Factors Affecting Customer Loyalty in Nueva Ecija, Philippines

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Abstract— Customer loyalty is one of the important things that a business wants, especially if they want to build their brand. In the vast variety of brands for every product in the market, gaining a customer's loyalty is a challenge. The research objective was to analyze the factors that affect customer loyalty and their impacts. The research focused on the factors which are brand awareness, brand image, and customer satisfaction.

This research utilized quantitative research design and descriptive analysis as it aims to describe and summarize the data that have been gathered. The study was conducted at Nueva Ecija. The researchers used a random sampling design. A total of 385 respondents were online consumers residing at Nueva Ecija. The data collected from the respondents were encoded, tallied, and analyzed using statistical tools such as Percentage, Frequency Distribution, Weighted Mean, and Thematic Analysis.

The results showed that brand image, brand awareness, and customer satisfaction have significant effects and impact on gaining a customer's loyalty. As such, the improvement of marketing strategies can be adopted by the companies to increase customer retention and gain their loyalty to a business' brand.

Keywords— Customer Loyalty, Brand Awareness, Brand Image, Customer Satisfaction.

INTRODUCTION

Loyalty is important in the relationship between business and customers. It has a large impact on the income that the business wants to achieve. As business owners, they need to think about how they can satisfy their customers with the service or product they want to produce. It's not an easy job to do they need to think about what the customer wants, based on the age, culture, and lifestyle they used to have and satisfying customers lead to customer loyalty.

Customer loyalty is an emotional relationship between the business and the customers that lead repeat purchase. Loyalty is a powerful source of income in a business, but it's can also lead to a failure, given when the customer satisfied on the ninth buying but unsatisfied on the tenth buying the loyalty that the customer built on the product or service decreases. Comparing is one of the psychological factors that affect customer loyalty, when they feel that the product that they used is not the same the willingness to repeat the purchase will decrease. Business needs to maintain customer loyalty while the innovation of the product and service occurred, some businesses used after-care service to maintain the loyalty of their customer or for customer feedback.

Customer loyalty has an impact on practically every measure that is relevant to a company's success. The firm will fail if you don't have satisfied clients who will continue to buy from you. New consumers are more expensive to recruit than loyal, repeat customers, and they don't spend as much money. It's crucial to keep people coming back for more if you want to succeed in business. Because of this, profit grabs on a short-term basis don't function. Customers who are loyal to you are better for your business since they help you expand and keep your revenues high.

According to a study conducted in Nueva Ecija by Santos and Santos (2020), People nowadays seek convenient ways to buy brands and shop, and it can be said that the Internet has radically altered customers' perceptions of convenience, speed, pricing, and product and service expertise. Also, in the online business climate in Nueva Ecija, Philippines, online stores must take major control of all factors of client loyalty in their strategic objectives. On the contrary, for some customers, online purchasing is untrustworthy and unsafe, and internet security is a major worry for consumers, particularly in terms of theft, privacy, and hacking. Hence, the study will focus on the province of Nueva Ecija, Philippines. With the given information above, it is important to conduct this study to determine the other possibilities and factors that affects the loyalty of a customer. With the modern day, it is no longer enough that a business must retain its position in the market. There are lots of competitors in the market that improves their brand and anme.

Belleghem (2014) pointed out that leading brands are no longer able to maintain their position as market leaders for extended periods. A once-loyal client base can simply vanish in a matter of months – just look at how many Nokia consumers switched to Apple or Samsung without hesitation. He gave 5 reasons why customer loyalty is declining: (1) failing to keep up with consumer expectations; (2) failing loyalty programs; (3) everything is now transparent; (4) Failing to focus on the customer experience as a whole; and (5) Lack of unique relevance to consumers.

However, in reality, customer happiness does not necessarily lead to customer loyalty; satisfied customers do not always suggest the satisfaction they received after consuming a service good or service to others, a recommendation that can lead to customer loyalty to the product. (Tjiptono, 2001) explained that signs such as referring to others, do not move, and make repeat purchases help to build loyalty dimensions.

The research objective was to describe and analyze the respondent's profile and factors that affect customer loyalty and its impact. The research focused on the factors which are brand awareness, brand image, and customer satisfaction.

