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From Digital Touch points to Devoted Users: How FinTech Experiences Shape Brand Loyalty in Pakistan's Emerging Financial Ecosystem

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ABSTRACT

This research examines the relationship between FinTech Service Quality and Digital Marketing Communication with Brand Loyalty mediated by Customer Experience and Trust in FinTech as a moderating factor in the fast-changing digital financial environment in Pakistan. The study uses three-wave time-lagged research design and data of 386 active FinTech users to test the direct, indirect and interaction effects using PLS-SEM through SmartPLS 4. The results indicate that customers have a better experience because of the Service quality as well as the digital communication which on the other hand is a good predictor of brand loyalty. The mediated relationships between service quality and communication and loyalty have the customer experience as an intermediary, and the trust has a weak moderating effect. The findings indicate the strategic value of experiential design as compared to the role of functional or trust-based mechanisms, which provide theory development and practical recommendations to FinTech relationship management strategies.

Keywords: FinTech, Customer Experience, Brand Loyalty, Digital Marketing Communication, Trust in FinTech

Introduction

The rapid FinTech service development in Pakistan has radically redrawn the picture regarding the digital financial interaction, changing the way financial institutions interact with customers and create brand relations. As mobile banking, digital wallets and mobile-based payment platforms like Easypaisa, JazzCash, and Raast become more widespread, Pakistani users are becoming more exposed to technologically mediate financial experience that extends beyond the realm of transactional utility. This digital transformation has increased competition in financial service provider firms forcing firms to integrate marketing and technology approaches and prioritize customer experience and long term brand loyalty as its key performance measure. In modern marketing studies, it



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is underlined that customer experience is not a side-effect of service delivery but a strategic construct created by the interaction of service quality, digital communication and trust mechanisms (Lemon & Verhoef, 2016; Dwivedi et al., 2021).

In the developing world like Pakistan, where financial inclusion and digital literacy are



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unequal, perceived quality of the services, clarity of communication, and credibility of digital platforms are closely associated with the success of FinTech adoption. However, the current research directions have focused more on the experiential channel in which the quality of FinTech services and digital marketing communication impact loyalty behaviour by making customer experience a pivotal mediating variable (Klaus and Maklan, 2013; Holmlund et al., 2020). At the same time, the trust of customers in FinTech systems has become a controlling factor, especially in the situation when the issues of data privacy, cybersecurity, and reliability of the systems remain relevant (Gefen et al., 2003; Alalwan et al., 2017).

The increasing trend in the use of digital financial services among young urban populations and middle income groups in Pakistan offers a timely prospect to investigate the influence of integrated FinTech marketing mix in consumer perception and loyalty to behavior. Although the digital landscape has expanded at an unprecedented rate, the empirical studies in the Pakistani setting are fewer in number in terms of discussing the interrelated nature of FinTech service quality, digital communication, customer experience, and trust to describe the brand loyalty formation. Consequently, this research utilizes a moderated mediation paradigm, which is based on both the Relationship Marketing Theory and the Technology Acceptance Model, to establish the joint influence of these constructs on customer loyalty within the Pakistani emerging FinTech context, both as the contribution to the theoretical and practical strategic level.

Literature Review

The convergence of FinTech and digital marketing has transformed the modern customer-brand relationships with customer experience becoming a primary factor of brand loyalty in technologically influenced financial services. The quality of FinTech services has been extensively known to be a decisive element on customer perception and behavioral results. Customer satisfaction depends on the level of reliability, security, speed and usability and all these factors increase the level of functional and emotional judgment towards the process of selecting specific digital financial platforms, ultimately influencing the overall experience of the customer (Zhou, 2014; Lemon & Verhoef, 2016). Within the framework of mobile banking and digital payment systems, the high quality of the services enhances the convenience in perception and the degree of cognitive effort, which produces the positive experience (Holmlund et al., 2020).

This relationship is further enhanced by the Digital Marketing Communication (DMC) which influences how customers perceive and emotionally relate to FinTech brands. The perceived brand transparency and relevance increase with effective digital communication via social media, mobile apps, and personalised messages and lead to immersive customer experiences (Chang et al., 2025; Dwivedi et al., 2021). Klaus and Maklan (2013) point out that customer experience is multi-dimensional and is achieved through cumulative interactions triggered by functional service aspects and communication touchpoints. This means that the structured marketing-financial approaches are significant in converting the transactional use to the relational use.

In service sectors, brand loyalty has always been associated with customer experience, especially in the digital sphere. Experience forms positive emotional attachment, satisfaction, and advocacy intentions; this forms long-term loyalty behaviour when positive experiences occur (Voorhees et al., 2017). The Relationship Marketing Theory is of the idea that long-term relationships based on positive experiences build trust and commitment that is necessary in continuity of relations (Morgan & Hunt, 1994).

Confidence in FinTech also becomes a critical moderating factor especially in developing



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economies where the issue of data insecurity and privacy has still been high. Gefen et al. (2003) emphasise the fact that trust diminishes perceived risk and reinforces behavioral intentions in the digital platform. In Pakistan, where institutional confidence is not entirely stable yet, customers are increasingly adopting FinTech, and trust becomes a decisive factor in making the customer experience transform into a stable brand loyalty (Alalwan et al., 2017).

Even though FinTech is gaining more traction in Pakistan, there is limited empirical evidence exploring how the combination of service quality, digital communication, customer experience, and trust has an impact on brand loyalty. To fill this gap, the current research will utilize a moderated mediation model in providing a comprehensive explanation of loyalty development within the dynamic FinTech environment in Pakistan, and it adds to the body of service marketing and digital finance research.

