

THE IMPACT OF CUSTOMERS' PERCEPTIONS ON BRAND LOYALTY TO PENSION SERVICES ADMINISTRATORS IN NIGERIA

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Abstract

This study investigates how customer perception influences brand loyalty in the Nigerian pension industry, using the Brand Equity Theory. Focusing on trust, service quality, and communication, a descriptive survey was conducted among 400 RSA holders in Lagos, Abuja, and Calabar. Findings from descriptive and inferential statistics show a strong positive correlation between customer perception and brand loyalty ($r = 0.702$, $p < 0.01$). Regression analysis confirms all three variables significantly predict loyalty, with trust as the strongest predictor. ANOVA further shows significant loyalty differences between clients of Trustfund and competitors such as Stanbic IBTC and ARM Pensions. The study suggests Trustfund strengthen digital communication, improve customer experience, and benchmark industry leaders. It concludes that customer perception is a strategic differentiator in the competitive pension environment.

Keywords: *Customer Perception, Brand Loyalty, Pension Fund Administrators, Service Quality, Communication, Brand Equity Theory.*

1.1 Introduction

The Nigerian pension industry has evolved due to the Pension Reform Act of 2004 and its 2014 amendment, which established a contributory scheme regulated by PenCom and managed by PFAs such as Trustfund Pensions Limited (PenCom, 2021; Adebayo & Dada, 2020). As competition intensifies, PFAs rely on customer-focused strategies to strengthen their market positions (Oguntade & Akinbola, 2022).

Because pension services yield long-term outcomes, customer perception—shaped by trust, service quality, communication, and ethical conduct (Kotler & Keller, 2016)—is essential for loyalty. In Nigeria, where confidence in financial institutions is fragile, customers show stronger loyalty to PFAs that demonstrate reliability and competence (Ogunbiyi & Akinlabi, 2019; Eze et al., 2021).

Trustfund Pensions, established in 2005, is recognized for conservative investments and corporate governance (Trustfund Pensions, 2023). However, increasing digital expectations raise concerns about whether its customer engagement strategies sufficiently build loyalty, especially against competitors like Stanbic IBTC, ARM Pensions, and Premium Pension, which excel in transparency and digital responsiveness (Adeosun & Ganiyu, 2022; Nwachukwu & Uduji, 2021).

Customer perception is multidimensional, driven by service quality, communication, complaint handling, and emotional connection (Zeithaml, Bitner, & Gremler, 2018). PFAs that optimize these touchpoints achieve higher retention and advocacy (Ajayi & Fadeyibi, 2020). This study therefore examines how customer perception shapes brand loyalty among PFA clients in Nigeria and compares Trustfund with major competitors. It provides insights for enhancing consumer engagement and contributes to brand equity and service marketing research in pension administration.

1.2 Statement of the Problem

The degree of client loyalty experienced by Nigerian Pension Fund Administrators (PFAs) varies while working under the same regulatory framework; this is primarily determined by how customers view their services. As client expectations rise and more digitally responsive PFAs like Stanbic IBTC and ARM Pensions compete with Trustfund Pensions Limited, brand loyalty is becoming more and more difficult to maintain.

While customer perception is known to affect loyalty, there is limited empirical evidence detailing this relationship within the Nigerian pension sector. In particular, the extent to which service quality, trust, and communication influence clients' loyalty to Trustfund remains underexplored. This gap makes it difficult for Trustfund and similar PFAs to develop effective strategies that strengthen customer loyalty through perception management.

1.3 Objectives of the Study

The study examines the impact of customers' perception on customers' brand loyalty of Pensions Services Administrators in Nigeria. Specifically, the study seeks to:

1. Examine the relationship between customer perception and brand loyalty to Pensions Services Administrators in Nigeria.
2. Identify the key factors of customer perception that influence brand loyalty.
3. Compare Trustfund Pensions with selected PFAs in Nigeria in terms of customer perception and loyalty performance.

1.4 Research Hypotheses

1. There is no significant relationship between customer perception and brand loyalty to Pensions Services Administrators in Nigeria
2. Key dimensions of customer perception do not significantly influence brand loyalty to Pensions Services Administrators in Nigeria
3. There is no significant difference in customer brand loyalty between Trustfund Pensions Limited and other selected Pension Fund Administrators in Nigeria.

