

The Determination of Customer Loyalty Factors on Electrical Home Appliances Brands Choices in Sarawak

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Received: 25 March 2023 | Accepted: 10 May 2023 | Published: 1 June 2023

DOI: <https://doi.org/10.55057/ijbtm.2023.5.2.15>

Abstract: *Customer loyalty is about appealing to the right people, getting them to buy often and in larger quantities. Although many studies on loyalty have been done (Bambang et al., 2023; Huang, 2009), however, studies on determining the factors affecting the customer loyalty still needs further attention. 1971 respondents were selected for the purpose of this study. The respondents were selected from several major cities in Sarawak. This study identified that there are eight important elements generally affecting customer loyalty on electrical home appliances brands choices. Using factor analysis, the components are grouped into factors given; country of origin (COO), brand equity (BE), satisfaction (SAT), affect, resistance to change (RTC), value, trust, and corporate reputation (CR). The findings also suggested that Malaysian have low ethnocentric tendencies and does not stress on cultural differences. In rank order, it was found that the most important factor contributing to customers' loyalty are SAT followed by CR, COO, BE, trust, RTC, value and affect factors respectively.*

Keywords: Customer loyalty factors, Electrical home appliances, Ethnocentrism

1. Introduction

According to research by Feldman H.K and Kornwitz J. (2010), understanding customers' satisfaction and acting on the knowledge will help companies save money and reshape the way they conduct business. They further stressed that customers are important and always right. To learn about what customers, want, their behavior, trends, changes, and resistance is important for a company to survive and succeed in intense competition in a marketplace. Theory of loyalty has stimulated a huge attention among academicians and practitioners in marketing and customer behavior (Jan M.J, 2011). Lao *et al.* (2011) asserted that customers are loyal when the product or service performances exceed their needs and requirements.

2. Background of the study

It is known that customer loyalty is important in marketing and business area. There are many methods to measure loyalty (Kuusik, 2007). However, this study focused on the identification of loyalty factors from the customers' perspective. Customers' level of loyalty on electrical home appliances was investigated. The significance difference between local and foreign brands was compared and the effects were analyzed. This information is important for Malaysian industry because the manufacturing activities in this industry have developed from a mere assembly to a design and marketing of local brands for the regional and global markets

(MIDA, 2010). A study to find out what are the factors that favor customers to buy products from certain countries is significant especially in Malaysia situation. As one of the developing countries, this study provides more opportunity for Malaysian to market their electrical home appliances not only at local but also at global level successfully. Therefore, the implementation of the result in this research is important to be the prerequisite for success. The findings determined the factors that influenced customer loyalty. Customers who are less price sensitive, more resistant to competitors offer and tend to make verbal references to others are loyal customers (Jan M.J, 2011; Jensen & Hansen, 2006; Dick & Basu, 1994; Krishnamurthi & Raj, 1991). Hopefully, this study will provide significant information and guidelines for business practitioners to improve their marketing decisions. They can compare and ensure they have all the important factors needed to retain the customer besides being able to attract new customers.

3. Problem Statement

Several research on customer loyalty has been studied (Huang, 2009; Rowley, 2005; Reichheld, 2000). Nonetheless, there are few studies investigating the factors influencing loyalty (Kuusik, 2007) but only few research has been done in developing countries (Azaze et al., 2009; Tham, 2001). Thus, this research provided significant knowledge on factors that constitutes loyalty as perceived by the customers especially for Malaysian electrical home appliances industry. According to MIDA (2010), the industry is the leading sector in Malaysia's manufacturing sector, contributing significantly to the country's manufacturing output (29.3 per cent). Supported by Department of Statistic (2010), electrical home appliances continued as Malaysian leading export which valued at RM82.4 billion and contributed 39.1 per cent of total exports in January to April 2010. Oh (2010) indicates one of the key reasons why the Malaysian SME is not doing as well as it can because they lacked important information that can help them see things from the perspective of their customer. This lack of insight and information retards their ability to make strategic marketing decisions and appear to be motivated either by shortsightedness or being overly single minded about one factor to the loss of other important factors (Seow, 2010). Due to that, local entrepreneurs need to learn what are the factors that influence customers to purchase more foreign products. Thus, learning to incorporate the successful factors found in this study to improve themselves either to local customers or to export market.