Theoretical Linkage

The suggested framework is conceptually based on the Relationship Marketing Theory and the Technology Acceptance Model (TAM), which, together, will offer an overall picture of how the interactions based on FinTech can lead to a long-term brand loyalty. According to Relationship Marketing Theory, long-term loyalty is realized by establishing trust, commitment, and positive relationships experiences with the customer to make customer experience as a central process in enhancing brand-consumer relationships (Morgan and Hunt, 1994). Recent research confirms the fact that experience quality plays a significant role in the emotional connection and loyalty of the digital service space, especially in the FinTech ecosystem (Holmlund et al., 2020; Voorhees et al., 2017).

TAM is an additional viewpoint to this standpoint that describes the effects of perceived usefulness and quality of service provided to customers as determinants of their acceptance and further usage of FinTech platforms (Davis, 1989). The recent digital marketing research also emphasizes that successful digital communication fosters user engagement and perceived value, which also indirectly affects loyalty by means of better customer experience (Dwivedi et al., 2021). Innovation in the institutional and technological uncertainties also influence the process in the developing markets, and confidence in FinTech is a key supporting factor. The perceived risk is lessened and behavioral certainty is improved as trust increases the experience-loyalty relationship (Gefen et al., 2003; Alalwan et al., 2017).

In modern empirical studies, it is also theorized that customer experience acts as a strategic asset and mediates the impact of service quality and communication on relational outcomes within the financial services (Lemon & Verhoef, 2016; Zaki, 2019). Therefore, the combination of the theories can be seen as a strong explanatory tool to comprehend the relationship between the quality of FinTech services and digital marketing communication that leads to loyalty due to the joint action of the experience and trust-based processes, specifically in the markets undergoing digital transformation.

Hypotheses development

FinTech Service Quality → Customer Experience

Customer Experience is likely to be strongly affected by FinTech Service Quality because a good digital financial services performance predetermines the perception of efficiency, reliability, and emotional satisfaction. Modern studies emphasize the idea that the concept of service quality in the FinTech context goes past technical functionality to encompass system responsiveness, security assurance, interface usability, and the accuracy of transactions, all of which help to form experience appraisals (Holmlund et al., 2020). When



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digital financial ecosystems are designed in such a way that the provision of services becomes seamless, this decreases cognitive effort and increases emotional comfort (Lemon & Verhoef, 2016). New developments in the FinTech literature also confirm that customers who feel better served are more satisfied and involved, which supports the experiences of immersive interactions (Zhou & Lu, 2022). In emerging markets, where the mistrust towards digital solutions and system reliability are still shaky, service quality is a key factor of perceived experience and satisfaction (Kaur et al., 2021). Thus, the hypothesis is that the positive customer experience will be greatly facilitated by the increased quality of the FinTech services that will produce positive emotional reactions and functional responses.

H1: The quality of FinTech services has a significant and positive effect on customer experience.

Customer Experience Digital Marketing Communication

Digital Marketing communication is also central to Customer Experience because it affects the cognitive/emotional perceptions of a FinTech brand by customers. The literature of modern marketing is based on the idea that individualized, open, and engaging communication via online resources helps to enhance customer involvement and significance of the experience (Dwivedi et al., 2021). Perceived brand responsiveness and emotional connection are improved because of effective communication strategies, i.e. personalized notifications, real-time support, and relevance of the content (Verhoef et al., 2021). FinTech is an industry with high intangibility and sensitivity of trust, so clarity in communication will decrease uncertainty and enhance the experience of satisfaction (Alalwan et al., 2017). The recent empirical data attest to the fact that the quality of digital communication has a positive effect on experiential perceptions by yielding an enjoyable and coherent user experience (Grewal et al., 2020). In emerging markets, especially, the communication gap will reduce the technological gap and solidify the interpretation of positive service experience (Khan & Rahman, 2022). In this regard, quality digital marketing communication is likely to contribute massively to the customer experience of FinTech platforms.

H2: Customer experience is a significant and positive influence of digital marketing communication.

Customer experience and Brand loyalty

Customer Experience plays an important predictive role in Brand Loyalty, especially in the domain of digital service ecosystem where affective and relational connectivity lead to intentions to repeatedly use the services. According to the current literature, excellent customer experience results in affective attachment, satisfaction, and advocacy behavior, which are the necessary elements of loyalty building (Lemon & Verhoef, 2016). Favorable experiential situation in the FinTech context enhances the psychological comfort and value perception which results in retention of the customers and promotion of the brand (Voorhees et al., 2017). The recent research also highlights that experience satisfaction has a significant impact on attitudinal and behavioral loyalty as it enhances emotional commitment (Zaki, 2019; Holmlund et al., 2020). Trust-sensitive markets lead to the situation where customers follow their experiential judgments to make their loyalty decisions (Kaur et al., 2021). Therefore, customer experience is a decisive factor in developing satisfaction into long-term brand commitment in FinTech services.

H3: Customer experience has a significant and positive impact on brand loyalty.



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Mediating Role of Customer Experience between FinTech Service Quality and Brand Loyalty.

It has been hypothesized that Customer Experience mediates the correlation between FinTech Service Quality and Brand Loyalty by renouncing functional service perception to emotional and relational service results. Good service quality increases experiential satisfaction, and this consequently enhances their loyalty intentions (Lemon & Verhoef, 2016). According to the recent evidence, service quality is not a direct way to loyalty unless this quality produces an emotional resonance due to the experience (Holmlund et al., 2020). In FinTech contexts, smooth service delivery increases trust and emotional commitment and allows creating a sense of loyalty by experiencing a flow (Zhou & Lu, 2022). Empirical research proves that the effect of service quality on retention measures is either fully mediated by customer experience or partially mediated by customer experience (Grewal et al., 2020). Hence, experiential mechanisms are vital in changing the quality of operations into behavioral loyalty in online financial services.