2.1 Literature Review

2.1.1 Relationship between Customer Perception and Brand Loyalty to Pensions Services Administrators in Nigeria

Customer perception is a major determinant of brand loyalty in Nigeria's pension sector, where services are intangible and long-term. Key perception factors—service quality, trust,

communication, digital access, and complaint handling—shape how clients evaluate PFAs (Zeithaml, Bitner, & Gremler, 2018). For Trustfund Pensions, perceptions depend on service responsiveness, reporting reliability, and platform accessibility. Service lapses reduce trust and loyalty (Ogunbiyi & Akinlabi, 2019).

Brand loyalty reflects long-term commitment, shown through retention and referrals. Because switching PFAs is difficult, perception strongly influences loyalty (Ajayi & Fadeyibi, 2020). Trustfund benefits from its reputation for safety, but younger, digital-oriented clients prefer the convenience offered by ARM and Stanbic IBTC.

Oliver's (1980) Expectation-Confirmation Theory explains that loyalty rises when service meets expectations. Trustfund scores high on trust and transparency (Eze et al., 2021) but suffers from digital weaknesses. Comparative studies (Adeosun & Ganiyu, 2022) show that seamless digital platforms boost loyalty more than traditional strengths like conservative investment.

2.1.2 Key Factors of Customer Perception Influencing Brand Loyalty

Customer perception affects long-term financial decision-making (Kotler & Keller, 2016). Three key factors consistently drive loyalty:

Trust

Trust—confidence in reliability and integrity (Morgan & Hunt, 1994)—is crucial in pensions. Transparency and regulatory compliance increase loyalty (Ajayi & Fadeyibi, 2020). Trustfund benefits from its conservative, compliant approach, though younger clients expect digital transparency (Eze et al., 2021).

Service Quality

Service quality involves responsiveness, reliability, and personalization (Parasuraman et al., 1988). In Nigeria, this includes timely statements, complaint resolution, and digital access. PFAs with advanced digital services retain more clients (Adeosun & Ganiyu, 2022). Trustfund performs strongly in governance and call responsiveness but trails Stanbic IBTC and ARM in technology-driven convenience.

Communication

Effective communication—clear, timely, and responsive—supports loyalty (Duncan & Moriarty, 1998). PFAs must educate clients on regulations and investments. Strong feedback systems improve perception (Ogunbiyi & Akinlabi, 2019). Poor communication, jargon, and delays harm loyalty.

Integration

Trust, service quality, and communication interact to form holistic perception (Oliver, 1999; Aaker, 1991). Since switching PFAs is difficult, perception shapes both attitudinal and behavioral loyalty. Enhancing digital access, responsiveness, and proactive updates strengthens retention.

2.1.3 Comparative Analysis of Trustfund and Selected PFAs

Competition among PFAs is rising, and customer perception is a key differentiator (Okonkwo & Eze, 2020).

Customer Perception

Stanbic IBTC leads in digital access—real-time balances, biodata updates, and mobile convenience—boosting perception (Ifeanyi & Adebola, 2021).

Trustfund is viewed as stable but less digitally innovative, with slower online updates (Ajayi & Fadeyibi, 2020). ARM provides digital simulators, financial literacy content, and proactive reporting, increasing emotional security (Ogunbiyi & Akinlabi, 2019).

Loyalty Performance

Loyalty appears through retention and referrals. Some Trustfund clients switch to Premium Pension for better digital responsiveness (Adeosun & Ganiyu, 2022). Premium's real-time communication boosts loyalty, while Trustfund's slow complaint resolution weakens it (Eze et al., 2021).

Strategic Implications

Trustfund must enhance digital engagement and client communication. Competitors use tools like webinars (Stanbic IBTC) and mobile apps (ARM) to create emotional bonds (Kotler & Keller, 2016; Duncan & Moriarty, 1998). Trustfund's stability is valuable, but modern loyalty depends on digital efficiency and responsiveness (Zeithaml et al., 2018).

2.1.4 Empirical Review (Summary)

Adewale and Nnaji (2025) found trust and service quality significantly influence loyalty among Trustfund clients but noted weaker loyalty due to poor digital responsiveness. Despite safe investments, customers seek better online engagement.