4. Research Questions

These are the research questions for this study:

RQ1: What are the factors that determine customer loyalty when buying electrical home appliances brands?

RQ2: How these factors can affect the choices of electrical home appliances brands?

RQ3: In rank order, which factors have the most significant impact on determining the electrical home appliances brands?

5. Research Objectives

Specifically, this study aims to achieve the following objectives:

RO1: To determine the factors that influence customer loyalty when buying electrical home appliances brands.

RO2: To identify the factors that can affect the choices of electrical home appliances brands.

RO3: To rank which factors have the most significant impact on determining the electrical home appliances brands.

6. Significance of the study

Research encouraged the significance of customer loyalty to the potential strength and development of any business (McMullan and Gilmore, 2008; Calik and Balta, 2006; Tsoukatos and Rand, 2006; Parvez, 2005). Malaysian entrepreneurs are lack of important information which consequently affecting their business performance (Oh, 2010). For this reason, the findings could be a source of information for entrepreneurs to develop strategic marketing strategies suitable for local and global market situations. These factors are not only applicable in the local but also global marketplace. Besides, this study also provides significant knowledge about Malaysian electrical home appliances industry for academicians and researchers in study. The purpose of this research is to identify the most important predictors that influenced customer loyalty and their effects on electrical home appliances brands choices. Hence, the findings would be the checklist especially for marketing practitioners in the industry to benchmark the quality of their product to global brand standard.

7. Literature Review

Customer Perceived Factors on Loyalty

There are a few factors which are important in influencing customer loyalty. Several writers' discussion on loyalty claims different findings. The factors include brand trust, customers' perceived value, customer satisfaction and commitment to the brand as well as customer repeat purchase behaviour (Petterson, 2010). According to Afsar B. (2010), perceived quality, satisfaction, trust, switching cost and commitment are other factors which influenced the loyalty of the customers. Additionally, Punniyamoorthy (2007) suggests perceived value, trust, customers' satisfaction, repeat purchase behaviour, and commitment are found to be the key influencing factors of customer loyalty. Taylor *et al* (2004) claim brand equity, trust, customer satisfaction, value, affect and resistance to change as important factors of loyalty. These are universal factors of loyalty and have been tested at global level analysis. Both Taylor *et al* (2004) and Petterson (2010) have several similar factors which are expecting influencing customer loyalty.

Brand Equity (BE)

Brand equity has added improved attention in recent years (Van Osselaer & Alba, 2000; Yoo *et al.*, 2000). Taylor *et al.* (2004) claim, brand equity and trust are constantly the most important background to both behavioural and attitudinal forms of customer loyalty. The significance of brand equity has led to many available studies that contribute to the importance of brand equity in marketing (Keller, 1993; Aaker, 1991).

Previous statements claim many studies indicates brand equity are significantly associated with customer loyalty. Nevertheless, there are still a few dimensions found to have least support to it. Thus, the researcher has high interest to evaluate other factors which is significant to customer loyalty. Since brand equity is a multidimensional theory (Aaker, 1991), research has several indications for evaluating its elements. Several comprise brand loyalty and brand association (Schoker & Weitz, 1988). Besides, there is also brand knowledge, which consists of brand awareness and brand image (Keller, 1993). Additionally, Yoo *et al.* (2000) have recommended that perceived quality, brand loyalty and brand awareness control a strong brand association. Along with the five brand equity assets, it is not easy to manipulate a customer's assessment of brand association in research (Pappu *et al.*, 2006). Furthermore, other proprietary brand assets, such as copyright, are not easy to assess. Consequently, the present study applies brand loyalty, brand association and perceived quality as the measurements of brand equity.

Value

Not only the best factor to behavioural intentions, customer perceived value also mediated the association behavioural intentions with emotional reaction (Kisang R. *et al.*, 2012). Several studies suggest that customer perceived value has been expected as a consistent factor of customer satisfaction and behavioural intentions (Ryu *et al.*, 2011, 2010, 2008; Chiou, 2004).

