

**FACTORS INFLUENCING CUSTOMER LOYALTY IN BUSINESS
PERFORMANCE**

By

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Abstract

This study addressed the critical challenge organizations face in securing and maintaining customer loyalty amidst intense market competition. Recognizing that loyal customers offer substantial benefits such as reduced marketing costs and increased profitability, the research explored the factors influencing customer loyalty and its impact on business performance. By examining elements like brand recognition, emotional attachment, and customer satisfaction. The study aimed to provide insights into building strong customer relationships and enhancing business outcomes. Utilizing a descriptive research design, the study employed simple random sampling to gather data from 368 third- and fourth-year students at Tagoloan Community College, focusing on their perceptions and experiences as customers. Statistical analyses, including weighted mean and Pearson correlation coefficient, were used to identify patterns and relationships within the data. The findings shed light on key aspects influencing customer loyalty and business performance among BSBA students. Brand recognition was found to be moderately influential, with a recommendation to strengthen emotional connections to enhance loyalty. The study also highlighted the significance of sales growth in driving business performance, suggesting the need for strategies to improve customer retention and encourage repeat business. The strong correlation between positive customer experiences and business performance underscored the importance of prioritizing customer-centric approaches for long-term success. Based on these findings, the study made recommendations to optimize operational strategies, enhance customer experiences, and meet consumer expectations for sustained growth and profitability in today's competitive landscape.

INTRODUCTION

Many organizations now face significant challenges in attracting and retaining customers due to heightened market competition. Building strong customer relationships requires time and multiple positive experiences. It's not enough to make a good first impression; the true value of a customer interaction unfolds over time. Without exceptional customer service, organizations will spend more on acquiring new clients without securing their loyalty, leading to inefficiencies. Customers have many options, so when they consistently choose your products and services, they demonstrate loyalty. Factors such as customer satisfaction, brand trust, emotional attachment, and a great customer experience are crucial in fostering brand loyalty. By prioritizing these elements, businesses can strengthen customer loyalty, reduce marketing expenses, and boost long-term profitability. Success hinges on retaining clients and keeping them satisfied. Loyal customers make repeated purchases, positively promote your brand, and recommend your products to others (Koteswara et al., 2015). It takes significant effort to persuade clients to stay with you rather than switch to a competitor, but the investment is worthwhile. Devoted customers generate word-of-mouth marketing, which is powerful and cost-effective. Existing clients spend more, are more inclined to buy from you again, and promote your products for free. Therefore, customer loyalty should be a top priority. Perfecting customer loyalty takes time but pays off in the long run. It's more cost-effective to retain loyal clients, who generate higher revenues at a lower cost. When customers form emotional connections with a brand's products or services, a strong bond is created. This loyalty leads to increased sales and profitability. Customer satisfaction mediates the relationship between customer loyalty and service quality (Sharma, 2020). To ensure smooth and continuous business operations, customer loyalty is crucial (Ranabhat, 2018). Loyal customers provide a reliable customer base and reduce spending on customer acquisition. This research aims to better understand the factors influencing customer loyalty and their impact on business performance. It will also examine the relationship between customer loyalty and business performance.

Keywords: *Brand, emotional attachment, customer satisfaction, customer experience, business performance.*

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The findings will equip entrepreneurs with the knowledge to build quality customer relationships without significant investment. They can prioritize key elements to increase customer loyalty, avoid unnecessary features, and focus on factors that enhance customer loyalty to improve business performance. This will benefit companies and business owners by increasing sales and reducing costs through the generation of loyal customers.

Theoretical Framework

This study was anchored on Service Quality Theory by John (2016), which proposed that service quality has a strong effect on business performance, customer satisfaction, customer loyalty, and profitability. Through service quality, we can come up with our idea on what are the factors influencing customers' loyalty to business performance.

Every company prefers to acquire loyal customers but only certain customers come in value of the company's profile while the rest of the customers may disappear with time. Customers may be individuals or businesses that purchase the goods or services produced by the company. They are the actual bosses in a deal who are responsible for profit in the business because they create demand for goods and services so that the company produces more goods. The loyal customer makes more sales and leads the company towards profit without other expensive advertisements.

Conceptual Framework

The foundation of every successful business is its loyal customer base. Customer loyalty is a key metric for measuring a business's ability to operate smoothly. Without satisfied clients who consistently return, a business is unlikely to thrive. Acquiring new customers is typically more expensive than retaining existing ones, making repeat business crucial for long-term success. This is why short-term profit grabs are ineffective compared to the benefits of having a loyal customer base, which include increased growth and profitability (Chambers, 2020). Loyal customers are more likely to make repeat purchases because they trust the company and its products or services. They have established a relationship with the company and know what to expect, making them more comfortable doing business with the company in the future. Businesses that excel at retaining and attracting new customers enjoy higher rates of profit and growth. Loyal customers contribute to repeat business, higher sales, and valuable word-of-mouth recommendations.

A brand represents commitments such as trust, continual purchase, reluctance to switch brands (brand switching), and the joy or satisfaction derived from consuming the brand. Brand trust is crucial for determining brand loyalty or consumer commitment because it fosters highly valued relationships.

