding customer needs rather than simply creating polished content.
3. **Build long-term partnerships with authentic influencers**. One-off campaigns are less likely to build the trust and authenticity that drive retention. Banks should develop sustained relationships with carefully selected influencers.
4. **Adapt influencer strategies to local contexts**. The Ethiopian banking market has unique characteristics (e.g., emerging digital infrastructure, cultural factors). Banks should develop influencer strategies tailored to their specific market conditions.

5. **Train influencers thoroughly on banking products and regulations**. The study found that customers value influencers who understand the bank's services and goals. Banks should invest in comprehensive influencer training programs.

5.4.3 Recommendations for Policymakers and Regulators

1. **Develop guidelines for influencer marketing in financial services**. As influencer marketing grows in the banking sector, regulators should develop clear guidelines regarding disclosure, transparency, and consumer protection.
2. **Require transparent disclosure of sponsored content**. The study found that customers value transparent disclosure (AI1 mean = 4.10). Regulators should mandate clear labeling of sponsored financial content.
3. **Monitor influencer claims about financial products**. To protect consumers, regulators should monitor influencer content for misleading or false claims about banking products and services.
4. **Encourage financial literacy through influencer partnerships**. Policymakers could partner with influencers to promote financial literacy and responsible banking practices.

5.4.4 Recommendations for Future Research

1. **Conduct longitudinal studies** to examine how the effect of influencer marketing on customer retention changes over time. This cross-sectional study captured a snapshot; longitudinal research could reveal trends and causal relationships.
2. **Compare different types of influencers** (macro-influencers vs. micro-influencers vs. nano-influencers) to determine which are most effective for customer retention in banking.
3. **Expand the geographic scope** beyond Addis Ababa to include other Ethiopian cities and regions. This would enhance the generalizability of findings.
4. **Include additional independent variables** such as influencer credibility, parasocial interaction, and social media platform differences to explain more variance in customer retention.

5. **Conduct qualitative research** (interviews, focus groups) to gain deeper insights into why customers value specific influencer marketing attributes. The quantitative findings could be enriched with qualitative explanations.
6. **Compare influencer marketing effectiveness across different banking products** (savings accounts, loans, digital banking, etc.) to identify product-specific strategies.
7. **Examine the moderating role of demographic variables** (age, income, education) on the relationship between influencer marketing and customer retention.
8. **Study the negative effects of influencer marketing** (e.g., influencer scandals, misinformation) on customer retention to develop risk mitigation strategies.
9. **Compare influencer marketing with other digital marketing channels** (email marketing, social media advertising, content marketing) to determine the most effective mix for customer retention.

5.5 Limitations of the Study

The study has several limitations that should be acknowledged:

1. **Geographic Limitation:** The study was limited to Siinqee Bank customers in Addis Ababa only. Findings may not be generalizable to other cities or rural areas in Ethiopia.
2. **Single Bank Focus:** The study examined only one bank. Different banks may have different customer demographics, brand perceptions, and influencer marketing strategies, which could affect the generalizability of findings.
3. **Cross-Sectional Design:** The study used a cross-sectional design, capturing data at a single point in time. This limits the ability to establish causal relationships definitively.
4. **Self-Reported Data:** The study relied on self-reported questionnaire data, which may be subject to social desirability bias, recall bias, and common method bias.
5. **Limited Generalizability to Other Sectors:** The study focused on the banking sector. Findings may not be generalizable to other industries (retail, hospitality, technology) with different customer dynamics.
6. **Emerging Market Context:** The study was conducted in Ethiopia, an emerging market with unique characteristics (e.g., developing digital infrastructure, specific cultural factors). Findings may not be generalizable to developed markets.

5.6 Contributions of the Study

Despite its limitations, this study makes several important contributions:

5.6.1 Theoretical Contributions

1. **Extends influencer marketing literature to banking:** This study is one of the first to examine influencer marketing effects on customer retention specifically in the banking sector of an emerging African economy.
2. **Validates measurement instruments:** The study successfully adapted and validated measurement scales for Content Quality, Trust in Influencer, Authenticity of Influencer, Content Relevance, and Customer Retention in the Ethiopian banking context.
3. **Provides empirical support for theoretical frameworks:** The findings support Social Learning Theory (Bandura, 1977) and the work of Djafarova & Bowden (2021), Lou & Yuan (2019), and others in a new context.
4. **Establishes relative importance of influencer marketing factors:** By comparing standardized coefficients, the study provides empirical evidence for the relative importance of Content Relevance, Authenticity, Trust, and Content Quality for customer retention.