Yet, the term value has been confirmed to be a difficult concept for marketers (Oliver, 1999). There is little disagreement on the conceptualization of value in the marketing literature (Cronin *et al.*, 1997) where such conceptualizations tend to focus on what is relatively perceived as received than given up in a marketing exchange (Kumar, 2002; Sharma *et al.*, 2001; Sweeney & Soutar, 2001; Brady & Cronin, 2001; Carmon & Ariely, 2000; Cronin *et al.*, 2000; Blackwell *et al.*, 1999; Zeithaml, 1988).

Satisfaction

Satisfaction is an appropriate topic in the study of customer loyalty (Castaneda *et al.*, 2009). The researcher believes customer satisfaction is important to loyalty. Customer satisfaction is the key determinant of customer loyalty (Faullant *et al.*, 2008). Consistent with Oliver (2009) defined satisfaction as the customer's accomplishment reaction, which is the level of fulfilment whether pleasant or unpleasant. Satisfaction positively affects behavioural behavioural and attitudinal loyalty (Barbara .C & Tomaz C., 2008). Researchers identified that customer satisfaction both directly (Russell-Bennett *et al.*, 2007; Spiteri & Dion, 2004; Woo & Ennew, 2004; Szymanski & Henard, 2001; Yi, 1990) or indirectly all through commitment (Caceres & Paparoidamis, 2007; Abdul Muhmin, 2005, 2002; Hennig-Thurau *et al.*, 2002; Wetzels *et al.*, 1998) influence customer loyalty, which is one of the key marketing objective of business (Berry & Parasuraman, 1991).

Unfortunately, most study methods observe satisfaction generally as experience (Cooil *et al.*, 2007; Taylor *et al.*, 2004; Oliver, 1997) or evaluate an arrangement of the overall emotion of satisfaction, level of expectation accomplishment and assemble preferred level (Wang *et al.*, 2004) which might provide a firm wrong impression of safety. As several studies identified, satisfaction is necessary but not sufficient (Sulaiman, 2006). The findings are consistent with Lao *et al.* (2011). He argued that excessive level of satisfaction does not essentially lead to customer loyalty.

Trust

Trust in competency refers to trust in the aspect of competence and rationality (Byoung *et al.*, 2011). Suppliers should hold these two systems on their customers satisfactory to perform collaboratively and to improve work accomplishment. Trust is important in relationships, as has been hypothesized and implicit in the marketing literature. Perceived trust is the customers' confidence stimulates the confident expectations of the brand's reliability and intentions (Delgado *et al.*, 2005). Taylor *et al.* (2004) in their research, indicates trust are constantly the most important background to both behavioural and attitudinal forms of customer loyalty. Lately, Sirdeshmukh *et al.* (2002), and Singh and Sirdeshmukh (2000) have argued strongly that the component of trust may be a factor to explaining loyalty. The importance of trust in explaining loyalty is also supported by authors such as Chaudhuri and Holbrook (2001), Lim *et al.* (1997) and Garbarino and Johnson (1999). Trust is customers committed to repurchase to the retailer (Carroll and Ahuvia, 2006). Significantly, trust contributes to the decline of perceived risk.

However, the characteristic of value perceived in a brand by consumers may result from greater trust in that specific brand that other brands do not provide. Several authors have emphasized that trust is significant in circumstances of uncertainty (Morgan *et al.* 1994; Moorman *et al.* 1992; Doney *et al.* 1997; Dwyer *et al.* 1987). Uncertainty might be affected by reliance or great alternatives which people look after then to favour trendy or well-known brands. Trust might fit in a comparatively complete model of customer loyalty remains undecided (Taylor *et al.*, 2004). It is not consistent to be applied to every brand (Chaudhuri & Holbrook, 2001).

Affect

Researchers advocate that most companies are unable to develop consumer loyalty due to their failure to create affectionate connections with their customers (Vlachos *et al.*, 2011). Affective factor influences social aspects, such as interpersonal relationships and commitment (Li, 2011). Affective is described as emotional trust achieved from long-term-based inter-personal contact. Based on literature affective and trust are in competency in terms of buyer-supplier relationships (Moberg & Speh, 2003; Svensson, 2001; Doney & Cannon, 1997). Affective elements are feelings and emotions, usually formed from sensory-based practices with an object (Jensen, 2011). In precise, affective refers to trust in the aspect of emotion and personality, which is frequently formed in the direction of long-term relationship.