Customer experience is unique and personal to each individual. Even with standardized services, each customer perceives their experience differently. Customer experience creation is a two-way process: part is created by the service provider, and part is perceived by the customer. Memorable, positive experiences encourage customers to revisit or repurchase the service or product (Jaziri, 2018).

Customer satisfaction is another significant factor influencing customer loyalty, leading to long-term relationships with the business. It is more cost-effective to maintain satisfied customers than to acquire new ones. Ongoing satisfaction determines customer loyalty toward products or services (Chambers, 2017).

Emotional attachment is a crucial concept characterizing the degree of consumer loyalty to a brand. This emotional bond influences consumer behavior, promoting customer lifetime value and business profitability. A positive brand reputation fosters emotional connections, leading to loyal customers who assign emotional value to goods and services (Loureiro, 2017).

Significance of the study

This study will provide valuable insights to various stakeholders directly and indirectly involved:

Small Business Owners and Entrepreneurs: By understanding the factors influencing customer loyalty and its impact on business performance, small business owners and entrepreneurs can make informed decisions about launching, operating, and expanding their enterprises. This knowledge will help them navigate both the successes and challenges of running a small business.

Policy Makers and Government Officials: The study will equip policymakers and government officials with the information necessary to formulate effective policies that support small businesses and promote economic growth. This can lead to a more robust and sustainable business environment.

Customers and the General Public: The insights from this study will help customers and the general public understand how their perceptions of a business influence their purchasing decisions. A deeper awareness of the opportunities and challenges faced by businesses will enable them to make more informed choices about where to spend their money.

Researchers and Academics: This study will contribute to the existing body of knowledge, aiding researchers in designing future studies related to economic development, entrepreneurship, and innovation. It will serve as a valuable reference and source for justifying future research findings. By providing these groups with comprehensive information, the study aims to enhance decision-making processes, support policy development, and advance academic research in related fields.

Scope and Limitation

This study involved third-year and fourth-year BSBA Financial Management students from Tagoloan Community College at Baluarte, Tagoloan, Misamis Oriental. This study deals with the factors influencing customer loyalty on business performance.

METHODOLOGY

This chapter deals with the essential elements of the research process. This chapter includes the research design, research locale, research instrument, research respondents, sampling design, data gathering procedures, reliability & validity of instruments, scoring guidelines, statistical treatment relevant to the study, and ethical considerations.

Research Design

This study utilized a descriptive and quantitative research design, which involves an in-depth understanding of a specific topic. Descriptive research aims to systematically and accurately describe a population, situation, or phenomenon, answering questions such as what, where, when, and how, but not why. This design method collects and gathers data or information about the subject being studied without controlling or manipulating any variables, only observing and measuring them (McCombes, 2019).

Descriptive research is suitable when the goal is to identify characteristics, frequencies, trends, and categories. It is especially useful when there is limited existing knowledge about the topic or problem. Before investigating why something happens, it is crucial to understand how, when, and where it occurs. This approach was chosen for the study because it involves examining factors influencing customer loyalty and its impact on business performance.

Research Locale

The study was conducted at Tagoloan Community College, Marcelo, M.H. Del Pilar Street, Tagoloan, Misamis Oriental, 600 meters away from Tagoloan Municipal Hall. The overall land area of Tagoloan is 7,938 hectares, constituting 2.24 percent of Misamis Oriental's total land area. Cagayan De Oro City is approximately 42 minutes away, roughly 22.5 kilometers from Tagoloan Community College through Butuan- Cagayan de Oro Iligan Road/Cagayan De Oro National Highway.

Respondents of the Study

Financial Management full-time third-year and fourth-year students in Tagoloan Community College, S.Y. 2023-2024. The 3rd-year students had 208 respondents, and the 4th-year consisted of 160 respondents, with an overall total of 368 respondents. The study focused on 3rd and 4th-year students because the researchers believed that they are more frequent purchasers; thus, they can provide comments based on their experiences and abilities.

Table 1 Distribution of Samples
 Third-year and Forth year

Section	Total Population	Total Sample	Percent
A	48	21	5.7
B	50	22	6.0
C	48	21	5.7
D	51	22	6.0
E	48	21	5.7
F	48	21	5.7
G	46	20	5.4
H	46	20	5.4
I	46	20	5.4
J	46	20	5.4
Section			
A	184	80	21.7
B	184	80	21.7
Total	845	368	100%

Table 1 presents the data about the distribution of samples according to year levels. Section D had a total population of 51, with a sample size of 22. Sections G, H, I, and J each had a total population of 46, with a total sample accounted of 20 in each section, respectively. On the other hand, the fourth-year level respondents had two sections with a combined population of 184. Each section had a sample size of 80 students.

Data Gathering Procedures

The data-gathering procedures for this study involved several steps. First, the researchers wrote a letter to the Dean of the College of Business Administration, noted by the adviser, requesting permission to conduct the study. After receiving approval, the researchers developed a survey questionnaire, which was reviewed by the research adviser. A formal letter of consent was then prepared for the study's respondents.

