

THE DETERMINANTS OF CUSTOMER LOYALTY

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Abstract

The objective of this study is to identify and analyze the factors that influence customer loyalty in the context of contemporary competitive business. Specifically, we will examine the impact of Brand Satisfaction, Corporate Brand Reputation, and Brand Attachments. The research methodology employed is a Systematic Literature Review (SLR) to investigate noteworthy discoveries in relevant scholarly literature. The results of the SLR analysis indicate that there is a positive correlation between customer satisfaction and the quality of corporate brand reputation with Brand Attachments. This, in turn, leads to an increase in Brand Loyalty. While Corporate Brand Reputation does have a favorable effect on customer perceptions, its influence on Brand Loyalty is comparatively weaker than that of other variables. The results of the multiple linear regression analysis indicate that the combination of these factors exerts a substantial influence on customer loyalty. Hence, it is imperative for companies to prioritize their endeavors towards enhancing customer satisfaction, establishing a favorable brand image, and fostering profound emotional connections with customers in order to achieve maximum levels of loyalty. Ultimately, an extensive understanding of the factors that influence customer loyalty can assist companies in devising more efficient business strategies to sustain and enhance enduring customer relationships.

Keywords: *Customers, Determinant, Loyalty*

1. INTRODUCTION

Customer loyalty is a crucial factor in today's highly competitive business environment. Customer loyalty, also known as brand loyalty, pertains to a customer's steadfastness and dedication to a particular brand, product, or service. In a time period characterized by consumers having extensive access to information and a wide range of options, the task of establishing and sustaining customer loyalty becomes progressively intricate. Elements such as the quality of the product, the level of customer service, and the overall experience of the consumer greatly influence a customer's choice to either stay loyal or switch to a rival (Leninkumar, 2017). Customer loyalty plays a crucial role in ensuring the long-term financial stability of a company, as well as enhancing its brand image and reputation. Faithful clientele not only provide a consistent revenue stream, but also serve as organic promoters who generate favorable recommendations and exert social influence.

Hence, a successful business strategy necessitates endeavors to comprehend customer requirements and inclinations, establish robust connections, and deliver gratifying encounters. Companies can enhance their innovation, generate added value, and sustain their market share in the face of evolving competitive dynamics by recognizing the significance of customer loyalty. Research and comprehensive comprehension of the factors that impact customer loyalty are crucial for developing successful strategies in establishing enduring customer relationships (Mandira et al., 2018). The issue of ascertaining customer loyalty is a pivotal concern in the realm of business. The fast-paced shifts in market dynamics and rapid advancements in technology have presented companies with fresh obstacles in their efforts to sustain customer loyalty. In the present day, customers have more convenient means to evaluate and contrast different products and services, thereby making purchasing choices influenced by their own firsthand encounters, online evaluations, and recommendations from other consumers. Hence, it is imperative to possess a comprehensive comprehension of the determinants that impact customer loyalty (Öztürk, 2015). Conducting research on the factors that influence customer loyalty is necessary in order to identify crucial variables that have a substantial impact on shaping customer attitudes and behavior. It is

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necessary to thoroughly examine factors such as product quality, price, customer satisfaction, brand loyalty, and effective customer service. Continual research is necessary to track and comprehend the evolving dynamics resulting from shifts in consumer preferences and market trends (Safa & Ismail, 2013).

Companies are compelled to constantly enhance their marketing and customer service strategies due to the escalating competition. Through an examination of the factors that influence customer loyalty, companies can pinpoint potential areas for enhancement, maximize resources, and create loyalty programs that are more efficient. This research aims to generate a more profound comprehension of the factors that contribute to the formation and sustenance of customer loyalty. Consequently, it can positively impact a company's long-term growth and success (Hidayat et al., 2019). Researching the factors that influence customer loyalty is essential because of the changing consumer behavior and the dynamic nature of the business environment. Companies must possess a comprehensive comprehension of the factors that impact customer loyalty due to shifts in consumer preferences, advancements in technology, and heightened competition (Wahab et al., 2016). This research is crucial for elucidating and pinpointing crucial variables that exert a substantial influence on a customer's inclination to maintain loyalty towards a brand or transition to a rival.