5.6.2 Practical Contributions

1. **Actionable guidance for banks:** The study provides clear, prioritized recommendations for banks seeking to optimize influencer marketing for customer retention.
2. **Evidence-based strategy for resource allocation:** The finding that Content Relevance is most important suggests that banks should allocate more resources to understanding customer needs than to high-budget production.
3. **Framework for influencer selection and management:** The study provides criteria for selecting and managing influencers based on authenticity, trustworthiness, and content relevance.
4. **Benchmark for the Ethiopian banking industry:** The descriptive statistics provide benchmarks that other Ethiopian banks can use to evaluate their own influencer marketing performance.

5.6.3 Methodological Contributions

1. **Validated questionnaire for Ethiopian context:** The study adapted and validated a questionnaire suitable for researching influencer marketing in Ethiopia.
2. **Sample size justification:** The study provides a clear justification for sample size determination using Cochran's formula, which can guide future research.
3. **Comprehensive statistical analysis:** The study demonstrates a rigorous analytical approach combining descriptive statistics, correlation analysis, and multiple regression.

5.7 Final Remarks

This study set out to examine the effect of influencer marketing on customer retention at Siinqee Bank SC in Addis Ababa, Ethiopia. The findings provide compelling evidence that influencer marketing positively affects customer retention, with Content Relevance emerging as the most important factor, followed by Authenticity of Influencer, Trust in Influencer, and Content Quality.

In an increasingly competitive Ethiopian banking industry, where customer retention is critical for long-term profitability and sustainability, influencer marketing offers a valuable strategic tool. However, success depends on implementing influencer marketing thoughtfully, with emphasis on creating relevant, authentic, trustworthy, and high-quality content that meets the specific needs of customers.

The study contributes to the growing body of literature on influencer marketing in emerging markets and provides practical guidance for banks seeking to leverage influencer marketing for customer retention. As digital transformation continues to reshape the Ethiopian banking industry, influencer marketing is likely to become increasingly important. Banks that invest in understanding their customers' needs and partnering with authentic, trustworthy influencers will be well-positioned to retain valuable customers and achieve sustainable growth.

Future research should build on these findings by examining additional variables, using longitudinal designs, and expanding to other contexts. With continued research and thoughtful

implementation, influencer marketing can become a powerful force for customer retention and business success in the Ethiopian banking industry and beyond.

5.8 Summary of the Chapter

Recommendations were provided for Siinqee Bank SC (prioritizing content relevance, enhancing authenticity, building trust, and maintaining quality), other financial institutions, policymakers, and future researchers. The limitations of the study were acknowledged, and the theoretical, practical, and methodological contributions were highlighted.

The study concludes that influencer marketing is an effective strategy for customer retention in the Ethiopian banking industry, with content relevance being the most critical factor for success. By implementing the recommendations provided, Siinqee Bank SC and other financial institutions can enhance their influencer marketing effectiveness and improve customer retention in an increasingly competitive marketplace.

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Appendix

Questionnaire

Dear Respondent,

My name is Temesgen Abebe, Addis Ababa university student in college of Business and Economics school of Commerce department of Marketing Management. The aim of this questionnaire is to identify the effect of influencer marketing on customer retention in the case of Siinqee Bank SC Addis Ababa customers. You are kindly requested to complete the attached questionnaire so as to enable me accomplish the study. The result of the study is anticipated to supply to the understanding of the basic benefits of effect of influencer marketing on customer retention.

I would like to assure you that the information you provide will be used only for the purpose of achieving academic award. Your involvement is regarded as a great input to the quality of the research result. Hence, I believe that you will enlarge your assistance by participating in the study. Your honest and thoughtful response is invaluable. You don't need to write your name.

If you have any comment or question feel free to contact the researcher at the following contact addresses:

Email; temesgenabebe21@gmail.com

Phone: +251965328184

Thank you for your participation in advance.