Brand Awareness

According to Armah and Attafuah (2020), One of the fundamental aims of marketing has traditionally been to create and retain brand recognition. The collection of brands that a customer considers while making a purchasing choice is also known as the consumer's consideration set. Brand awareness has a significant impact on the brands that enter a consumer's consideration set. Brand recall is described as a consumer's capacity to recall a brand

when presented with a cue such as a purchase circumstance, use situation, or product category. When consumers make decisions away from the point of purchase rather than at the point of purchase, brand memory is more crucial for online companies. A recall is more difficult to acquire than recognition since customers are more likely to recall the color of a product than the brand name. When thinking about a certain product category, top-of-mind awareness (TOMA) refers to the brand that comes to mind without prompting.

Brand Image

According to Abbas, Islam, Hussain, Baqir, and Noor (2021), Customer loyalty is one of the fundamental reasons for ownership of the business, which is a major outcome of brand image and the degree of service that they provide to the customers. As a result, if the firm wants to compete with its rival. To keep customers loyal to their products and services, they must deliver high-quality goods and services. The brand's overall image improves as a result of increased product awareness and satisfaction. Marketing is based on the principle of client happiness. Customer happiness demonstrates how items are given to customers. When a consumer receives high-quality goods at a reasonable price, he is happier. And as the client becomes happier, the brand's image improves, and the customer becomes more loyal to the product.

Customer Satisfaction

Brands have been so preoccupied with developing ways to attract new consumers that customer happiness has taken a second seat. Client retention is more profitable than customer acquisition in the long run. According to the book Marketing Metrics, organizations have a 60-70 percent chance of selling to an existing client, but only a 5-20 percent chance of selling to a new consumer.

In plain terms, you may make more by focusing on your existing customers rather than investing more resources, time, and money in obtaining new customers, according to prominent research by Bain & Co. "Increasing customer retention by 5% corresponds with at least a 25% increase in profit."

According to Ambavle (n.d.), although it is not always true that a satisfied client will remain affiliated with the brand, it is highly likely that they will trust the brand again for future transactions. Customer satisfaction is highly subjective, but it correlates with customer retention.

The former, as well as its relationship with the latter, is influenced by a variety of factors, including the product/service, customer support, price fluctuations, market conditions, target group, and demographic. Being content with a product isn't the same as being overjoyed with it: it's just the first step in impressing your customers.

For example, your customer service may be fantastic and receive a positive rating at the end of the month, but the majority of consumers phoning the support staff expressed dissatisfaction with the product's quality. Customers were happy with the customer service in this situation, but not so much with the goods.

MATERIALS AND METHOD

Research Method

The study utilized the descriptive method to analyze the factors that affectsthe customer loyalty. This design was quantitative in nature using frequencies, percentages, weighted mean, or other statistical analysis to determine its influence.

Research Locale

This research was conducted in the province of Nueva Ecija where the respondents were identified. The respondents of this study are online consumers that are currently residing in Nueva Ecija.

Respondents of the study

The active online consumers' ages 16 and above were the target respondents of this study. The population was filtered to select only the aged 16 and above who were the main target of the study. The table below presents the total number of respondents for random sampling was used.

Table 1. Distribution of the Respondents.

Respondents	Population	Sample Size
Residents of Nueva Ecija	1,531,020	385

Table 1 present the total number of respondents needed to participate in this study. Based on the modern statistical tool 'Raosoft', the total sample size was computed as 385 total consumers over the 1,531,020 population of Nueva Ecija within the age range of 15 to 64 years old.

Sample and Sampling Procedure

The total sample size of the respondents is 385 of the total population of 1,531 020. This study used a random sampling technique, a random sample is one of the main types of non-probability sampling methods. Random sampling is a part of the sampling technique in which each sample has an equal probability of being chosen using the Raosoft Calculator, which is a software that primarily calculates or generates the sample size of a research or survey. A sample chosen randomly is meant to be an unbiased representation of the total population.

Research Instrument

The findings of this study were conducted through an online survey form, with a database that can collect and store data; it also provides statistical software analysis of the findings. Survey research is the most fundamental tool for all quantitative outcome research methodologies and studies. Survey questionnaires are a set of questions to accomplish the objectives of the study; participants are encouraged to complete them over the internet via a google form. The online survey questionnaires constructed in the Google form consisted of three parts;

Part I includes the profile of the respondents. It was constructed by the researchers in a checklist form.