Organizations can acquire the strategic knowledge necessary to develop and execute loyalty programs that are more efficient, enhance the quality of their products and services, and optimize interactions with customers. Furthermore, acquiring a more profound comprehension of the factors that influence customer loyalty can assist companies in adjusting to market fluctuations and formulating pertinent marketing tactics, enhancing customer satisfaction, and ultimately, fortifying the groundwork for sustained business expansion. Therefore, conducting research on the factors that influence customer loyalty is not only essential, but also a critical strategic measure for addressing the intricacies of contemporary business dynamics.

2. IMPLEMENTATION METHOD

This study will employ a Systematic Literature Review (SLR) methodology as the primary approach to thoroughly examine and analyze the factors that influence customer loyalty. Systematic Literature Review (SLR) is a rigorous and organized research approach used to conduct comprehensive evaluations and synthesize existing scientific knowledge pertaining to a specific research topic. This approach involves a meticulous process of identifying, selecting, and evaluating previous research that is pertinent to the factors that influence customer loyalty (Akhigbe et al., 2017). The SLR methodology enables the systematic and transparent selection of literature, ensuring an objective and comprehensive process. Through an analysis of existing literature, this research aims to uncover patterns, trends, and areas of limited knowledge. This will provide a comprehensive understanding of the factors that impact customer loyalty. The SLR approach offers the flexibility to analyze changes or advancements in the scientific literature over time, establishing a solid basis for comprehending the progression of concepts and practices in the realm of customer loyalty. The purpose of employing SLR in this study is twofold: firstly, to offer a thorough understanding of the conceptual framework governing the factors influencing customer loyalty, and secondly, to establish a strong empirical foundation for devising practical and strategic suggestions for businesses (Carter et al., 2022).

3. RESULTS AND DISCUSSION

Based on the SLR results of 6 journals that match the keywords searched, namely Customers, Determinant, and Loyalty, the following results were obtained :

No.	Article Title	Writer	Research Findings/Results
1	Corporate Social Responsibility as a Determinant of Employee Loyalty and	(Stojanovic et al., 2020)	The findings show that the greater employee loyalty, the higher the company's performance and competitiveness. The results presented can

	Business Performance		be very significant for decision makers and researchers, as they highlight the specifics of CSR and can be used to create appropriate business strategies.
2	Determinants of Toyota Car Brand Loyalty	(Elistia et al., 2023)	Increasing Brand Satisfaction and Corporate Brand Reputation can increase Brand Attachment. Furthermore, increasing Brand Satisfaction and Brand Attachment can also contribute to increasing Brand Loyalty. However, Corporate Brand Reputation does not have a significant influence on increasing Brand Loyalty.
3	Determinant Factors of Customers Switching Behavior to Customer Satisfaction and Loyalty in Online Transportation Users in Bandung	(Suryawardani & Wulandari, 2020)	The research results show that the contribution of price, promotion and quality of electronic services simultaneously influences customer satisfaction which directly affects 64.9%. Meanwhile, the research results also show that the contribution of price, promotion, electronic service quality and customer satisfaction simultaneously influence customer loyalty which directly influences it by 48.3%.
4	Determinant Factors Toward Bank Syariah Indonesia (BSI) Customer Loyalty: An Empirical Approach	(Sulistiyandari et al., 2022)	The results of this research contribute to academic literature, especially by providing a new discussion of theory and literature related to the Determining Factors of Customer Loyalty in Indonesian Sharia Banks (BSI), which have rarely been discussed before.
5	Determinants of Customer Loyalty for the Livin by Mandiri Application in Semarang City	(Safina Pribadi Makna & Amron, 2023)	The research results indicate that the better the brand image, product quality, and the more affordable the prices offered by the company, the more customer loyalty will increase.
6	Analysis of Customer Loyalty Determinants of Bank Muamalat Indonesia	(Sulaiman, 2022)	The research results show that service quality and satisfaction partially or simultaneously influence customer loyalty. The analysis technique used is multiple linear regression analysis.