Yet, affect for customer loyalty falls under precise circumstances. Affect is associated with customers' emotions which lead to commitment (loyalty), and satisfaction to a brand. This tends to suggest that the significance of affect is diverse and can be inadequate depending on different circumstances. Customer loyalty should be superior under situation of more positive emotional mood and affect (Dick & Basu, 1994). An area neglected by marketers is the role of emotions in marketing exchanges and relationships (Bagozzi *et al.*, 1992).

Resistance to change

Fournier (1998) suggests customer resistance include both resistance to marketing activities and resistance at product and brand level. Resistance is a multidimensional attitudinal theory which consists of affective, cognitive and behavioural characteristic. Resistance is explained as refusal (Fleming and Spicer, 2007). Several resistance categories have been discussed which consists of resistance to brand, resistance to store format, resistance to reward schemes, resistance to unethical production techniques (Hallsworth *et al.*, 2010). Elements of resistance comprise of animosity, cultural disparities, unwillingness to lose control, intolerance, situational consequences, and dispositional resistance to change, power and prestige, modifying definitions of success and separation strategy (Pile and Keith, 1997). Ronan *et al.* (2011) claim resistance elements act as significant part in decision making process.

Previous researchers argued that resistance to change is an antecedent to customer loyalty. Others claim resistance to change has a minor effect on loyalty. Based on the above literature, past studies were empirically found to have different findings. Therefore, for the interest of this study, the significant role of resistance to change towards loyalty will be determined.

Country of origin

Country-of-origin (COO) is the country where the product brand was initiated. COO image has a significant effect on brand equity elements (brand distinctiveness, brand loyalty and brand awareness/associations) and brand equity. In current global marketplace, customers' view on country image affects their assessment of products invented from different countries, and their consequent purchase decision making (Wu, 2011). Noordin *et al.* (2002) also emphasised that the importance in collectivist cultures is on belonging to an in-group and connectedness within

the group, while the emphasis in individualistic cultures is on individual preferences, needs and achievement. Hence, people who scored high in individualism are more likely to believe in themselves and do things that benefit themselves, whereas those who scored low in individualism, indicating high collectivism, tend to conform to group and social norms (Matsumoto, 2000).

There are some inconstant research findings and inconsistent views concerning collectivism and individualism. Additionally, there are changing patterns of individualism and collectivism in some countries. Country of origin (COO) is believed a significant and stronger indicator in predicting loyalty tendency than individualism and collectivism dimensions (Yoo, 2011). Presented evidence from previous research discloses that COO is one of the crucial cultural disparities in determining customers shopping and purchase behaviour.

Corporate Reputation

Corporate image is a direct mental image that customers have of an organization while corporate reputation, indicates a value opinion about the company's characteristic. Corporate reputations, change over time, consequently of constant performance through efficient communication, while corporate images can be described through well-visualize communication series, for example projecting precise and positive corporate image (Ji Y.P & Soo W.K, 2011; Gray and Balmer, 1998). Corporate image influences customer loyalty in newer and older relationships. In newer relationships, corporate image has a basic effect on switching costs and perceived value. In both cases, switching costs affect customer loyalty (Chung & Li, 2012). Company's reputation has a constructive effect on the customers' loyalty.

From the literature, the researcher acknowledges that perceptions on corporate reputation are influence by customer loyalty. Consequently, negative reputations can lead to unfavourable impact in business situations. Hence, corporate reputation and customer loyalty are not correlated.

Local vs. Foreign product brands

In current global marketplace, companies are making up by competitors, no matter what the industry is. The rising demand of the global brands is an established attribute for most countries. In Malaysia, this norm is not an exemption. Malaysian market is saturated with value-for money Malaysian products in the earlier years. However, there are a few Malaysian brands that had accomplished some measure of success in global stage (Sya, 2004). Building strong brands has become a marketing priority for Malaysian brands.