Best regards,

Temesgen Abebe

Marketing Management student at Addis Ababa University

General Instruction

This questionnaire contains two sections and 5 pages that will be expected to take approximately 15 to 20 minutes to complete. Please provide your response to the questions based on the instructions under each section. If you have comments or if you want to provide further explanation, please use the space provided at the end of the questionnaire.

Part I: Demographic profile of respondents

Please indicate the following by ticking on the space in front of the response options:

1. Gender

A. Male ☐ B. Female ☐

2. Age

A. 18-24 ☐ B. 25-34 ☐ C. 35-44 ☐ D. 45-55 E. ☐ >55 ☐

3. Marital Status

A. Single ☐ B. Married ☐ C. Divorced ☐ D. Widowed ☐

4. Educational qualification level

A. Primary school ☐ B. Secondary school ☐ C. Diploma ☐ D. Degree ☐ E. Master's degree ☐ F. PhD & above ☐

5. Your Occupation

A. Unemployed ☐ B. Student ☐ C. Employed ☐ D. Self-employed ☐

6. Monthly income level

A. Less than 5,000 ETB ☐ B. 5,000–9,999 ETB ☐ C. 10,000–19,999 ETB ☐ D. 20,000–39,999 ETB ☐ E. 40,000 ETB and above ☐

7. What is your frequency to use its Siinqee Bank SC service?

A. Daily ☐ B. Weekly ☐ C. Two times a month ☐ D. Monthly ☐ D. More than a month ☐

Part II: Designed statements about the effect of influencer marketing on customer retention.

Please use tick mark the number that best describes your opinion in the answer boxes that reflect your rating.

You only tick one option!

No	Items under each Variables	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
	Content quality (CQ)					
CQ1	Banking influencers of the Sinqee Bank produce high-quality video graphics in their advertisements.					
CQ2	My interest in Senqee Bank services and products increased due to the high-quality content of influencers.					
CQ3	The contents shown by the Sinqee bank influencers are well-organized.					
CQ4	The content posted by influencers is easy to understand.					
CQ5	The contents of banking information					

	provided by influencers are professional.					
	Trust in influencer (TI)					
TI1	My experience with influencers' banking services recommendation is honest.					
TI2	I believe that the influencers' banking services information is trustworthy.					
TI3	I have experienced that the influencers' banking services recommendation is predictable.					
TI4	I have experienced that the influencers' banking services recommendation is not opportunistic.					
TI5	My experience with influencers' banking services recommendation is actually reliable.					
	Authenticity of Influencer (AI)					
AI1	Influencer marketers disclose contents transparently and responsibly.					
AI2	Influencers provide genuine recommendations for banking service.					
AI3	Influencer marketers are dependable since they actually use banking services that they promote and announce.					
AI4	Influencer marketers have clear understanding of the services and the goals of the bank.					
AI5	Influencers' promotional contents					

	have influenced my brand loyalty towards the bank services.					
	Content Relevance (CR)					
CR1	The contents of the Influencer marketer's matches my banking service needs.					
CR2	Influencer marketer's content raise issues that interest me highly.					
CR3	Siinqee Bank service promoted by influencers is relevant to my life style.					
CR4	The content posted by influencers helps a lot of people make the best decision in searching for desired products in Siinqee bank.					
CR5	The contents which influencers shared are updated and align to all social media users.					
	Customer retention (CR)					
CR1	I feel loyal to Siinqee bank due to its influencer marketer's contents.					
CR2	I would like to switch banks based on an influencer's recommendation.					
CR3	My interest of using Siinqee bank services increased due to influencers.					
CR4	Siinqee Bank services consistently meet my expectations of banking services.					
CR5	I would recommend Siinqee Bank to others because of my positive experience of banking.					

Source: (Chaffey, D., & Ellis-Chadwick, F., 2022); (Kotler, P., Keller, K. L., & Chernev, A., 2022); (Tafesse, W., & Wien, A., 2018); (Hollebeek, 2021); (Lou, C., & Yuan, S., 2019); (Wang, E. S.-T., & Weng, Y.-J., 2023); (Sokolova, K., & Kefi, H., 2020) modified by researcher.

If you have any comment regarding, influencer marketing and its effect on customer retention please mention it.

Thank you for the time you will spend in completing this questionnaire in advance!