The study involved 368 third- and fourth-year Business Administration students at Tagoloan Community College, who participated in both online and face-to-face surveys. Instructions on how to answer the questionnaires were provided to each respondent. Measures were taken to avoid potential conflicts, and once the students completed the survey, the researchers collected and reviewed the data for accuracy.

Reliability and Validity of Instruments

Reliability and validity are essential concepts in evaluating the quality of research, indicating how well a method, technique, or test measures something. Reliability refers to the consistency of a measure, while validity concerns the accuracy of a measure (Maher et al., 2019).

Before the final administration of the survey questionnaire, it was pre-tested by 30 second-year students who were not part of the study's main respondents. To ensure the reliability of the survey items, Cronbach's Alpha was used to determine whether the items measured the same construct. The results showed Cronbach's alpha values ranging from 0.880 to 0.965, indicating excellent internal consistency. This demonstrated that all the research items were self-consistent, valid, and highly reliable.

Subscale	No. Items	Cronbach's Alpha	M	SD
Productivity	10	0.880	4.37	0.70
Profitability	10	0.908	4.18	0.78
Repeat Customer	10	0.939	4.13	0.94
Sales Growth	10	0.881	4.33	0.79
Brand	10	0.964	4.22	0.98
Emotional Attachment	10	0.957	3.96	1.08
Customer Experience	10	0.947	4.19	0.91
Customer Satisfaction	10	0.965	4.02	1.05

Cronbach's Alpha Value Range	Interpretation
$\alpha \geq 0.90$	Excellent
$\alpha 0.80 - 0.89$	Good
$\alpha 0.70 - 0.79$	Acceptable
$\alpha 0.60 - 0.69$	Debatable
$\alpha 0.50 - 0.59$	Poor
$\alpha < 0.50$	Not acceptable

Ethical considerations

Bhandari (2021) discussed ethical considerations in research as a set of principles guiding research designs and practices. Scientists and researchers must adhere to a strict code of conduct when collecting data from individuals. The goals of human research often include understanding real-life phenomena, studying effective treatments, investigating behaviors, and improving lives in various ways. Researchers in this study are accountable for the following ethical considerations:

1. **Voluntary Participation:** Research involvement must be voluntary, without any pressure or coercion. Participants should not face any negative consequences for choosing not to participate.
2. **Informed Consent:** Potential participants should receive all the information they need to make an informed decision about their participation. This includes understanding the purpose of the study, the procedures involved, and any potential risks or benefits.
3. **Anonymity:** Ensuring the anonymity of participants is crucial for safeguarding their identities and personal information.
4. **Academic Integrity:** Maintaining academic integrity is essential. Researchers must discuss findings with their lecturers or professors to avoid plagiarism, academic fraud, and fabrication of results. By adhering to these ethical principles, researchers can ensure that their studies are conducted responsibly and respectfully, protecting the rights and well-being of participants while maintaining the integrity of the research process.

RESULTS AND DISCUSSION

This chapter presents the presentation, analysis, and interpretation of the data gathered from the participants of the study.

Table 1.1: Distribution of the Respondents' Level of Influence on Customer Loyalty in Terms of Brand

Mean	SD	Interpretation
4.25	0.90	Highly Influential
4.21	0.86	Highly Influential
4.14	0.89	Moderately Influential
4.15	0.87	Moderately Influential
4.22	0.85	Highly Influential
4.15	0.87	Moderately Influential
4.15	0.85	Moderately Influential
4.18	0.85	Moderately Influential
4.15	0.90	Moderately Influential
4.20	0.91	Moderately Influential
4.18	0.88	Moderately Influential

Table 1.1 presents the level of influence on customer loyalty in terms of the brand among 3rd and 4th-year BSBA students at Tagoloan Community College. The overall mean score of 4.18 with a standard deviation of 0.88 suggests that the factors examined were moderately influential in determining customer loyalty among the students. This indicates that while these factors play a significant role, other variables not considered in the study may also impact brand loyalty among students.

Indicator 1, "I was familiar with the brand," scored the highest mean of 4.25 with a standard deviation of 0.90, highlighting its high influence on brand loyalty. This suggests that brand familiarity is crucial in shaping students' loyalty, implying that brands should prioritize building strong brand awareness among

their target audience to foster loyalty. Indicator 3, "The brand was innovative," had the lowest mean of 4.14 with a standard deviation of 0.89, still within the moderately influential range. This implies that while innovation is important, it might not be the primary factor influencing brand loyalty among students. However, brands should still strive to innovate to stay relevant and competitive in the market, as innovation can positively contribute to brand perception and long-term loyalty.

Impressive brand awareness attracts consumers' attention and encourages repeat purchases, leading to increased sales for a company (Alawan, 2018). Brand loyalty describes a client's connection with a brand (Coelho, 2018). Brand familiarity, the next step after brand awareness, means consumers recognize the brand, potentially influencing their brand preference (Mailchimp, 2024). Brand loyalty, the tendency to be loyal to a brand, demonstrates the consumer's buying intention (Atulkar, 2020). Innovations introduced by a global brand are crucial to its long-term success. Innovation generally improves product quality, promoting brand image and customer loyalty. It is debated whether global brand innovation drives consumer motivation and encourages buying attitudes and behaviors (Gözükara & Çolakoglu, 2019).