Globalization has discovered local and foreign marketers to better market occasion. Yet, there are also rising challenges for marketers to penetrate, expand or keep their market, caused by intense market competition. Customers are exposed to a large amount of local and foreign brand preferences. Therefore, the understanding of customer behaviour is necessary for marketers and researchers. Research on the theory of country of origin (Sharma, 2010), customer dislike (Leong *et al.*, 2008) and customer ethnocentrism (Shankarmahesh 2006; Shimp & Sharma, 1987) are growing since these theories are important in this globalized market.

Therefore, marketing practitioners for both local and foreign brands should be concerned on this factor which affects customers' brand assessment as well as attitude formation and actual purchase decision. They are encouraged to emphasis on the country of origin to get constructive

reaction. Besides, marketing practitioners of foreign brands must be aware of the effects of customer ethnocentrism when developing marketing strategies and communication.

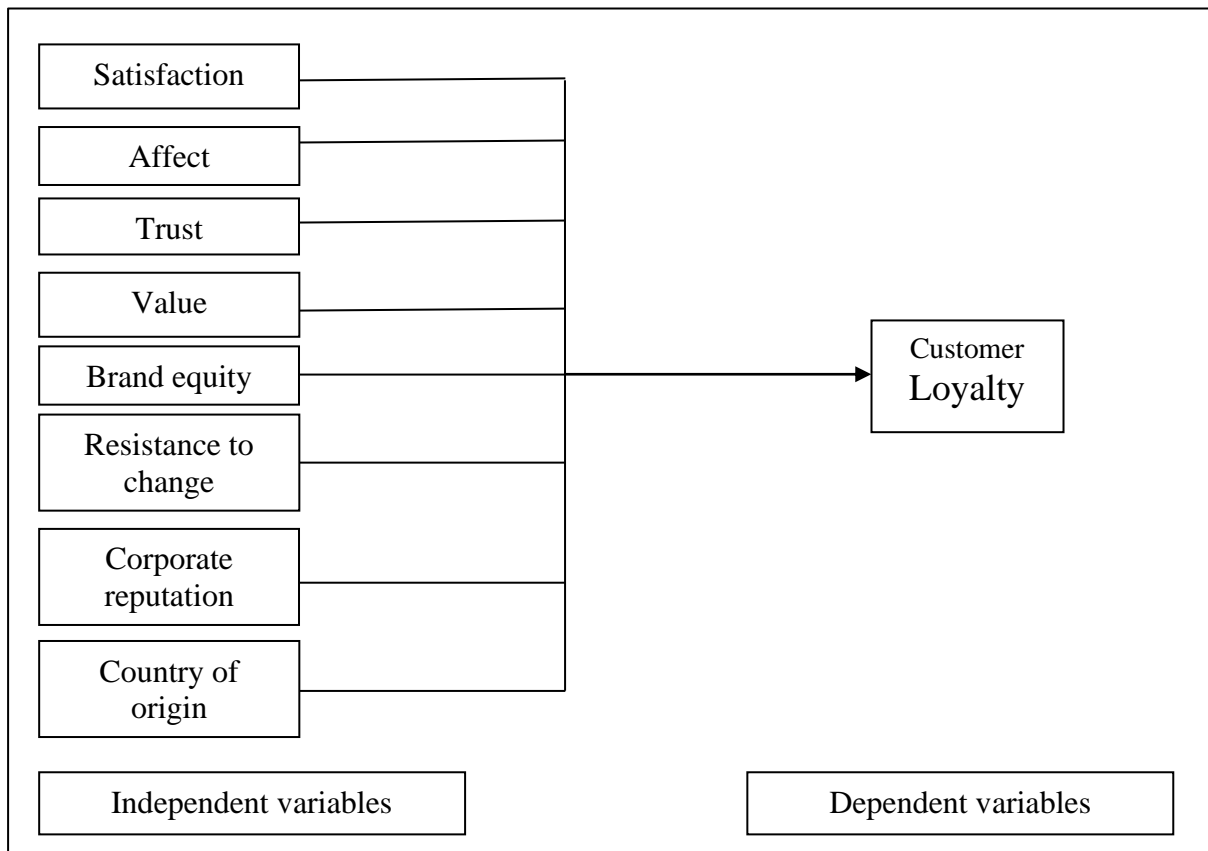


Figure 7.1: Conceptual Framework for Determination of Customer Loyalty Factors on Electrical Home Appliances Brands Choices in Sarawak.

