

## **Abstract**

The increasing level of consumer engagement with smartphones and tablets or ipods, and the proliferation of mobile applications in recent years have seen a rapid growth in branded apps. Marketers are creating branded mobile apps as a brand communication channel to attract new customers and potentially increase brand loyalty among current customers. Previous research has measured initial adoption or intention to adopt branded apps rather than continuance adoption. In South Africa, few studies have explored adoption of branded apps among generation Y consumers. To fill this gap, this research aims to determine the effectiveness of branded mobile apps in driving brand loyalty among generation Y consumers. To achieve this goal, the research uses Expectation Confirmation Theory (ECT) to explore the factors influencing satisfaction, continuance adoption of branded apps and brand loyalty. Using a quantitative research approach, a total of 406 valid self-administered questionnaires were collected by survey method, and structural equation modelling was employed in the data analysis. The results indicate that confirmation of expectations—functional value, social value and satisfaction significantly influence brand loyalty. When consumers confirmed expectations of branded apps, it directly led to positive perceptions of value and satisfaction. Consumer satisfaction was a significant driver of behavioural loyalty. Results also suggested that consumer confirmation of expectations and perceptions of value impacted on continuance intention indirectly through satisfaction. Perceived functional value was found to be an important direct booster of consumer's decisions and behaviour to continue using branded apps, while social value was found to be an inhibitor of continuance intention. The relationship between continuance intention and brand loyalty was insignificant. Continuance intention was simply an intermediate response following satisfaction with prior usage. This study therefore confirmed and extended the (ECT), that satisfaction with a product or service was a prerequisite for establishing continuance intention and brand loyalty among consumers.

**Keywords:** *Branded mobile apps (branded apps), Confirmation of expectation, perceived value, satisfaction, continuance intention, brand loyalty and generation Y/millennial*