Table 1.2: Distribution of the Respondents' Level of Influence on Customer Loyalty in Terms of Customer Experience

Mean	SD	Interpretation
4.27	0.82	Highly Influential
4.28	0.78	Highly Influential
4.13	0.83	Moderately Influential
4.11	0.86	Moderately Influential
4.07	0.89	Moderately Influential
4.12	0.88	Moderately Influential
4.05	0.81	Moderately Influential
4.03	0.86	Moderately Influential
4.14	0.81	Moderately Influential
4.09	0.83	Moderately Influential
4.13	0.84	Moderately Influential

Table 1.2 presents the level of influence on customer loyalty concerning the customer experience among respondents. The overall mean was calculated at 4.13, with a standard deviation of 0.84, indicating a moderately influential impact on customer loyalty. This suggests that the customer experience plays a significant role in shaping customer loyalty among the surveyed students.

Factors related to brand impression, sensory interest, emotional connection, and customer care contribute significantly to customer loyalty within this context. Therefore, businesses should focus on enhancing these aspects of the customer experience to foster stronger customer loyalty among BSBA students at Tagoloan Community College.

Indicator 2, "I found the brand interesting in a sensory way," had the highest mean of 4.28, with a standard deviation of 0.78, indicating it is a highly influential factor in customer loyalty. This suggests that sensory appeal significantly impacts how students perceive and engage with brands. Businesses should prioritize strategies that enhance sensory experiences to strengthen customer loyalty. This highlights the importance of incorporating sensory elements such as visual aesthetics, tactile sensations, and other sensory stimuli into brand experiences to captivate and retain customers effectively.

Indicator 8, "The brand stimulated my curiosity and problem-solving," had the lowest mean of 4.03, with a standard deviation of 0.86, still within the moderately influential range. While slightly lower in mean compared to other indicators, it still suggests a significant impact on customer loyalty. This implies that while curiosity and problem-solving stimulation are important aspects of the customer experience, they may not be as pronounced as other factors. This indicates a potential area for improvement, suggesting that businesses could further enhance customer loyalty by instilling curiosity and offering solutions to customer problems through their brand experiences.

Customer loyalty is influenced by the customer's sensory experience. The sensory cues and stimuli of products affect consumers' emotions, willingness to purchase, and overall experience. By understanding how the brain processes sensorial stimuli, brands can capitalize on subconscious decision-making and create emotional and brand attachments with consumers (Sensory Marketing Theory, 2023).

Customer experience instilled by curiosity and problem-solving plays a significant role in ensuring satisfaction. When customers face challenges or issues, their overall experience can be negatively affected. However, by actively engaging in problem-solving sessions, businesses can effectively address customer concerns and improve their experience (Avado PQ, 2024).

Table 1.3: Distribution of the Respondents' Level of Influence on Customer Loyalty in Terms of Customer Satisfaction

Mean	SD	Interpretation
4.14	0.81	Moderately Influential
4.15	0.88	Moderately Influential
4.14	0.90	Moderately Influential
4.10	0.87	Moderately Influential
4.07	0.88	Moderately Influential
4.11	0.88	Moderately Influential
4.07	0.87	Moderately Influential
4.01	0.85	Moderately Influential
4.05	0.91	Moderately Influential
4.03	0.93	Moderately Influential
4.09	0.88	Moderately Influential

Table 1.3 presents the level of influence on customer loyalty in terms of customer satisfaction among respondents. The overall mean score across all indicators was 4.09, with a standard deviation of 0.88, indicating a moderately influential level of customer satisfaction. This suggests that students perceived satisfaction with various aspects of their retail experience, which could potentially contribute positively to their loyalty to the business. Insights revealed that the college students were generally content with their shopping experiences, implying that maintaining these satisfaction levels could help sustain customer loyalty.

Indicator 2, "I was satisfied with the quality of products," held the highest mean score of 4.15, with a standard deviation of 0.88, categorizing it as moderately influential. This implies that students placed significant importance on product quality when determining their satisfaction levels. Ensuring high-quality products could therefore be a key strategy for enhancing customer loyalty among BSBA students at Tagoloan Community College (TCC), as they highly value this aspect of their shopping experiences.

Indicator 8, "I was satisfied with the store atmosphere and decor," obtained the lowest mean score of 4.01, with a standard deviation of 0.85, still falling within the moderately influential range. This indicates that while students found satisfaction with the store's atmosphere and decor, it was comparatively less influential than other aspects. This suggests that although the store ambiance is important, students might prioritize other factors, such as product quality, over it. However, enhancing the store's ambiance and decor could still contribute positively to customer loyalty by creating a more pleasant shopping environment for the students.