8. Findings and Discussions

There were 1971 respondents randomly selected to participate in this survey. However, only 1568 samples were valid to be used and analysed in this study. The respondents were the customers who lived in Sarawak, Malaysia.

Objective One

For objective 1, to determine the factors that influence customer loyalty when buying electrical home appliances brands., *factor analysis* is used to determine and classify the items into meaningful factors. Factor Analysis helps to categorize variables by reducing the number of variables. Moreover, factor analysis is an additional means to find out whether items are group into the same concept (Aladwani & Palvia, 2002). It is known as data to decrease or construct detection method.

To determine whether items used in this research are tapping into different constructs, factor analysis was computed. At first, to summarize the items, an exploratory factor analysis was computed using SPSS17. The reason was to confirm the validity of the measurement used this research. The normality test of distribution for the eight factors and normality of the data through multivariate normality test was checked before the analysis was computed.

Normality test of distribution for the eight factors measures how the respondents respond to the questions in the instrument. By using 'skewness' and 'kurtosis' approaches to test the normality of data, the measure of skewness close to -1.0 indicates the data is distributed slightly to the left while the skewness close to 1.0 indicates the data is distributed slightly to the right. If the data is perfectly normally distributed, the measure of skewness is 0.0. The kurtosis of normal distribution is zero. However, the measure between -1.0 and 1.0 is considered normally distributed and acceptable (Hair, Anderson, Tatham & Black, 1998). Based on the analysis, the findings show that the measure of skewness is between -1.0 and 1.0 indicating the data is normally distributed and can proceed to the next analysis.

As stated earlier, factor analysis procedure has extracted 10 distinct components based on the eigenvalue greater than 1.0. However, one component is largely standing alone. The component should be eliminated because the item which by itself create a factor (Zwick, W. R., & Velicer, W. F., 1986). The eliminated item is item 26. All the items were computed again using SPSS. This time, the items were extracted into eight fixed numbers of components as proposed in this study.

The higher the absolute value of the loading, the more the factor contributes to the variable. We covered up all loadings less than .50 and were excluded from further analysis (Field, 2000). 39 items remained in this study and grouped under the respective factors. Once the items have been identified, the components were transformed into one mean value representing their respective factors. The components are grouped into respective factors given country of origin (COO), brand equity (BE), satisfaction (SAT), affect, resistance to change (RTC), value, trust and corporate reputation (CR).

Therefore, this study empirically identified eight important factors in determining customer loyalty. As a summary, this study found out that COO, BE, SAT, affect, RTC, value, trust and CR as the factors that influence customer loyalty on EEP brands. As compared to Taylor's *et al.* (2004) study, additional two factors are found to be influencing loyalty. The factors are COO and CR factors.

Objective Two

To identify the factors that can affect the choices of electrical home appliances brands, *stepwise multiple regression analysis* was applied. However, before proceeding, multivariate analysis and existence of outliers should be tested. When two or more of the variables in sample have overlap, multicollinearity may occur. Therefore, it is difficult to differentiate the factors. Multicollinearity has been identified using analysis of correlation factors. A simple correlation between independent variables should not exceed .80 to .90 (Judge *et al.*, 1985; Bryman and Cramer, 1997).

Hence, this study analysed the correlation between dependent and independent variable by means of the inter-item correlation test which every single item was correlated to a group of dependent variables before removal of items take place. The tolerance value less than 1.0 is an indication of harmful (Neter *et al.*, 1989). In this study, the tolerance values are more than 1.0 and no variables have been removed. The findings indicate that there is no multicollinearity problem. The standard residual in the range between -3.3 to +3.3 shows that there was no outlier. The regression analysis was considered valid and next analysis can be computed.

Based on the analysis, the results show that there are six variables mainly affecting customer loyalty. Using the SPSS statistical analysis program, the results indicate that six variables are

significantly the strong factors predicting customer loyalty towards electrical home appliances brands.