Part II consists of the questions that analyze the factors that affect customer loyalty. It is composed of 3 parts: first is Brand Awareness, formulated in the modified 5-point Likert scale (5) Strongly Agree; (4) Agree; (3) Neutral; (2) Disagree; (1) Strongly Disagree. The second part is Brand Image formulated in the modified 5-point Likert scale (5) Strongly Agree; (4) Agree; (3) Neutral; (2) Disagree; (1) Strongly Disagree. The last part is Customer Satisfaction formulated in the modified 5-point Likert scale (5) Strongly Agree; (4) Agree; (3) Neutral; (2) Disagree; (1) Strongly Disagree. Participants were instructed to rate the statement and answer the question. It was patterned and modified from a questionnaire of Martin Ngumo Kariuki (2015) entitled "The Impact of Brand Image on Customer Satisfaction In Major Supermarkets In Nairobi County''.

Part III consists of an open-ended question that aims to find out the impact of brand image, brand awareness, and customer satisfaction in gaining the loyalty of a customer. The respondents were asked to answer the stated question with their honest opinion.

The research instrument was validated; corrections and suggestions were incorporated in the final draft; interviews were done with the other graduates to check the reliability and validity of the instrument.

Data Gathering Procedure

After the approval of the research topic entitled "Customer Loyalty: An Analysis of Factors that Affect it and their Impact", the researchers conducted the research in Nueva Ecija through an online platform (Google form). The researchers explained to the respondents the importance of the response to the study. The researchers clarified some terms to the respondents so that the respondents can answer the questionnaire with full knowledge of the responsibilities of the subject of the study. The researcher requested the respondents to answer with honesty. The researchers used random sampling. The researchers conducted a dry run to check the reliability and validity of the formulated questionnaire. The reliability coefficient of the instrument was tested and measured to check the internal consistency. The validity of the research instrument was established by presenting the developed research instrument for the comments of the experts who rate the instrument. The reliability coefficient of the instrument was tested and measured with a score of .9890, which means that the instrument has a very good internal consistency. The validity of the research instrument was established by presenting the developed research instrument for the comments of the experts who rated the instrument with 4.12 as its weighted mean having a verbal interpretation of "very good". After validation of the questionnaires, the researchers will conduct a pilot test to ensure the accuracy, reliability, and effectiveness of the research instruments.

Before the distribution of the questionnaires, the researchers obtain approval from their subject teacher and adviser, since the survey questionnaires are posted online on some social media platforms like Facebook, and lastly the researchers are free to conduct a survey.

After the distribution, the information that was gathered from the answered questionnaire was tallied for further interpretation.

Data Analysis Technique

The data collected from the locale were encoded, tallied, and analyzed. Statistical tools such as Percentage, Frequency Distribution, Weighted Mean, and Thematic Analysis were used in analyzing the data gathered. The scale below was employed to interpret the results.

Table 2. Scales for Interpretation of the Factors that Affect Customer Loyalty.

Scale	Mean Range	Verbal Interpretation	Verbal Description
5	4.21 – 5.00	Strongly Agree	Always considered
4	3.41 – 4.20	Agree	Often considered
3	2.61 – 3.40	Neutral	Sometimes considered
2	1.81 – 2.60	Disagree	Rarely Considered
1	1.00 – 1.80	Strongly Disagree	Never considered

Table 2 present the scales applied by the researchers in the interpretation of data under the Factors that Affect Customer Loyalty using a 5-point Likert scale. The purpose of the researchers is to identify the perspective of the respondents to which level of agreement they agree with the statements.

RESULTS AND DISCUSSION

This part of the paper present analyzes, and interprets all the data gathered through textual and tabular forms.

1. Percentage Distribution of the respondent's profile variable

1.1 Percentage Distribution of the respondent's profile variable according to Sex.

Table 3 shows the percentage distribution of the respondents in terms of Sex.

Table 3. Profile of the respondents in terms of Sex.

Sex	Frequency	Percentage
Female	232	60%
Male	153	40%
Total	385	100%

The table above shows the percentage distribution of the respondents in terms of sex. Based on the data, most of the respondents were female, which is a sixty percent (60%) total of 232 respondents. This shows that most online consumers are female. According to Tomas (2018), Women like e-commerce for shopping, while men still prefer bricks and mortar, according to a new survey from First Insight.

1.2 Percentage Distribution of the respondent's profile variable according to Age.

Table 4 shows the percentage distribution of the respondents in terms of Age.