Ibrahim and Okonkwo (2022) showed poor service quality and unclear communication lead to switching intentions. Trustfund is seen as transparent but slow in engagement; mobile chatbots were recommended.

Oluwole and Basse (2021) reported strong links between brand image and loyalty. Trustfund scored high on investment integrity but lower on service consistency. Chukwuma and Edeh (2020) showed satisfaction and ease of accessing information boost loyalty. Trustfund excels in professional support, but Leadway outperforms it in mobile usability. Adesina and Yakubu (2023) found that PFAs with advanced mobile apps and automated services retain customers better. Trustfund is transparent but lags behind ARM in digital innovation.

2.2 Theoretical Framework

The study adopts Aaker's Brand Equity Theory propounded in 1991. The Brand Equity Theory (BET) views brand equity as assets, including brand awareness, perceived quality, associations, and loyalty, all of which add value to the product or service. It argues that perception-based interactions shape loyalty and behavioral intentions. In pension services, perceived quality includes investment consistency and service responsiveness; brand associations relate to trust and reliability. Loyalty reflects long-term commitment.

The theory helps explain why some clients remain loyal to Trustfund while others switch to Stanbic IBTC or ARM. Although BET was product-focused and less adapted to modern digital services, it remains relevant because pension brands rely heavily on credibility, perception, and long-term relationships to survive and grow.

3.1 METHODOLOGY

The study employed a descriptive survey design to examine how customer perception influences brand loyalty in Nigeria's pension industry. The design enabled data collection from a broad cross-section of Retirement Savings Account (RSA) holders and allowed comparison across selected PFAs. Short interviews complemented the survey to provide deeper qualitative insights.

The study population comprised 2,500 RSA holders from Trustfund Pensions, Stanbic IBTC, ARM Pensions, and Premium Pension Ltd, located in Lagos, Abuja, and Calabar—cities chosen for their active PFA presence and diverse client bases.

A sample of 400 respondents was selected using a multistage sampling technique. Purposive sampling identified the cities and PFAs, stratified sampling ensured representation across locations and administrators, and simple random sampling selected individual participants to reduce bias.

Data were collected through structured questionnaires (five-point Likert scale) and an interview checklist. Questionnaire items focused on trust, service quality, communication, satisfaction, and loyalty. The interview sessions supported interpretation of quantitative findings by exploring emotional and experiential dimensions of customer perception.

Instrument validity was ensured through expert review, while a pilot test with 30 RSA holders produced a Cronbach's Alpha of 0.81, indicating high reliability. Questionnaires were distributed physically at branch offices and major organizations and electronically through Google Forms, with trained field assistants ensuring ethical compliance and data quality.

Data analysis involved descriptive and inferential statistics. Pearson correlation assessed the relationship between customer perception and loyalty, while multiple regression measured the influence of trust, service quality, and communication. ANOVA compared loyalty differences across the four PFAs. All analyses were performed using SPSS (Version 26) with a 0.05 significance level.

4.1 Analysis and Discussion

The analysis was conducted using data from 400 Retirement Savings Account (RSA) holders drawn from Trustfund Pensions and three other major PFAs; Stanbic IBTC, ARM Pensions, and Premium Pension Ltd across Lagos, Abuja, and Calabar. The data were analyzed using descriptive and inferential statistics via SPSS version 26. The results are presented according to the study objectives and hypotheses.

Table 1: Summary of Key Statistical Results

Test	Variable(s)	Statistic	Result	Significance
Descriptive Statistics	Trust (M, SD)	M = 3.96, SD = 0.68	High perception	—
Descriptive Statistics	Service Quality (M, SD)	M = 3.74, SD = 0.73	Moderate-high perception	—
Descriptive Statistics	Communication (M, SD)	M = 3.12, SD = 0.89	Moderate-low perception	—
Descriptive Statistics	Brand Loyalty (M, SD)	M = 3.89, SD = 0.65	Moderate-high loyalty	—
Pearson Correlation	Customer Perception ↔ Brand Loyalty	r = 0.702	Strong positive correlation	p < 0.01
Multiple Regression	Trust, Service Quality, Communication → Loyalty	R ² = 0.54, F(3,396) = 38.74	Predictive model is significant	p < 0.001
	Trust (β)	β = 0.42	Most influential predictor	p < 0.001
	Service Quality (β)	β = 0.36	Significant predictor	p < 0.001
	Communication (β)	β = 0.24	Moderate predictor	p < 0.01
ANOVA	Loyalty Differences across PFAs	F(3,396) = 6.11	Significant difference between PFAs	p < 0.01
Post-hoc Test (Tukey's HSD)	Trustfund vs Stanbic/ARM	ΔM ≈ -0.28	Trustfund scores significantly lower	p < 0.05