Eventually, this study found that the analysis indicated country of origin and trust factors are not a significant predictor. The results support the research done by Peterson and Jolibert (1995) and Verlegh and Steenkamp (1999). They claimed that the effect of COO is lesser for multi-indication studies than for single-indication studies. COO is likely to have a significant impact on product evaluation when the information is controlled. Besides, customers are usually think buying local products are more appropriate in a normative implication except when local products are not available, customers with high level of ethnocentrism might choose to buy products from culturally similar countries (Watson & Wright, 2000; Shimp & Sharma, 1987).

Trust may possibly appropriate in a relatively complete model of customer loyalty but continue in determinate. Hart and Johnson (1999) argued, trust as mediating the satisfaction and loyalty relationship. Singh and Sirdeshmukh (2000) recommend a model suggesting trust is an antecedent to satisfaction which sequentially is subordinate to loyalty. This model of trust is supported by several authors (Chaudhuri & Holbrook, 2001; De Ruyter *et al.*, 2001) in their model explaining brand loyalty. Sirdeshmukh *et al.* (2002) currently introduce evidence that value mediates the trust and loyalty relationship.

Objective Three

Besides literature searches, survey forms and focus group meetings also had been implemented. Ten industrial experts from ten retailers and distributors of electrical home appliances brands in Kuching, Sarawak were invited to participate in the focus groups meetings and respond to survey forms. Key words extracted from the responses were regrouped and eight tentative factors compatible with current situations were identified. There were eight tentative factors that had been determined. Next, the factors which are relatively important to customer loyalty on electrical home appliances brands were ranked according to customer preferences.

To find the solution for the third objective, customers were asked to rank the factors which are influencing their loyalty. Using *Descriptive Statistics* analysis, overall findings show that customer satisfaction (SAT) is the most important factor influencing their loyalty on electrical home appliances brand. The customers claimed that they are loyal to the electrical home appliances brand of their choice mainly because the brand has exceeded their highest expectations and enjoying positive experience when using the brand. Satisfaction is empirically identified as the key determinant of customer loyalty in most research (Faullant *et al.*, 2008; [Gupta & Zeithaml, 2007](#); Rowley, 2005; Sivadas & Baker-Prewitt, 2000; Zeithaml *et al.*, 1996; Fornell, 1992). Practical studies investigating the previous circumstances of customer loyalty predictably focus on satisfaction. Apparently, satisfaction is not the only significant driver of customer loyalty (Brunner *et al.*, 2008; Mittal & Lassar, 1998).

The second factor is corporate reputation (CR). Customers believed that they are influenced by the company's brand image and the responsibility to the community. Customers believed companies that practices positive values are superior companies. COO is relatively the third imperative factor as perceived by the customers. COO is the country where the product brand was initiated. Customers believed they are influenced by the image of COO. The quality of the electrical home appliances brand is claimed to be associated with the country of origin. After COO factor, brand equity (BE) factor is relatively important to customer. The product and service quality are part of brand equity. Customers claimed that they can expect good service

and excellent performance from the brand of their choice. Customers' trust towards the brand also plays an important role. This is because the customers believed they are loyal to the brand only if the product performed as expected and generally trustworthy. Morgan and Hunt (1994) posit that trust is a major determinant of relationship commitment: brand trust leads to brand loyalty because trust creates exchange relationships that are highly valued.

Customers' resistances to change to another substitute are relatively important to loyalty. This is because their preferences for the electrical home appliances brand will not change later but will subsequently be retained with the same brand. Moreover, value factor is relatively significant to customer loyalty. Value could be in terms of monetary and hedonic value. Customers believed that the price of the brand also affect their loyalty. Customers' perceived value is discussed as one of the most important determinants of satisfaction (Heskett *et al.*, 1997; Lam *et al.*, 2004; Spiteri & Dion, 2004) and loyalty (Lam *et al.*, 2004; Spiteri & Dion, 2004; Whittaker *et al.*, 2007). As proposed by Ulaga and Eggert (2005, 2006a), relationship value is a formative construct composed of relationship benefits (product quality, delivery performance, supplier know-how, time-to-market, service support and personal interaction) and relationship costs (direct product costs (price) and process costs) (Ulaga, 2003). One way of addressing the link between customer value and satisfaction is therefore to study value as a formative construct (Cater, 2009). On the other hand, Devaraj *et al.* (2001) and Spiteri and Dion (2004) raised the question of whether we really need customer value as a construct. In their discussion they rely on Iacobucci *et al.* (2007), who were the first to observe that all that satisfaction research needs are the inclusion of price (besides the relationship benefits) as another determinant of satisfaction.