H4: The relationship between the quality of FinTech services offered and brand loyalty is mediated by customer experience.

The mediating Effect of Customer Experience between Digital Marketing Communication and brand Loyalty.

Customer Experience is likely to mediate the association between Digital Marketing Communication and Brand Loyalty by converting marketing stimuli into affections and relational results. The interaction also helps build experiential engagement, emotional attachment, and brand familiarity, which, in turn, builds the loyalty intentions (Dwivedi et al., 2021). Empirical evidence suggests that marketing messages should not guarantee loyalty without positive experiences (Verhoff et al., 2021). Clearly, coherent digital communication leads to a higher perceived brand authenticity in FinTech, succeeding in increasing customer experience and creating an emotional attachment (Khan & Rahman, 2022). Therefore, experience becomes a necessary mediating factor between the effective communication and formation of loyalty in FinTech settings.

H5: Customer experience plays the mediating role between the digital marketing communication and brand loyalty.

Moderating Impact of Trust in FinTech.

It is hypothesized that Trust in FinTech can moderate the relationship between Customer Experience and Brand Loyalty i.e. a higher level of trust the higher the relationship. The trust helps in lowering uncertainty and perceived risk further enhancing the experiential effect to loyalty (Gefen et al., 2003). New research on digital finance affirms that trust reinforces emotion assurance and the establishment of loyalty in FinTech ecosystems (Alalwan et al., 2017; Chen et al., 2022). Trust in particular increases the interpretation of experiential values and the commitment in the long term especially in emerging markets (Kaur et al., 2021). Therefore, trust is an accelerator in cementing the experience-based loyalty route.

H6: FinTech trust has a positive mediating effect between the brand loyalty and customer experience.

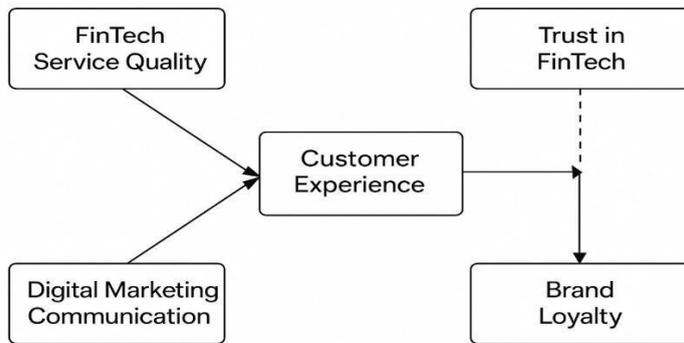


Figure # 01 Conceptual framework

Methodology

Research Design and Approach

The research design of the studies is a quantitative and explanatory methodology, using a three-wave time-lagged survey study to minimize common method bias, maximizing causal inferences as suggested in the current behavioral research (Podsakoff et al., 2012; Hair et al., 2022). The three-wave method disaggregates the measurement of independent, mediating, and dependent variables at distinct time points which permits the temporal sequence and enhances the construct validity.

Population and Sampling

The target market is active FinTech users in Pakistan, i.e., individuals that use mobile banking and electronic payment applications like Easypaisa, JazzCash, and Raast. Non-probability purposive sampling was used to make sure that the respondents must have previous experience with FinTech services. The major urban centers that were used in collecting data comprised Karachi, Lahore and Islamabad. The total questionnaires sent were 450 and valid responses were 386 they were used in the final analysis.

Three Waves data Collection Procedure

Time-lagged three-wave data collection design was used in this study to reduce common method variance and provide stronger causality-related inferences, which is consistent with the recent suggestions in the behavioral and FinTech research. During the first wave (T1), the respondents wrote the information about independent variables, that is, FinTech Service Quality (FSQ) and Digital Marketing Communication (DMC), as well as basic demographic traits. A follow up period of two weeks later on the second wave (T2) aimed at capturing the perceptions of respondents about Customer Experience (CX), as this was necessary since there was adequate time before the respondents formed their experiential perceptions, which were independent of their initial service perceptions. After another two weeks the third wave (T3) collected information regarding Brand Loyalty (BL) and Trust in FinTech (TF) making sure that the intentions of loyalty and judgments of trust were made under the impact of previous experience interaction and not the effect of immediate stimuli. This temporal distance of the constructs in the three waves served the purpose of minimizing response bias and the procedural provisions of the general methodology, and thus the strength of validity and reliability of the findings made in the study.



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Measurement and Instrumentation

Content validity, construct reliability, and methodological rigor were achieved by operationalizing all constructs with the previously validated measurement scales derived out of high-impact studies. The answers were measured on a seven-point Likert scale between 1 (strongly disagree) to 7 (strongly agree), a scale commonly suggested to measure subtle perceptions in behavioral studies. FinTech Service Quality (FSQ) was estimated through the items based on the E-S-QUAL scale constructed by Parasuraman et al. (2005) and optimized to the context of mobile payments by Zhou (2014), and included aspects, like system reliability, transaction security, responsiveness, and ease of navigation (e.g., "The FinTech platform is reliable and free of errors in its services" and "The services on this platform are safe and secure during the transactions"). Digital Marketing Communication (DMC) was assessed on the basis of the items that were adjusted to those of Dwivedi et al. (2021) and Verhoef et al. (2021), which reflect the message clarity, personalization, consistency, and informativeness (e.g., "The marketing messages of this FinTech brand are clear and informative" and "The digital content is personalized to my needs and preferences").