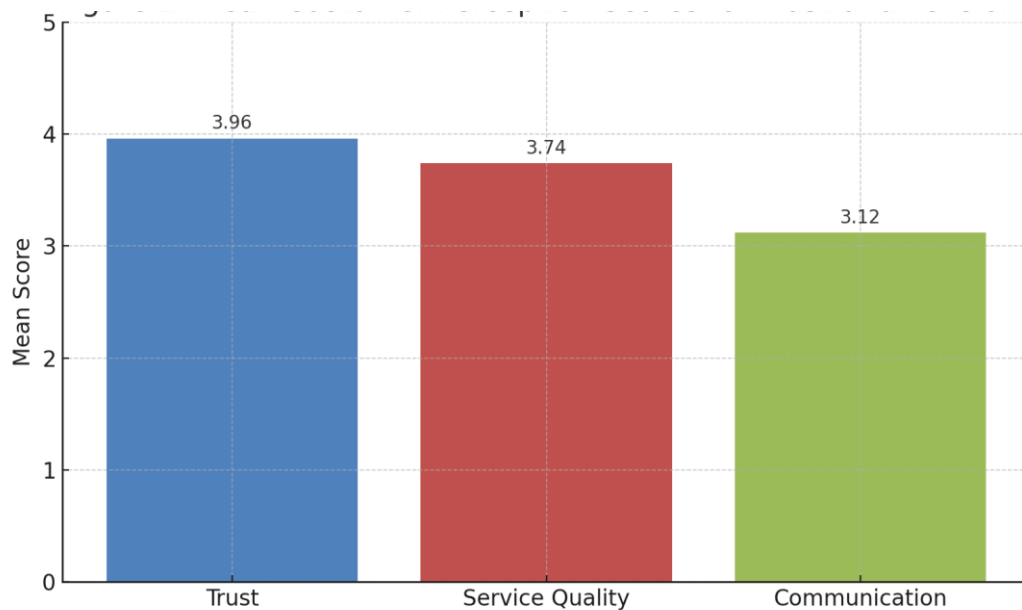


Figure 1: Customer Perception Scores for Pensions Services Administrators

This bar chart presents the mean perception scores for Pension services administrators across three key variables: Trust, Service Quality, and Communication.

4.2 Discussion of Findings

The results of the Pearson correlation analysis revealed a strong positive and statistically significant relationship between customer perception and brand loyalty ($r = 0.702$, $p < 0.01$). This leads to the rejection of the null hypothesis, confirming that as customers' perceptions of Trustfund Pensions improve especially in terms of trust, service quality, and communication their loyalty to the brand also increases.

This finding strongly supports the Brand Equity Theory (Aaker, 1991), which posits that perceived quality, brand associations, and emotional connections are critical in fostering customer commitment. In the context of Trustfund, trust and service delivery play a decisive role in shaping positive perceptions, and by extension, cultivating long-term loyalty. Customers who perceive the company as dependable and professionally managed are more likely to recommend its services and remain loyal, even in a competitive marketplace.

Again, the results of the multiple regression analysis contradicted the null hypothesis 2. The overall regression model was statistically significant ($F(3,396) = 38.74$, $p < 0.001$) and explained a considerable proportion of the variance in brand loyalty ($R^2 = 0.54$). All three predictors—trust ($\beta = 0.42$, $p < 0.001$), service quality ($\beta = 0.36$, $p < 0.001$), and communication ($\beta = 0.24$, $p < 0.01$)—had significant positive effects on brand loyalty.