The relationship between satisfaction and loyalty influences profits. The more satisfied customers are, the more loyal they become towards the brand. A loyal customer leads to an increase in both sales and profitability (Sharma, Gupta, Gera, Sati, & Sharma, 2020). Ambiance and food quality have a significant impact on customer satisfaction. The aesthetic value of a restaurant, including its image and atmosphere, plays a role in customer satisfaction. Customers nowadays expect tasty food and aesthetic appeal as part of their overall experience (Sensory Marketing Theory, 2023). Food quality is a substantial condition to fulfill the needs and expectations of the consumer, while physical environment quality includes artifacts,

decor, spatial layout, and ambient conditions in a restaurant. Customers desire a pleasing dining experience; thus, they look for high physical environment quality. The taste of food is important to accomplish customer satisfaction, and physical environment quality satisfies and attracts new customers. Customer satisfaction contains feelings of pleasure and well-being, which affects customer loyalty and increases financial performance (Rajput and Gahfoor, 2020).

Table 1.4: Distribution of the Respondents' Level of Influence on Customer Loyalty in Terms of Emotional Attachment

Mean	SD	Interpretation
4.19	0.89	Moderately Influential
4.09	0.85	Moderately Influential
3.90	0.96	Moderately Influential
4.04	0.87	Moderately Influential
4.05	0.87	Moderately Influential
4.11	0.87	Moderately Influential
4.02	0.86	Moderately Influential
4.02	0.90	Moderately Influential
3.96	0.94	Moderately Influential
3.87	1.07	Moderately Influential
4.03	0.91	Moderately Influential

Table 1.4 presents the level of influence on customer loyalty in terms of emotional attachment. The overall mean for emotional attachment indicators was 4.03, with a standard deviation of 0.91, indicating a moderately influential level. This suggests that students had a moderate emotional attachment to products, significantly shaping their loyalty. Emotional factors play a crucial role in customer loyalty among the surveyed students, underscoring the importance for businesses to understand and leverage emotional connections to enhance loyalty.

Indicator 2, "It was a pleasure to use the product," had the highest mean of 4.09, with a standard deviation of 0.85, indicating a moderately influential level. This implies that students derive pleasure from using the product, leading to a positive emotional experience. This high mean suggests that products providing enjoyable experiences are likely to foster stronger emotional connections and loyalty among customers, emphasizing the importance of product satisfaction in building brand loyalty. Indicator 10, "I felt emotionally connected to the product," had the lowest mean of 3.87, with a standard deviation of 1.07, still categorized as moderately influential. This suggests that while an emotional connection was present, it was slightly weaker compared to other indicators. Insights reveal that there might be room for improvement in strengthening the emotional bond between students and products. Businesses could focus on strategies to enhance emotional connections, such as storytelling, personalization, or brand values alignment, to foster deeper loyalty among customers.

A customer's emotional brand attachment level, aroused from their experiences, depends on the type of experiences offered. Emotional brand attachment is defined as a bond that links consumers with a specific brand, involving emotional feelings towards the brand. When the experience of consuming a product or service is positive, it increases customers' trust and emotional attachment to the brand (Arduyan et al., 2016). In this context, Mull (2023) stated that emotionally connected customers are more than just satisfied; they are loyal. They don't merely recommend you—they advocate for you. They don't just buy your products—they embrace your brand ethos. Building this level of connection requires time, effort, and a deep understanding of both the brand and its customers.

Table 1.5: Summary of Distribution of the Respondents' Level of Influence on Customer Loyalty

Mean	SD	Description
4.18	0.88	Moderately Influential
4.13	0.84	Moderately Influential
4.09	0.88	Moderately Influential
4.03	0.91	Moderately Influential
4.11	0.88	Moderately Influential

Table 1.5 presents a summary of the distribution of the respondents' perceived level of influence on customer loyalty. The overall mean score across all factors was 4.11, with a standard deviation of 0.88, indicating a moderately influential impact on customer loyalty. This suggests that students considered these aspects important contributors to customer loyalty, although there might be room for improvement in enhancing their impact.

Brand had the highest mean score of 4.18, with a standard deviation of 0.88, also categorized as moderately influential. This implies that students perceived brand image and recognition as having a slightly stronger influence on customer loyalty compared to other factors. Insights suggest that focusing on building a strong brand identity and reputation could further enhance customer loyalty among BSBA students.

Emotional Attachment had the lowest mean score of 4.03, with a standard deviation of 0.91, still falling under the moderately influential category. This implies that while emotional connections with customers were recognized as important, they may not have been perceived as significantly influential by these students. Insights suggest that strategies aimed at fostering emotional bonds with customers could be further emphasized to potentially improve customer loyalty perceptions among BSBA students.

Branding helps destinations build and communicate a unique identity to differentiate themselves from competitors, appeal to tourists, and engender loyalty (Soltani, 2018). The tourism literature has shown that brand identification influences destination brand trust (Kumar and Kaushik, 2018). Brand love reflects the relationship between a consumer's self-image and the brand image, often enhancing consumer-brand relationships (Algharabat, 2017).

In the modern era, the term "brand" is used extensively in the fashion industry, reflecting a shift from marketer-driven to customer-driven strategies (Oh et al., 2020; Nettelhorst et al., 2020). A strong brand can significantly influence buying behavior and enlarge any business (Choi, 2017). Brands are highly valuable for building relationships with customers (Fazal-e-Hasan, 2018), and their financial value is emphasized by their total market impact (Scholz and Smith, 2019).