Customer Experience (CX) has been measured with the help of experiential scales that were created by Klaus and Maklan (2013) and Lemon and Verhoef (2016) and reflected emotional and cognitive and general experience responses (e.g., "My overall experience with this FinTech service is enjoyable" and "My interactions with this platform meet my expectations"). The measurement of the Brand Loyalty (BL) was based on the items of Chaudhuri and Holbrook (2001) and Oliver (1999), which reflected the repurchase intention, brand preference, and advocacy tendencies (e.g., "I intend to continue using this FinTech service in the future, I would recommend this platform to others"). Lastly Trust in FinTech (TF) was measured based on items modified to fit Georges et al. (2003) and McKnight et al. (2002) items which included perceived integrity, security, and reliability (e.g., "I trust this FinTech platform to take care of my financial transactions securely" and "I feel safe providing personal information to this service").

The instrument was pilot-tested on a sample of 35 respondents before the main survey to make sure that it was clear, had accurate wordings and was contextually relevant. The reliability and validity were then measured in terms of Cronbach alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) as per the thresholds suggested by current PLS-SEM guidelines.

Data Analysis Technique

The data were analyzed with the help of Partial Least Squares Structural Equation Modeling (PLS-SEM) of SmartPLS 4 according to the current methodological frameworks of predictive and theory-testing research with complex models with mediation and moderation (Hair et al., 2022). Two stage analytical process was applied. The first stage entailed measurement model, which ensured construct reliability and validity. Cronbach alpha and Composite Reliability (CR) were used to test internal consistency reliability with the value above 0.70 being satisfactory (Hair et al., 2022). The convergent validity was proven with the help of standardized outer loadings (≥ 0.60) and an Average Variance Extracted (AVE) more than 0.50. The Fornell-Larcker criterion and Heterotrait-Monotrait ratio (HTMT) were used to test discriminant validity, and the HTMT values less than 0.85 were taken to be sufficient to demonstrate construct distinctiveness (Henseler et al., 2015). Variance Inflation Factor (VIF) was used to check the case of multicollinearity and all the coefficients had to be lower than the critical value of 3.3.



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The second stage entailed the evaluation of the structural model to test relationships that are hypothesized. Path coefficients were measured based on a bootstrapping command with 10,000 resamples and produced t-values, p-values and bias -corrected confidence intervals of direct, indirect, and moderating effects (Hair et al., 2022). The product indicator interaction approach was used to test the moderating role of Trust in FinTech, whereas the mediation was conducted through the significance of indirect effects. R² values were used in the evaluation of the explanatory power of the model, f² was used in the measurement of the effect sizes, and Q² by Stone-Geisser was used to determine predictive relevance with values above zero indicating the presence of satisfactory predictive capability (Hair et al., 2022).

Also, predictive performance was tested on both PLSpredict and the Cross-Validated Predictive Ability (CVPAT) Test. To compare the predictive performance of the proposed PLS-SEM model with a benchmark linear model, CVPAT was used to compare the difference in prediction errors, where negative values that are significantly different (p-value) showed that the PLS-SEM model was doing better (Shmueli et al., 2019). The combination of CVPAT and PLSpredict provided sound assessment of the out-of-sample predictive capability of the model, matching the current standards of the predictive assessment research of high-impact marketing and FinTech.

Findings and Analysis **Measurement Model Assessment**

The assessment of measurement model shows that all constructs have satisfactory reliability and convergent validity. The indicator loadings are 0.679 to 0.825, which is greater than the minimum of 0.60, which points to sufficient item reliability and a good depiction of the corresponding latent variables (Hair et al., 2022). Internal consistency is validated by alpha values of Cronbach (0.723-0.796) and Composite Reliability (CR) of the measurements (0.827-0.867), all of which exceed the desirable level of 0.70, which indicates agreement among the items of the measurement (Henseler et al., 2015). The convergent validity is also supported by the fact that the values of Average Variance Extracted (AVE) range between 0.545 and 0.620, which is more than 0.50, as each construct accounts more than half of the variance of the indicators (Fornell & Larcker, 1981). On the whole, the findings support the claim that Brand Loyalty, Customer Experience, Digital Marketing Communication, Fintech Service Quality, and Trust in Fintech have strong psychometric properties that justify their application in the further structural model analysis.



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Table # 01 Reliability and Validity

Factors	Loading	alpha	CR	AVE
Brand Loyalty		0.723	0.827	0.545
BL1	0.679			
BL2	0.746			
BL3	0.771			
BL4	0.755			
Customer Experience		0.785	0.861	0.608
CX1	0.796			
CX2	0.767			
CX3	0.782			
CX4	0.774			
Digital Marketing Communication		0.793	0.865	0.616
DMC1	0.805			
DMC2	0.766			
DMC3	0.771			
DMC4	0.798			
Fintech Service Quality		0.796	0.867	0.620
FSQ1	0.774			
FSQ2	0.780			
FSQ3	0.770			
FSQ4	0.825			
Trust in Fintech		0.764	0.845	0.577
TF1	0.727			
TF2	0.796			
TF3	0.705			
TF4	0.807			