Given the previously mentioned literature, investigating the factors that influence customer loyalty is gaining significance within a competitive business environment. This research employs Systematic Literature Review (SLR) as the primary method to comprehend the factors that impact customer loyalty. The results of the systematic literature review (SLR) indicate that factors such as Brand Satisfaction, Corporate Brand Reputation, and Brand Attachment have a significant impact on the development of customer loyalty (Makanyeza & Chikazhe, 2017). Concretely, the research findings indicate that enhancing Brand Satisfaction and Corporate Brand Reputation can elevate the degree of Brand Attachment. Moreover, enhancing Brand Satisfaction and Brand Attachment also leads to higher levels of Brand Loyalty. Surprisingly, the influence of Corporate Brand Reputation on enhancing Brand Loyalty is not statistically significant (Zheng et al., 2022). The significance of comprehending this concept stems from the fact that contemporary consumers evaluate not only the

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quality of a product or service, but also emotional elements and brand perception (Suryawardani & Wulandari, 2020). Thus, it is imperative for companies to comprehensively comprehend the interplay of these variables in order to cultivate substantial levels of customer loyalty. The findings of this study underscore the significance for companies to prioritize strategies that enhance customer satisfaction and cultivate a robust brand image. An in-depth comprehension of the factors that influence customer loyalty, as elucidated in this body of literature, offers valuable perspectives for companies in formulating business strategies that are more efficient and pertinent to consumer demands (Sulaiman, 2022).

Furthermore, these findings emphasize the importance of regularly revising business strategies in response to shifts in consumer preferences and market dynamics. Ultimately, this research offers a significant contribution to scholarly literature and can serve as a foundation for companies to enhance their endeavors in constructing and sustaining customer loyalty within a constantly changing business landscape. An examination of the factors that influence customer loyalty is essential for comprehending the elements that contribute to enduring relationships between customers and companies. This literature suggests that variables such as Brand Satisfaction, Corporate Brand Reputation, and Brand Attachment play a crucial role in shaping customer loyalty. Brand Satisfaction, which denotes the level of customer contentment with a particular product or service, was discovered to exert a favorable impact on Brand Attachment. This underscores the significance of delivering customers with a favorable encounter to enhance their emotional connection to the brand. Ensuring high levels of customer satisfaction is crucial for maintaining loyalty, and companies must consistently enhance the quality of their products and services (Elistia et al., 2023).

While Corporate Brand Reputation does not have a significant impact on Brand Loyalty, it still holds importance as a key factor. According to Sulistyandari et al. (2022), although corporate brand image has a positive influence on customer perceptions, its direct connection with loyalty levels may not be as robust as other factors. Hence, it is imperative for companies to comprehend that establishing a robust brand reputation entails more than just surface-level perception; it also involves deeply resonating with customers on an emotional and cognitive level. The significance of Brand Attachment is growing more prominent. The research findings indicate that enhancing Brand Attachment can bolster the degree of Brand Loyalty. This underscores the significance of establishing a robust emotional connection between customers and brands. Companies can accomplish this by fostering favorable engagements, fulfilling encounters, and implementing marketing tactics that highlight brand principles (Sulaiman, 2022). Therefore, this analysis of the factors influencing customer loyalty emphasizes that in order to preserve and enhance customer loyalty, companies must explore the emotional dimensions and customer perceptions of the brand. A comprehensive comprehension of these variables offers a strategic foundation for companies to formulate more efficient and pertinent initiatives in establishing enduring relationships with customers amidst fierce business rivalry and constantly evolving market dynamics.

4. CONCLUSION

The outcome of the discourse on the factors that determine customer loyalty demonstrates that in order to establish and sustain customer loyalty, companies must comprehend and oversee the pivotal elements that impact the connection between customers and brands. Brand Satisfaction, Corporate Brand Reputation, and Brand Attachment are significant factors that influence customer loyalty. The research findings indicate that customer satisfaction, encompassing both the quality of the product and service, plays a pivotal role in establishing an emotional connection with a brand. Corporate Brand Reputation positively influences customer perception, but it is Brand Attachment that plays a crucial role in enhancing customer loyalty. Hence, it is imperative for companies to prioritize strategies that enhance customer satisfaction, cultivate a favorable brand image, and foster robust emotional connections in order to attain maximum levels of loyalty. These findings establish a basis for companies to develop customer-centric business strategies, guaranteeing favorable experiences, and cultivating significant, enduring relationships with customers in a constantly changing business landscape.

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