Finally, customers claimed that affect is the least important factor predicting their loyalty. The analysis indicated that customers' personal feeling toward the electrical home appliances brand is not essential. In rank order, the factors are satisfaction, corporate reputation, country of origin, trust, brand equity, resistance to change, value and affect.

Moreover, the findings indicated that the differences between local and foreign electrical home appliances brands are based on the excellence of after sale services they received from the retailers or distributors of the products. Warranty, product replacement, delivery are the examples of the after-sale services provided.

Besides that, brand recognition and customers' trust also influence the customers' perceptions towards electrical home appliances brands followed by other factors such as price, satisfaction, quality, experience, reliable, brand name and the product design. A study by Farley (1964) also claimed that price activity and delivery system will affect customer's view on product brands.

9. Conclusions

Studies on loyalty showed different findings (Bambang *et al.*, 2023; Petterson, 2010; Afsar B., 2010; Punniyamorthy, 2007 and Taylor *et al.*, 2004) indicating that continuous work on loyalty from different industries in an intense global competition need to be done. For this study, several new findings were found. The findings can be applied by entrepreneurs and businesses especially in the manufacturing industry as the prerequisite for success.

This study has identified eight factors currently important in determining loyalty on electrical home appliances brands. The factors are country of origin (COO), brand equity (BE), satisfaction (SAT), affect, resistance to change (RTC), value, trust and corporate reputation

(CR). This study identifies COO and CR as the additional factors for loyalty on electrical home appliances brands.

The results showed that there are six variables identified as significantly strong factors influencing customer loyalty. The variables are resistance to change (RTC), corporate reputation (CR), affect, satisfaction (SAT), values and brand equity (BE). Nevertheless, based on the analysis, country of origin (COO) and trust are not strong factors. These findings confirm the research done by Peterson and Jolibert (1995) and Verlegh and Steenkamp (1999). They indicated that the consequence of COO is less important for multi-indication studies than for single indication studies. Multi-indication refers to a study that includes other additional information and access to other cues such as the actual physical product, brand name, price and warranty instead of single indication that study COO cue alone. In such a situation, the impact of any one single cue such as COO may diminish significantly. The findings are also consistent with Sirdeshmukh *et al.*, (2002) and Singh & Sirdeshmukh (2000) in their study, trust was empirically an antecedent to satisfaction but a mediating to loyalty.

Overall, in rank order, customers believed that the most important factor is satisfaction followed by corporate reputation, country of origin, trust, brand equity, resistance to change, value and affect. This finding acknowledges the producers on what customers perceived as very important to least important factors on the brands. The details could contribute to the development of their strategic marketing plan.

Compared to local electrical home appliances brands, customers claimed that instead of satisfaction, country of origin (COO) is the main reason they tend to repurchase foreign brands. The finding supported other studies indicating that COO has the most important criteria on influencing customers' tendencies to purchase products (Hsiang & Ching, 2011; Knight *et al.*, 2007; Papadopoulous & Heslop, 2002). This is followed by other factors which are brand equity, satisfactions, affect, resistance to change, value and trust determinants which were ranked accordingly. However, the findings indicated that corporate reputation is the least important factor influencing customers in their decision to buy whether local or foreign electrical home appliances brands. Ethical reputations about the company increase the effect of customer value on customer satisfaction and eventually loyalty (Jay & Fernando, 2011).

Acknowledgement

First and foremost, we would like to thank our university and the head of department for giving us their support. We would also like to thank our beloved family and everyone who had been involved directly or indirectly upon completing this project. We are grateful to all of those with whom we have had the pleasure to work with during completing this study. Each support has provided us with extensive personal and professional guidance. Thank you for showing the support, love, and the prayers we have received.

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