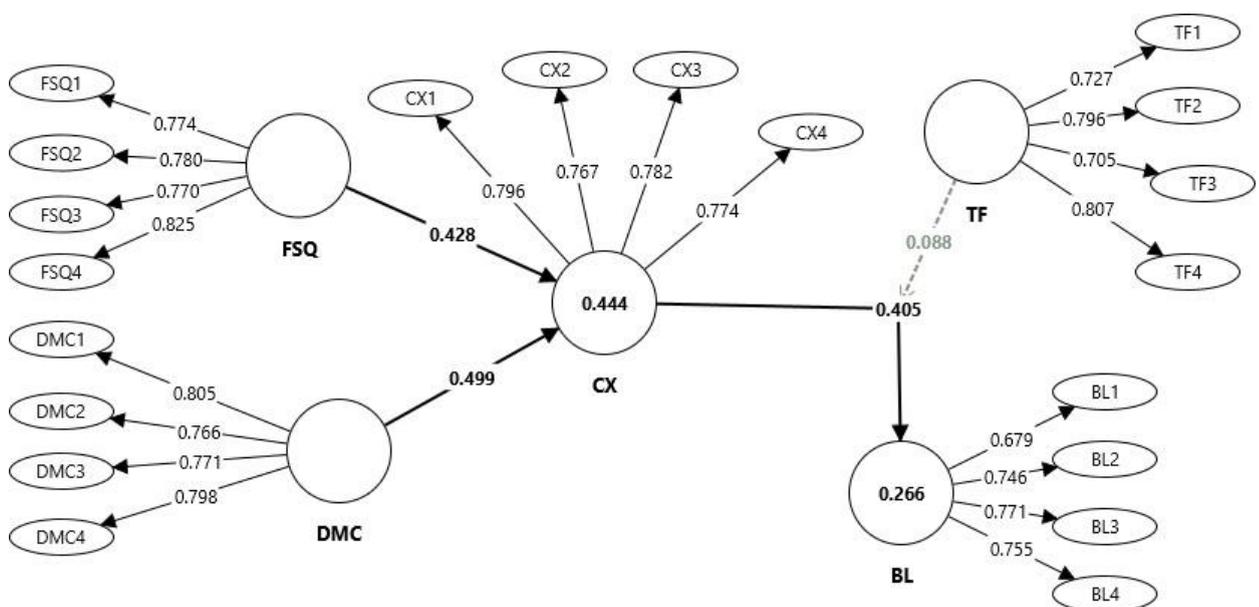


Figure # 02: PLS algorithm



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Discriminant Validity

Heterotrait-Monotrait ratio (HTMT) was used to determine discriminant validity which is a strong measure of the uniqueness of a construct in PLS-SEM. The values of all HTMTs in Table #02 are between 0.059 and 0.643, which is far lower than the conservative threshold of 0.85, meaning that all the constructs are empirically different (Henseler et al., 2015). This proves that Brand Loyalty, Customer Experience, Digital Marketing Communication, Fintech Service Quality, and Trust in Fintech are unique theoretical concepts that overlap significantly. The findings hence, confirm high levels of discriminant validity which supports the sufficiency and credibility of the measurement model in regard to further structural analysis (Hair et al., 2022).

Table # 02 HTMT Criteria

	BL	CX	DMC	FSQ	TF
BL	■				
CX	0.550	■			
DMC	0.284	0.643	■		
FSQ	0.400	0.557	0.059	■	
TF	0.385	0.089	0.083	0.071	■

Multicollinearity

The Variance Inflation Factor (VIF) was used to analyze multicollinearity to make sure that the correlation between indicators did not affect the estimation of the regression paths. Table #03 shows that all VIF values lie between 1.298 and 1.786, which is way smaller than the safe value of 3.0 and well below the critical value of 5.0, meaning that there is no severe problem of multicollinearity among the measurement items (Hair et al., 2022). This ensures that no single indicator has too much redundant information to its construct. As a result, the model meets collinearity conditions, which makes the coefficient estimates stable and improves the strength of the structural relations and their interpretability (Kock, 2015).

Table # 03 VIF

Item	VIF	Item	VIF
BL1	1.298	FSQ1	1.644
BL2	1.373	FSQ2	1.525
BL3	1.366	FSQ3	1.522
BL4	1.395	FSQ4	1.786
CX1	1.584	TF1	1.531
CX2	1.490	TF2	1.433
CX3	1.539	TF3	1.440
CX4	1.556	TF4	1.492
DMC1	1.648	DMC3	1.501
DMC2	1.580	DMC4	1.577

Variance in endogenous variables

The values of R-squared in Table #04 represent the share of the variance in the endogenous constructs demonstrated by their predictors. The Brand Loyalty (BL) has R2 of 0.266,



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indicating that the model explains 26.6 percent of its variance, which is a moderate predictive capacity in behavioral research settings (Hair et al., 2022). Customer Experience (CX) shows a stronger R² of 0.444, which means that 44.4% of its variance is covered, and this is a significant level of predictive relevance. Adjusted R-Squared values are very similar to the initial R-Squared, which is an indicator of stable and low over fitting models. These findings on the whole indicate that the structural model has a positive explanatory power of both of the endogenous constructs (Chin, 1998; Hair et al., 2022).

Table # 04 R- Square

Variable	R Square	Adjusted R-Square
BL	0.266	0.260
CX	0.444	0.441

Effect size

Table #05 has the values of the effect size (f^2) that on the effect of the exogenous constructs on the respective endogenous variables. The relationship between Digital Marketing Communication and Customer Experience (DMC - CX) has a significant impact ($f^2 = 0.448$), which is above the 0.35 mark, and, thus, it has a big impact. Fintech Service Quality on Customer Experience (FSQ - CX) is shown to have an average impact ($f^2 = 0.330$) and Customer Experience on Brand Loyalty (CX - BL) has a moderate-weak impact ($f^2 = 0.223$). Trust in Fintech on Brand Loyalty (TF - BL) has a small effect ($f^2 = 0.115$) meaning that the effect is not too significant but meaningful. The interaction effect (TF - CL - BL) is low ($f^2 = 0.011$), indicating a low moderating influence. Such findings correspond to the standards of Cohen (1988) and guidelines of PLS-SEM suggested by Hair et al. (2022).