Brand awareness plays a crucial role in consumer buying decisions, offering benefits like learning, consideration, and choice (Foroudi, 2019). Brand awareness is characterized by "thickness" (ease of recall) and "depth" (speed of identification) (Sürücü, 2019). Greater brand awareness results in a customer's ability to quickly and easily recall or recognize a brand (Romaniuk, 2017).

Psychological attachment to a brand, such as ownership and emotional significance, can drive consumer behaviors like repeat purchases and willingness to spend resources on the brand, ultimately leading to brand loyalty and better performance (Lee & Workman, 2015). Emotionally engaged customers, who feel delighted by the brand, are more likely to advocate for and recommend the brand to others, leading to increased spending (Rossi, 2020).

Establishing an emotional attachment with customers allows brands to outperform competitors and maintain significant wallet share. A strong emotional connection is determined by the degree of positive feelings a customer has toward a brand and the extent to which they associate the brand with critical attributes. As the relationship evolves, acceptance and trust are established, and the bond between the user and the brand becomes more significant and committed (Thompson, 2023).

2. What is the level of factors influencing customers' loyalty to business performance in terms of Customer Loyalty?

Table 2.1: Distribution of the Respondents' Level of Factors Influencing Customers' Loyalty on Business Performance in Terms of Productivity

Mean	SD	Interpretation
4.32	0.76	Highly Influential
4.28	0.70	Highly Influential
4.26	0.75	Highly Influential
4.38	0.65	Highly Influential
4.24	0.75	Highly Influential
4.23	0.70	Highly Influential
4.26	0.72	Highly Influential

4.22	0.82	Highly Influential
4.20	0.79	Moderately Influential
4.26	0.85	Highly Influential
4.26	0.75	Highly Influential

Table 2.1 presents the findings regarding the factors influencing customer loyalty and their impact on business performance in terms of productivity. The overall mean score was 4.26, with a standard deviation of 0.75, indicating that the factors examined were highly influential on business performance. This suggests a strong positive correlation between customer loyalty and productivity, implying that these factors significantly contribute to enhancing business outcomes. Insights suggest that businesses should prioritize these factors to maintain and improve productivity levels.

Indicator 4, "Entrepreneurship has a positive impact on companies," had the highest mean score of 4.38, with a standard deviation of 0.65, categorizing it as highly influential. This underscores the importance of fostering an entrepreneurial culture within companies to enhance business performance. Encouraging innovation, risk-taking, and initiative among employees can lead to increased productivity and competitiveness.

Indicator 9, "The Company's profit increases remarkably," had the lowest mean score of 4.20, with a standard deviation of 0.79, classified as moderately influential. While profit increase is important, this finding suggests it may not have as significant an impact on productivity as other factors. Therefore, while focusing on profit is essential, businesses should also prioritize innovation, customer satisfaction, and employee engagement to drive overall productivity and success.

Entrepreneurship involves taking risks and organizing production by establishing new businesses, exploring new ideas, and creating new products (Ross and James, 2023). Increased productivity means that employees produce more output with fewer resources and less time, leading to cost savings and increased revenue. This results in higher profits as companies spend less on employee payroll expenses to generate multiple units of goods or sales revenue (Perry, 2023). In simpler terms, productivity measures the amount of output a business can produce for each unit of input used (Oboloo, 2024). By understanding these dynamics, businesses can strategically focus on enhancing factors that drive customer loyalty and productivity, ultimately leading to improved business performance.

Table 2.2: Distribution of the Respondents' Level of Factors Influencing Customers' Loyalty on Business Performance in Terms of Profitability

Mean	SD	Interpretation
4.21	0.72	Moderately Influential
4.25	0.71	Highly Influential
4.14	0.71	Moderately Influential
4.18	0.76	Moderately Influential
4.13	0.80	Moderately Influential
4.08	0.84	Moderately Influential
4.09	0.73	Moderately Influential
4.19	0.77	Moderately Influential
4.09	0.85	Moderately Influential
4.19	0.75	Moderately Influential
4.15	0.76	Moderately Influential

Table 2.2 presents the findings regarding the factors influencing customer loyalty and their impact on business performance in terms of profitability. The overall mean score was 4.15, with a standard deviation of 0.76, indicating a moderately influential impact. This suggests that these factors collectively played a significant role in determining business profitability among the surveyed students.

Indicator 2, "The business approval had to present a sustainable business profit," had the highest mean score of 4.25, with a standard deviation of 0.71, categorizing it as highly influential. This implies that presenting a sustainable and profitable business model was crucial for customer loyalty and overall business performance. It suggests that students prioritized the importance of maintaining profitability for sustainable growth and customer satisfaction.

Indicator 6, "The edge of business working was yearly," had the lowest mean score of 4.08, with a standard deviation of 0.84, still falling within the moderately influential category. This indicates that while yearly business operations were considered important, they might not have been as prioritized as other factors among the surveyed students. Insights suggest there might be room for improvement in understanding the significance of annual business planning and operations for long-term success and profitability.

