

# Explaining Customer Loyalty: an extension to the ECSI Model

Manuel José Vilares

ISEGI-New University of Lisbon  
Campus de Campolide  
1070-312 Lisboa  
Portugal  
mjv@isegi.unl.pt

**Pedro Simões Coelho**

ISEGI-New University of Lisbon  
Campus de Campolide  
1070-312 Lisboa  
Portugal  
psc@isegi.unl.pt

**Abstract.** Loyalty has, over the past decade, become a crucial construct in marketing, and particularly in the burgeoning field of customer relationship management. The ECSI (European Customer Satisfaction Index) model tries to explain customer loyalty using three constructs: image, customer satisfaction and complaints. Although usually showing a good explanatory power for customer satisfaction, in what regards customer loyalty, the explanatory capability of the model is relatively modest. This communication shows that customer loyalty can be explained to a substantial degree by customer satisfaction, trust, and communication, and shows the direct and indirect effects among those constructs and other constructs in an extension of the European Customer Satisfaction Index (ECSI) model. Both ECSI model and the extended model are estimated with data from a survey carried out among customers of the different sectors (banking, insurance and distribution). Within the limitations of the study, the theoretical and managerial implications of these findings are discussed.