Table # 05 F Square

Variables	effect size
CX→BL	0.223
DMC→CX	0.448
FSQ→CX	0.330
TF→BL	0.115
TF*CX→BL	0.011

Structural Model

Table #06 and figure 03 output by the structural model show that the core constructs have strong and statistically significant relationships with each other. Brand Loyalty has a positive relationship with Customer Experience ($b = 0.405$, $t = 10.099$), which supports the assumption that more intense interactions with customers during the experience create loyalty. The Customer Experience is influenced positively by Digital Marketing Communication ($b = 0.499$, $t = 15.422$) and Fintech Service Quality ($b = 0.428$, $t = 11.907$): the primary role in defining what users perceive is played by the effectiveness of communication and the quality of the services provided. Trust in Fintech moderately influences the CX-BL relationship, and this is marginally significant ($b = 0.088$, $t = 2.066$), and the confidence interval crosses zero slightly, indicating a minor conditioning role. Mediation analysis shows that Customer Experience is a strong transmission of the effects



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of both Digital Marketing Communication (b = 0.202, t = 8.283) and Fintech Service Quality (b = 0.174, t = 7.288) to Brand Loyalty, which means that it is partially mediated. The findings are in line with the interpretation standards of PLS-SEM, in which hypothesized paths are confirmed through significant t-values and confidence interval (Hair et al., 2022). In general, the model is able to confirm that the experiential processes can be one of the primary mechanisms according to which communication and service quality can improve brand loyalty (Hayes, 2013).

Table # 06 Path Co-efficient

Path	Beta	STDV	T value	CI_L2.5%	CI_U97.5%
CX→BL	0.405	0.040	10.099	0.326	0.484
DMC→CX	0.499	0.032	15.422	0.435	0.561
FSQ→CX	0.428	0.036	11.907	0.358	0.499
TF*CX→BL	0.088	0.043	2.066	-0.003	0.164
DMC→CX→BL	0.202	0.024	8.283	0.156	0.252
FSQ→CX→BL	0.174	0.024	7.288	0.130	0.223

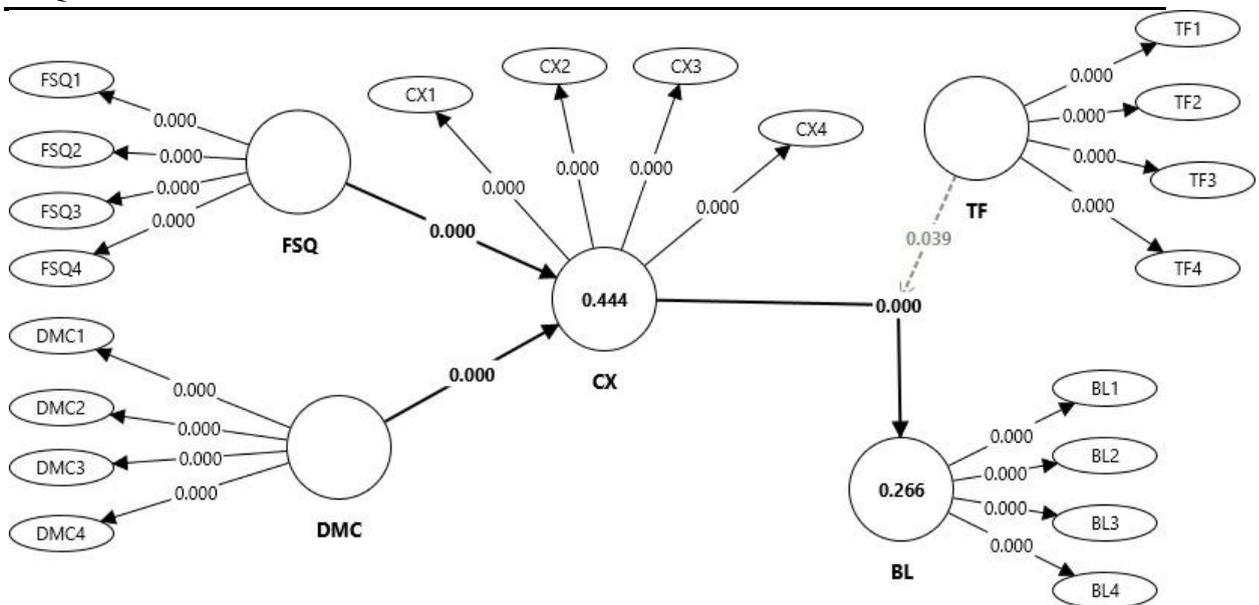


Figure # 03: Bootstrapping

Construct cross-validated redundancy

The procedure of blindfolding evaluated the predictive relevance based on cross-validated values of redundancy (Q2) of the endogenous constructs. Table 07 indicates that both Brand Loyalty (Q2 = 0.139) and Customer Experience (Q2 = 0.265) values go beyond the zero, which prove that the structural model is acceptable in the prediction of these constructs. By the PLS-SEM standards, the Q2 values exceeding 0 show that the model holds realistic out-of-sample predictive power whereas the values of 0.02, 0.15 and 0.35 are small, medium, and large out-of-sample predictive powers, respectively (Hair et al., 2022). In this way, it is possible to state that the model has small to moderate predictive power especially Customer Experience, which proves its power and strong applicability (Chin, 1998).