Profitability is the primary goal companies seek to achieve to ensure their viability and continuity. Increasing a company's profitability depends on its ability to manage sources of funds optimally (Kanaan & Saoud, 2018). Profitability measures a company's capacity to generate profit within a predetermined timeframe. According to Kasmir (2016), the profitability ratio can show the management efficacy of a firm in generating profits. Companies with high profitability can earn significant profits, subsequently providing success to shareholders. In other words, the greater the profitability, the better the company's financial performance. Profitability has a favorable impact on financial performance, as claimed by Asniwati (2021), Putry & Erawati (2013), and Pranata (2014). Studies by Nugroho & Widiastara (2019) and Isti Farah (2018) also indicate that financial success is significantly impacted by profitability. By understanding these dynamics, businesses can strategically focus on enhancing factors that drive customer loyalty and profitability, ultimately leading to improved business performance.

Table 2.3: Distribution of the Respondents' Level of Factors Influencing Customers' Loyalty on Business Performance in Terms of Sales Growth

Mean	SD	Interpretation
4.33	0.69	Highly Influential
4.38	0.69	Highly Influential
4.26	0.80	Highly Influential
4.30	0.72	Highly Influential
4.40	0.76	Highly Influential
4.26	0.73	Highly Influential
4.21	0.72	Highly Influential
4.09	0.79	Moderately Influential
4.22	0.80	Highly Influential
4.27	0.76	Highly Influential
4.27	0.75	Highly Influential

Table 2.3 presents the findings on the factors influencing customer loyalty and business performance in terms of sales growth. The overall mean score across all indicators was 4.27, indicating that factors influencing customer loyalty were highly influential on sales growth. This implies that these factors significantly impact business performance, suggesting that businesses should prioritize strategies related to customer loyalty to enhance sales growth. The high overall mean underscores the importance of understanding and catering to customer needs and preferences to improve business performance.

Indicator 5, "Customers play the most significant role in the business," had the highest mean score of 4.40. This indicates that students perceived customer involvement as the most crucial factor influencing business performance. It implies that businesses should prioritize customer-centric strategies and initiatives to foster loyalty and drive sales growth. This high score suggests that businesses should invest in customer relationship management, personalized services, and engagement strategies to enhance customer satisfaction and loyalty.

Indicator 8, "The feedback from the customers was positive without exception," had the lowest mean score of 4.09, classified as moderately influential. This suggests that while positive customer feedback is important, it may not have as significant an impact on sales growth as other factors. However, it still emphasizes the importance of maintaining positive relationships with customers and addressing their feedback constructively. Insights from this lower score indicate that while positive feedback is valuable, businesses should also focus on other aspects such as product quality, marketing strategies, and customer experience to drive sales growth effectively.

Sales growth reflects the success of a company's past sales investments and can be used as a predictor of future company growth (Prasetya & Putri, 2020). When customers believe an organization is genuinely interested in meeting their needs, it can increase loyalty, leading to higher overall sales over time (Dealhub, 2023). Customers not only buy products and services but also provide feedback to businesses on how to improve them (BBC, 2024). Leveraging customer feedback can have a powerful impact on sales conversion rates. By making it easy for potential customers to access positive reviews, businesses can build trust, increase sales, and drive revenue growth over time (Mehta, 2023).

Table 2.4: Distribution of the Respondents' Level of Factors Influencing Customers' Loyalty on Business Performance in Terms of Repeat Customers

Mean	SD	Interpretation
4.33	0.80	Highly Influential
4.20	0.83	Moderately Influential
4.08	0.84	Moderately Influential
4.00	0.87	Moderately Influential
4.00	0.90	Moderately Influential
3.90	0.89	Moderately Influential
4.03	0.82	Moderately Influential
4.07	0.85	Moderately Influential
4.05	0.85	Moderately Influential
4.05	0.89	Moderately Influential
4.07	0.85	Moderately Influential

Table 2.4 presents the factors influencing customer loyalty and their impact on business performance. The overall mean score of 4.07 with a standard deviation of 0.85 suggests that these factors had a moderately influential impact on customer loyalty. This indicates that while the current strategies for retaining customers were generally effective, there is still room for improvement. Customers were generally satisfied, but businesses could enhance loyalty further through targeted strategies.

Indicator 1, "I was satisfied with my decision to purchase from a site," had the highest mean score of 4.33, indicating it was highly influential in driving customer loyalty. This implies that customer satisfaction plays a crucial role in repeat purchases and loyalty. Businesses should prioritize maintaining high levels of customer satisfaction to encourage repeat business and enhance loyalty. The insights suggest that focusing on customer satisfaction could lead to significant improvements in business performance and customer retention.

Indicators 4 and 5, "I encourage my friends and relatives to make purchases on the website" and "I said positive things about the website to other people," both had a mean score of 4.00, indicating moderate influence. This implies that while customers were generally satisfied, they might not actively promote the website to others. Businesses could benefit from implementing referral programs or incentivizing customers to spread positive word-of-mouth, thus increasing brand advocacy and attracting new customers.

Satisfied customers are likely to stay with a business for a longer time, make repeat purchases, and boost profits (Barron, 2022). Repeat customers, who have shown a willingness to spend money with the company, are more likely to make future purchases (Tejeda, 2022). Satisfied customers are also likely to share their positive experiences, leading to repeat purchases, brand loyalty, and positive word-of-mouth. Conversely, dissatisfied customers are more likely to share negative experiences, potentially deterring others from purchasing (Haafte, 2023). By focusing on customer satisfaction and leveraging referral and incentive programs, businesses can enhance customer loyalty, improve performance, and achieve sustainable growth.