Table 4. Profile of the respondents in terms of Age

Age	Frequency	Percentage
15-20	165	43%
21-30	174	45%
31-40	32	8%
41-50	7	2%
50 and above	7	2%
Total	385	100%

Table 4 shows the distribution of the respondents according to their age out of 385 online consumers or respondents; 45% of them are aged twenty-one (21) to thirty (30) years old. It shows that the respondents were of the appropriate age to be able to consume brands that they want. Most of those aged twenty-one (21) to thirty years old (30) are eager to buy a brand they want, but they do not include the characteristics in choosing the brand they want. According to Thaichon et al (2016), they expect consumers of different age profiles to have different or unique needs, wants, or preferences.

1.3 Percentage Distribution of the respondent's profile variable according to Educational Attainment.

Table 5 shows the percentage distribution of the respondents in terms of Educational Attainment.

Table 5. Profile of the respondents in terms of Educational Attainment.

Educational Attainment	Frequency	Percentage
Elementary Graduate	19	5%
High School Graduate	140	36%
Undergraduate	149	39%
College Graduate	77	20%
Total	385	100%

Table 5 shows that most online consumers are undergraduates while the least are Elementary graduates. The results illustrate that undergraduates comprised 39% of the respondents while elementary graduate is 5%. The data shows that most of the respondents are undergraduates.

According to Parcel pending (2022), Today's college students are some of the key players in the online shopping boom. A whopping 96% have a smartphone and they spend more time on their phones than any other age group2. These Gen Z and millennial-aged young adults purchase everything from textbooks to food and groceries, clothing, electronics, dorm room supplies, and more online and via their mobile devices.

2. Analyze the different factors that affect the loyalty of the customers.

2.1 Analyze the different factors that affect the loyalty of the customer in terms of Brand Image.

Table 6 shows the Analysis of the factors that affect the loyalty of the customer in terms of Brand Image.

Table 6. Different factors affect the loyalty of the customer in terms of Brand Image.

Brand Image	WM	VI	Rank	VB
1. I remember a brand immediately by its logo.	3.43	Agree	3	Often Considered
2. I tend to buy from brands with attractive packaging of their product.	3.32	Neutral	5	Sometimes Considered
3. I tend to buy from brands that have a high reputation for their product quality.	3.59	Agree	1	Often Considered
4. I buy from brands that have a variety of their products.	3.39	Neutral	4	Sometimes Considered
5. I buy from brands that have high standards.	3.56	Agree	2	Often Considered
Composite mean	3.45			

The table above shows that the respondents who tend to buy from brands with a high reputation on product quality got a weighted mean of 3.59 interpreted as "Agree." The result denotes that most buyers who considered purchasing in a shop tend to buy a product of high quality and worth it to buy. In contrast, the attractive packaging of the product is the most negligible factor that affects the loyalty of the customer, with a weighted mean of 3.32 interpreted as "Neutral." The result shows that online consumers often consider buying products from brands that have a high reputation for their product quality.

Overall, they often consider the brand image when buying products from a specific brand. When customers find a product they trust, they return to buy, make repeat purchases, and recommend the product or service to others. According to Eccles G.R et al. (2007), firms with strong positive reputations attract better people. They are perceived as providing more value, which often allows them to charge a premium. Their customers are more loyal and buy broader ranges of products and services.

2.2 Analyze the different factors that affect the loyalty of the customer in terms of Brand Awareness.

Table 7 shows the Analysis of the factors that affect the loyalty of the customer in terms of Brand Awareness.

Table 7. Different factors that affect the loyalty of the customer in terms of Brand Awareness.

Brand Awareness	WM	VI	RANK	VB
1. I tend to buy products from brands I see frequently in advertisements.	3.2	Neutral	5	Sometimes Considered
2. I tend to buy from brands that are popular in public.	3.22	Neutral	4	Sometimes Considered
3. I tend to buy from a brand that my family or friends know about.	3.39	Neutral	3	Sometimes Considered
4. A particular brand comes to my mind first when I need to purchase the product.	3.41	Agree	2	Often Considered