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Table # 07 Blindfolding

	SSO	SSE	Q2=(1-SSE/SSO)
BL	1544.000	1330.118	0.139
CX	1544.000	1134.233	0.265

PLS-SEM vs. Linear model (LM)

Table #08, which is the results of the CVPAT, compares the predictive performance of the PLS-SEM model with the traditional Loss-based Linear Model (LM). In the case of Brand Loyalty (BL), the average difference of the losses ([-?]0.029) and t -value (1.645) are not statistically significant (p = 0.101), which means that the two models are equally effective to predict the Brand Loyalty. In the case of Customer Experience (CX) however, negative average of the loss difference (0.038) and t-value (4.026, p < 0.001) is significant to prove that PLS-SEM model is statistically significant as compared to the LM with respect to predictive accuracy. The general comparison of the model also demonstrates that PLS-SEM has a much greater benefit in QOL (Avg. loss diff = 0.033; t = 3.111; p = 0.002), which proves that it is a more effective predictor.

These results are consistent with the recent results of PLS-SEM studies that focus on the fact that CVPAT is a sophisticated tool of the comparative power of models based on the predictive power even in complex models that incorporate latent constructs (Shmueli et al., 2019; Hair et al., 2022). The findings reveal that PLS-SEM is more powerful and valid in predictions, in particular those associated with multiple and mutually dependent factors, which can confirm its suitability in theory formation and prediction-based research (Danks & Ray, 2023).

Table # 08
CVPAT analysis

	PLS loss	LM Loss	Avg:lossdiff:	t value	p value
BL	1.331	1.360	-0.029	1.645	0.101
CX	1.111	1.149	-0.038	4.026	0.000
Overall	1.221	1.254	-0.033	3.111	0.002

Discussion

H1: Customer Experience → Brand Loyalty

The findings affirm the effectiveness and high significance of positive Customer Experience impact on Brand Loyalty (b = 0.405, t = 10.099) which has supported the experiential paradigm in branding literature. Modern research suggests that the level of satisfaction alone is no longer one of the key factors influencing loyalty, and instead, the long-term brand allegiance is shaped by holistic emotional, cognitive, and relational experiences (Klaus & Maklan, 2017; Lemon and Verhoef, 2016). Nevertheless, although the statistical strength is strong, the f2 is moderate, which does not exclude the idea that the process of establishing loyalty is multifactorial and cannot be reduced to the effects of experience. It is indicative of a growing complexity of consumer behavior involving fintech and digital space, which has a low switching cost and perceived value being re-examined (Rather, 2020). Furthermore, the digital fatigue and excessive exposure to platform experiences could disrupt the likelihood of loyalty in the long-term, which implies the necessity of the strategizing of the renewal of experience. Therefore, even though Customer Experience plays a major role in Brand Loyalty, companies need to keep



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innovating the elements of the experience so as to maintain the competitive distinction in the fast-changing spaces of the fintech ecosystem.

H2: Customer Experience Digital Marketing Communication.

The close connection between Digital Marketing Communication and Customer Experience ($b = 0.499$, $t = 15.422$) reveals the position of integrated communication as a strategy in the perception of customers. According to the recent studies, interactive, personalized, and omnichannel communication greatly improves the quality of experiences by promoting cognitive stimulation and emotional appeal (Dwivedi et al., 2021; Yadav and Rahman, 2018). This potent influence is, however, to be understood with a heavy dose of criticism because too much or untimely communication can make one seem like an intruder, thus decreasing the experience (Chatterjee et al., 2023). Also, algorithmic targeting will lead to the experience of manipulation, undermining customer confidence and independence. This finding means that an effective communication has not only frequency but also relevance, transparency, and value correspondence. Hence, organizations are required to strike a balance between strategic communications and ethical communication practice to prevent the erosion of experience. In general, although Digital Marketing Communication can greatly improve Customer Experience, its effectiveness is largely determined by the design in terms of the user and the appropriateness of the context.

H3: The Quality of Fintech Services - Customer Experience.

The results of Fintech Service Quality showed that it has a strong positive impact on Customer Experience ($b = 0.428$, $t = 11.907$), which validates service quality as a key element of the perceived digital experience. Reliability of the system, the guarantee of the security, and responsiveness help to build trust and a sense of emotional comfort that fintech customer engagement requires (Ryu, 2018; Zhang and Li, 2022). Nonetheless, functional excellence is not an effective tool to produce memorable experiences, as the moderate effect size suggests. Customers are becoming more demanding of seamless digital services as a given and not a distinguishing feature, resulting in declining marginal returns of quality enhancement (Huang et al., 2023). This implies that the experiential value is created not only through the efficiency in terms of technical aspects but also through emotional fortification, individualization, and relationship interaction. In such a way, fintech companies should not focus on the quality of operations but rather on the integration of experiential design to maintain the customers' motivation and satisfaction in the competitive online financial situation.

H4: Moderating effect of Trust in Fintech between Customer Experience Brand Loyalty

The moderation effect of Trust in Fintech on the CX-BL relationship is small and insignificant ($b = 0.088$, $t = 2.066$), which shows that there is weak amplification of the experiential importance on the loyalty. Although trust is supposedly the key concept in the adoption of fintech, its limited impact indicates that current customers have developed the digital trust benchmarks as the norm, and it is not as effective as a distinguishing moderator (Gai et al., 2023). Moreover, the personal trust perceptions can be replaced with the institutional regulation and the technological safeguards and the direct moderating power of personal trust will be weakened. This observation is consistent with the latest evidence that trust is becoming more of a threshold condition, but not a performance enhancer (Alhashmi et al., 2024). Hence, although trust is still required, it no longer enhances any



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experiential-loyalty relationships so much and the firms are to focus more on emotional engagement and experiential consistency instead of using trust-based strategies.