Table 2.5: Summary of Distribution of the Respondents’ Level of Business Performance

Mean	SD	Interpretation
4.26	0.75	Highly Influential
4.15	0.76	Moderately Influential
4.27	0.75	Highly Influential
4.07	0.85	Moderately Influential
4.19	0.78	Moderately Influential

Table 2.5 displays a summary of the business performance levels among third-year and fourth-year students. The overall mean score was 4.19 with a standard deviation of 0.78, indicating moderately influential business performance. This suggests that the students demonstrated a satisfactory level of business performance across various metrics, reflecting a decent understanding of business principles and practices.

Sales Growth achieved the highest mean score of 4.27 with a standard deviation of 0.75, signifying highly influential performance. This implies that students excelled in driving sales growth, indicating a strong grasp of sales strategies and customer acquisition techniques. These insights suggest that students likely had a keen understanding of market dynamics and effective sales techniques, contributing positively to business growth.

Repeat Customers received the lowest mean score of 4.07 with a standard deviation of 0.85, indicating moderately influential performance. This suggests that while students performed well in retaining customers, there is room for improvement in fostering loyalty and increasing repeat business. These insights highlight a potential area for focusing on customer relationship management and strategies to enhance customer retention, which could further improve overall business performance.

Sales growth plays a crucial role in working capital management, enabling companies to predict profits based on sales performance (Purwanti & Sugiyarti, 2017). Stable sales allow firms to secure higher levels of debt, indicating a company's ability to meet its financial obligations (Sudana, 2015; Hanafi, 2016). Improved sales growth leads to better operating results and increased investor confidence, which can result in higher returns on investments.

Repeat purchases are a key indicator of customer loyalty and can reduce the costs associated with acquiring new customers. They also present opportunities for establishing long-term customer relationships, thereby increasing overall profits. Repeat purchases, or "customer's repeat purchases," refer to instances where customers buy a product from the same company multiple times (Damit, 2019; Bhagat, 2018).

Repurchase intention, inspired by social psychology and marketing, reflects a customer's willingness to repurchase a product or service (Chiang, 2016; Fungai, 2017). Repeat purchases are generally seen as an indication of customer satisfaction and loyalty, as customers choose to return to a business and buy its product again (Emarsys, 2023). By focusing on enhancing customer satisfaction and loyalty, businesses can achieve better performance and sustainable growth.

CONCLUSION AND RECOMMENDATIONS

The study provides valuable insights into the factors influencing customer loyalty among BSBA students at Tagoloan Community College. Brand familiarity emerges as a highly influential factor, highlighting the importance of building strong brand awareness to foster loyalty. Innovation, while moderately influential, underscores the need for brands to remain competitive through continuous innovation efforts. Additionally, customer satisfaction, particularly with product quality, plays a crucial role, emphasizing the significance of meeting or exceeding customer expectations to maintain loyalty.

Moreover, the study reveals the relationship between factors influencing customer loyalty and business performance. Factors such as entrepreneurship, sensory appeal, and customer-centric strategies significantly affect productivity, profitability, and sales growth. Businesses that foster an entrepreneurial culture and deliver engaging sensory experiences are likely to see positive outcomes. Maintaining profitability and constructively addressing customer feedback is vital for sustained success and growth. The study highlights strong correlations between factors influencing customer loyalty and business performance. Brand loyalty, customer experience, satisfaction, and emotional attachment demonstrate significant relationships with various metrics of business success. This underscores the importance of prioritizing these factors to drive positive outcomes and cultivate enduring relationships with customers. Overall, the findings provide actionable insights for businesses to enhance customer loyalty and improve overall performance in a competitive marketplace. Considering the study's findings, businesses targeting BSBA students should prioritize building brand familiarity and enhancing brand innovation strategies to bolster customer loyalty effectively. Strategies aimed at improving sensory experiences and stimulating curiosity could significantly strengthen customer loyalty among respondents, highlighting key areas for enhancing overall customer experience.

Enhancing product quality and improving store ambiance could further bolster customer loyalty among BSBA students, reflecting the importance of delivering high-quality products and optimizing shopping environments. Emphasizing enjoyable product experiences and deepening emotional connections with customers are essential strategies to enhance customer loyalty effectively. Fostering an entrepreneurial culture within businesses can significantly impact productivity and competitiveness, thereby positively influencing customer loyalty and overall business outcomes. Sustainable business models play a crucial role in driving profitability and long-term success, highlighting the importance of considering factors influencing customer loyalty for sustained business growth. Prioritizing customer involvement and implementing customer-centric strategies are paramount for driving sales growth, while also focusing on product quality and effective marketing strategies. Businesses should prioritize enhancing customer satisfaction to drive repeat customer rates and seek opportunities to encourage customer advocacy and positive word-of-mouth referrals. Strong correlations between factors like brand loyalty, customer experience, satisfaction, and emotional attachment underscore their significant impact on business performance, emphasizing the need for businesses to prioritize these aspects for long-term success.

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