5. I tend to buy from a brand that has detailed advertisement.	3.43	Agree	1	Often Considered
Composite mean	3.33			

The table above shows that most respondents tend to buy from brands with detailed advertisements, got the highest weighted mean of 3.43, and interpreted as "Agree." This denotes that customers often consider buying from brands with detailed advertisements as seen on TV or online platforms. While consideration number 1, "I tend to buy products from brands I frequently see in advertisements," got the lowest weighted mean of 3.02 and interpreted it as "Neutral." The result shows that online consumers often consider buying from brands that have detailed advertisements for their products. Overall, they consider their ability to recall and recognize the business when choosing which brand to buy products. they are more confident in what they watch on TV like a commercial for a product, maybe because there is an opportunity to advertise a product on TV, you will know immediately what is in this product. There are other advertisements that you will only know about a product when you buy. According to Mwakasege (2015), advertising plays a significant role in influencing consumers' buying behavior by attracting their attention, arousing their interest, and creating the desire to purchase the products.

2.3 Analyze the different factors that affect the loyalty of the customer in terms of Customer Satisfaction.

Table 8 shows the Analysis of the factors that affect the loyalty of the customer in terms of Customer Satisfaction.

Table 8 Different factors that affect the loyalty of the customer in terms of Customer Satisfaction.

Customer Satisfaction	WM	VI	RANK	VB
1. I buy products from brands that have satisfied my expectations.	3.57	Agree	2	Often Considered
2. I tend to buy from brands that have good customer service.	3.59	Agree	1	Often Considered
3. I recommend products from brands that reached or exceeded my expectations.	3.54	Agree	3	Often Considered
4. I buy from brands that have good after-sales service.	3.45	Agree	5	Often Considered
5. I am satisfied with the quality of the products.	3.54	Agree	3	Often Considered
Composite mean	3.54			

The table above shows that the respondents tend to buy from brands with good customer service; this statement got the highest weighted mean of 3.59, interpreted as "Agree." The result denotes that the majority of the buyers considered purchasing in a shop that provides good customer service. While item number 4, which is "I buy from brands that have good after-sales service got the lowest weighted mean of 3.45, interpreted as "Agree." The data shows that online consumers often consider buying from brands or business organizations that have good

customer service. Overall, they often consider their satisfaction from the products and services of a brand when buying to satisfy their needs and desires. Because almost all consumers are more satisfied when the services of a business are good. According to Live & Learn Consultancy LTD (2022), treating customers well and creating positive interactions will help increase your sales revenue due to repeat business. On average, one happy customer can lead up to 9 referrals depending on the industry to which the business belongs.

3. Impact of Brand Image, Brand Awareness, and Customer Satisfaction on Customer loyalty

A common theme found in the data is that brand image, brand awareness, and customer satisfaction have a significant impact on a customer being loyal to a brand. Having a good brand image, that is easily recognizable and reliably attracts customer loyalty. Customers that aware of your brand will most likely be curious about your brand and try it. Satisfied customers will most likely be loyal to a brand. Furthermore, loyal customers will tell others about your brand which will give the business gain more customers and more profit.

CONCLUSION AND RECOMMENDATIONS

Based on the findings, the researchers were able to draw the following conclusions:

Having a good brand image contributes to gaining your customers' loyalty. Most customers agreed that they tend to buy products from businesses that have a high reputation for the quality of their products. It was also noticed that brand awareness is important to let consumers know about your products and services and also it encourages repeat purchases. As a result, most respondents are more in favor of detailed advertisements because they prefer to know all about the product so that they know if the product is okay for them and if there are benefits. The results show in customer satisfaction most customers are more attracted when they are satisfied with the products that they buy especially with the services provided to them. As long as they are satisfied there is a possibility that they will buy again until they become loyal to a shop.

In line with the conclusion given above, the researchers were able to present the following recommendations:

- Businesses that are creating a brand should make a good image of themselves. From the logo of their brand, the packaging of products, and the design of their products, they should consider this when making a brand. Having a good brand image is essential if a business wants the loyalty of the consumers.
- Businesses should make consumers aware of their brand. They can do this by creating printed materials that advertise their brands such as fliers, tarpaulins, and brochures. They can also use online platforms such as creating their website or through social media platforms like Facebook. Advertising online is the fastest way for consumers to be aware of your brand.
- Businesses should also prioritize making their customers satisfied with their products and/or services. If customers are satisfied, there is a high chance that they will be loyal to your brand. They could also recommend your brand to others, thus creating more profit and having more consumers loyal to your brand. Encourage customers to give feedback and listen to what they say.

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