H5: DMC - CX - BL (Mediation)

The high mediation value of Customer Experience between Digital Marketing Communication and Brand Loyalty proves that communication does affect the loyalty in an indirect manner indirectly through an experience change ($b = 0.202$, $t = 8.283$). This is in line with modern theory that strategic messages can influence cognitive and emotional interpretations, which translate into behavioral loyalty (Lemon and Verhoef, 2016; Dwivedi et al., 2021). More importantly, this route points out that communication will not ensure the loyalty unless it leads to the creation of value in the form of experience. This mediating effect justifies the importance of coherent experiential branding processes as opposed to the disjointed promotional campaigns. Instead, the companies need to translate communication into an experience in terms of immersive content, interactive aspects, and emotional narratives. The inability to combine these components can undermine the ability to build loyalty using digital campaigns.

H6: FSQ - CX - BL (Mediation)

The Customer Experience mediates linking Fintech Service Quality and Brand Loyalty ($b = 0.174$, $t = 7.288$) confirms the hypothesis that the service quality promotes the loyalty to the service based on the experiential perception and not a direct transactional effect. This contributes to the experiential service-dominant logic, where value is generated in the process of interaction with the customer and perception (Vargo and Lusch, 2017). Nevertheless, the moderate effect means that quality of service does not necessarily ensure loyalty, unless it becomes a part of a multidimensional experience framework. As the consumers are demanding flawless fintech operations, emotional resonance, usability aesthetics, and tailored financial experiences become the choices of differentiation (Huang et al., 2023). This means that, in order to build a sustainable loyalty, fintech companies should change service excellence into an emotionally fulfilling experience.

Implications

Theoretical Implications

This paper is an empirical proof of a sequence of events in which Digital Marketing Communication and Fintech Service Quality impact Brand Loyalty via the intervening effect of Customer Experience, and Trust is considered as a conditional moderator in this study. A three-wave design enhances the cause and effect arguments and mitigates the common method bias, addressing the current demands related to the temporal separation of data collection in experience research (Podsakoff et al., 2012; Hair et al., 2022). The results pertain to experiential consumption theory, as it proves that the loyalty does not depend directly on the communication or service quality but the experience is interpreted, so this is consistent with the customer journey model by Lemon and Verhoef (2016). Moreover, the minor moderating impact of the trust undermines traditional fintech conceptualizations of trust as a leading force behind loyalty implying a shift to trust as a strategic competitor. This adds to the dynamic nature of the literature of fintech since it points out that emotional and experiential value creation is becoming more dominant in predicting sustainable loyalty behavior than structural trust.



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Practical Implications

As a practitioner, the research illustrates that in order to create sustainable Brand Loyalty, fintech companies should not focus on technical efficiency but strategically invest in the development of high-quality Customer Experiences. The Digital Marketing Communication should be personalized, relevant in context, and emotionally narrated and not broadcasted with information only. Equally, customer experience should be incorporated in easy-to-use interfaces and streamlined online experiences to create experience. The three-wave model shows that loyalty is a progressive developmental process that focuses on constant interaction as opposed to a single-satisfaction strategy. Companies are supposed to develop dynamic online experience interfaces that adapt to customer demands and customer behavior. In a real-world context, it means bringing together the CRM systems, marketing automation tools, and service quality systems to support the uniformity of experience across platforms. Companies that build on such integrated approach will be in a more advantageous position of creating loyal relationships and decrease churn rates in the increasingly competitive fintech ecosystems.

Managerial Implications

The findings are highlighted to managers as a necessity to employ an experience-based strategic orientation. Experience-driven innovation should be the priority of investment decisions and not just technical improvements. Digital marketing managers should be preoccupied with responsive communication strategy that would increase emotional attachment and perceived value, whereas service managers should be preoccupied with service reliability that would work out into meaningful user experience. The relatively unimportant moderating influence of trust implies that the emphasis of the managers should not be devoted to the sole aspect of creating trust but to emotional and experience-related personalization. Also, the three wave approach emphasizes that managerial interventions need to be assessed in the long term as opposed to short term performance measures. The managers are advised to track the experience touch points on an ongoing basis, track the changes in customer perceptions as time goes by, and revise the strategies. Brand attachment could be further reinforced by using loyalty programs that are based on the experience milestones instead of the frequency of transaction. Such discoveries have offered managers an experimental map of how to build loyalty in the brands that are fintech oriented.

Limitations and Recommendations

Although it is a methodologically sound research, this study is characterized by a number of constraints. Even though the three-wave design will improve temporal validity, it is dependent on self-reported information which can cause perceptual bias. Behavioral analytics and transactional data should be used in future research to supplement perceptual measures. Also, the research is based on one country experience of fintech, which cannot be generalized to other countries with various cultural and regulatory settings. It is advised that comparative cross-country studies are done to confirm the findings around the world. The weak moderating effect of Trust indicates that other moderating variables like perceived risk, digital literacy or algorithmic transparency should be investigated. Experimental or mixed-method research can also be embraced by future research to examine causal psychological processes that lead to experiential loyalty formation. The temporal separation that is larger than three waves might help to increase the causal interpretations and to limit the residual method variance.



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Conclusion

This paper offers a strong empirical evidence to claim that Brand Loyalty in fintech settings is largely determined by experiential processes and not the direct functional or communicative activities. Customer Experience is revealed as the decisive channel in which Digital Marketing Communication and the Quality of Fintech Service have an effect on loyalty, which confirms the experience-based loyalty model in the domain of digital finance. The low moderating influence of trust means that a paradigm shift is approaching in which emotional involvement and value of experience are more important than structural trust frameworks. The employment of three wave approach adds strength and validity to results, supporting the fact of gradual evolution of loyalty. These findings highlight the relevance of experiential design and intermedia approaches of communication in developing sustainable customer relationships in fintech. In general, the study contributes to the development of theory and practice by establishing customer experience as the primary factor of loyalty in the digitally mediated financial ecosystems.

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