Thus, the null hypothesis is rejected, affirming that trust, service quality, and communication significantly influence brand loyalty among Trustfund clients. Among these, trust emerged as the strongest driver. This supports empirical literature of Ogunleye & Adeleke, (2021) indicating that financial service clients prioritize trust and consistent service over promotional activities. While service quality remains vital, the growing importance of communication especially digital communication suggests that customers now expect PFAs to be accessible, informative, and responsive. These findings imply that for Trustfund to maintain competitive advantage, it must not only ensure investment safety but also build responsive communication channels and service personalization mechanisms.

On hypothesis 3, the results from the ANOVA analysis showed statistically significant differences in brand loyalty among clients of different PFAs ($F(3,396) = 6.11$, $p < 0.01$). The post-hoc (Tukey's HSD) analysis revealed that clients of Stanbic IBTC and ARM Pensions reported significantly higher brand loyalty scores than those of Trustfund Pensions, while Premium Pension Ltd customers reported slightly lower loyalty levels than Trustfund. Based on these results, the null hypothesis is rejected.

These differences can be explained by the variance in customer engagement strategies. While Trustfund is viewed as stable and compliant, it lags in areas such as mobile integration, client interaction, and personalized account servicing domains in which PFAs like Stanbic IBTC and ARM excel. This finding is aligned with Brand Equity Theory, which emphasizes not just functional quality, but the emotional and experiential value customers attach to the brand. PFAs that invest in seamless digital services, proactive customer engagement, and transparent communication tend to foster stronger emotional bonds with their clients.

5.0 Conclusion and Recommendations

5.1 Conclusion

This study set out to investigate the impact of customer perception on brand loyalty within the context of Trustfund Pensions Services in Nigeria. Drawing on the Brand Equity Theory by Aaker (1991), the study examined how trust, service quality, and communication shape customers' willingness to remain loyal to a pension brand. The findings revealed that

customer perception plays a pivotal role in fostering brand loyalty, with trust emerging as the most influential factor, followed by service quality and communication.

The statistical analysis confirmed that customer perception significantly correlates with brand loyalty and that these perceptions differ across PFAs. Trustfund Pensions clients, while generally satisfied with trust and service delivery, expressed moderate dissatisfaction with communication practices, highlighting an area for improvement. Moreover, clients of competing PFAs such as Stanbic IBTC and ARM Pensions reported higher levels of brand loyalty, attributed largely to better digital engagement and communication channels.

In alignment with Brand Equity Theory, the study concludes that PFAs can no longer rely solely on regulatory compliance or past reputation. Brand loyalty in the modern pension environment is increasingly shaped by how customers perceive their overall experience including emotional trust, service personalization, and communication responsiveness.

5.2 Recommendations

In light of the study's findings, several practical and strategic recommendations are proposed to help Trustfund Pensions Services strengthen customer perception and enhance brand loyalty in Nigeria's increasingly competitive pension administration sector.

Trustfund Pensions should intensify efforts to understand and shape customer perception through structured feedback and brand evaluation tools. Since the study found a significant positive relationship between perception and loyalty, it is crucial that Trustfund regularly conducts perception audits through surveys, customer interviews, and digital engagement metrics. This will enable the organization to proactively address concerns, strengthen brand relevance, and build a culture of customer-centric improvement.

In line with the second objective which focused on identifying key components of customer perception such as trust, service quality, and communication, Trustfund should enhance these specific touchpoints to consolidate brand loyalty. Trust can be reinforced through transparent reporting on fund performance and consistent compliance with regulatory benchmarks. Service quality should be enhanced by investing in employee training and efficient retirement benefit processing. Most critically, communication must be improved through responsive call centers, AI-driven chat support, mobile app alerts, and accessible customer education materials.

Trustfund should benchmark against high-performing PFAs like Stanbic IBTC and ARM Pensions in areas where perception and loyalty gaps exist. Competitors that lead in customer experience management often leverage digital innovation and personalized service models. Trustfund should adapt similar strategies, such as predictive analytics for client engagement, account-based marketing, and digital financial planning tools. These enhancements will not only position Trustfund as a modern and reliable brand but also attract a new generation of digitally literate clients who value convenience, trust, and engagement in their pension experience.

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