



**ST. MARY'S UNIVERSITY,
SCHOOL OF GRADUATE STUDIES,
DEPARTMENT OF MARKETING MANAGEMENT**

**FACTORS AFFECTING CUSTOMER LOYALTY IN SMALL AND MICRO
ENTERPRISES ENGAGED IN THE PRODUCTION OF HOME AND
OFFICE FURNITURE: EVIDENCE FROM SMALL AND MEDIUM
ENTERPRISES IN ADDIS ABABA**

**BY
GETACHEW WERKU**

**JUNE-2024,
ADDIS ABABA ETHIOPIA**

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ADVISOR: EPHREM ASSEFA (Ph. D)

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF MARKETING
MANAGEMENT**

**JUNE-2024,
ADDIS ABABA ETHIOPIA**

DECLARATION

Under the direction and recommendation of the research adviser, I, the undersigned, hereby certify that this thesis is my original work and that all basis resources used for the study have been officially acknowledged. It is available for the partially satisfied MA in Marketing Management. Not a single degree from this university or any other affiliation has been submitted with this study.

Declared by

Name _____

Signature _____

Date _____

ENDORSEMENT

This is to certify that the thesis entitled: “**Factors affecting customer loyalty in small and micro enterprises engaged in the production of home and office furniture: evidence from small and medium enterprises in Addis Ababa**” submitted in partial fulfillment of the requirements for the Degree of Masters of Marketing Management at the School of Graduate Studies, St. Mary’s University and is carried out by Getachew Werku under my supervision. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

Approved By

Approved by board of examiners

Dean Graduate Studies

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

ACRONYM

FeMSEDA	Federal Micro and Small-Scale Enterprises Development Agency
ILO	International Labor Organization
MSE	Micro and Small Enterprises
SPSS	Statistical Package for Social Science
VIF	Variance Inflation Factor

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ABSTRACT

Having a devoted customer base is essential for profit-oriented businesses to remain competent enough in today's highly competitive market. In light of this, the purpose of this study was to examine factors influencing customer loyalty in small and micro businesses that produce furniture for homes and offices. This study used quantitative approach and explanatory research design. Data were gathered from 384 customers using structured questionnaire. The researcher used descriptive and inferential statistics (correlation and regression analyses) to analyze survey data. The result of descriptive statistics revealed that customers are loyal to organization ($x=4.22$), have good perception about product quality ($x=4.34$), satisfied with the products ($x=3.39$), positive perception about the company image ($x=3.83$), trust the company ($x=4.26$), and remain committed with the organization ($x=4.04$). Furthermore, the result of regression analysis showed that trust has caused a significant positive effect on customer loyalty ($B=0.590$, $P<0.05$) followed by perceived product quality ($B=0.335$, $P<0.05$) and customer commitment ($B=0.205$, $P<0.05$). However, switching cost and customer satisfaction didn't cause statistically significant effect on customer loyalty. Therefore, in order to build customer loyalty, furniture manufacturing firms are recommended to build trust, improve product quality, and foster commitment. It is also recommended that businesses should invest in marketing research to determine the exact needs and preferences of their customers and to offer products and/or services that will satisfactorily and profitably satisfy those needs. Furniture manufacturing firms must differentiate their brands from those of their competitors in the dynamic and competitive business climate.

Keywords: - Customer loyalty, trust, product quality, customer commitment, customer satisfaction, small and micro enterprises

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

In many nations, the majority of jobs are found in own-account businesses and micro and small firms, which collectively make up small economic units with between two and forty-nine employees. In the majority of Southeast Asian, Central and Western Asian, and Arab States countries, the share of all workers is over 80%, and in the majority of Eastern, Central, and Western African, and South Asian countries, it is over 90%. Small business entities account for between 52% and 90% of employment in Chile, Bolivia, and Honduras, respectively, in Latin America and the Caribbean. However, even in high-income economies like those in Europe, they make up over 50% of all jobs. This global prevalence emphasizes the substantial employment opportunities created by small business entities in almost every economic area (ILO,2015).

Micro and Small Enterprises (MSE) are the backbone of the people's economy and can support the domestic economy overall; as such, they are becoming increasingly involved in the development of exports and industrialization in various developing countries (Rahman et al., 2023; Suyanto, 2022).

The world has recognized Micro and Small Enterprises (MSEs) as the foundation of industrialization. Similarly, these businesses are well-known throughout Africa for facilitating economic change by efficiently utilizing the abilities and skills of the populace in place of large sums of money and cutting-edge machinery (Leonardo et al., 2015). Low labor productivity and high unemployment are common in many African nations. An enormous number of people join the job force every year (Leonardo et al., 2015).

Since 2004/2005, Ethiopia's government has given the micro and small business development initiative the attention it deserves. MSEs, which are a component of the industrial sector, are growing more and more well-liked and significant in the Ethiopian economy since they will be essential in generating jobs, reducing poverty, and creating more prospects for wealth distribution.

The Federal Micro and Small-Scale Enterprises Development Agency (FeMSEDA 2015), states that it is generally acknowledged that Ethiopia is the driving force behind the growth and

expansion of MSEs, offering a means of enabling a significant number of young people to escape poverty through increasing the productivity and market linkage of MSE operators.

A country's ability to grow economically and its ability to remain strong in the future are greatly dependent on the health of its small business sector. This is because small businesses employ people who live nearby, use local resources to meet the needs of a significant portion of the population, act as hubs for the development of managerial, marketing, and technological skills, and facilitate the adoption of new technologies (FeMSEDA, 2004).

Berli et al. (2004), found a positive correlation between business performance and consumer loyalty. Loyal clients not only help the business grow, but they also save expenses because they are less expensive to acquire than new ones.

According to Lam et al. (2004), a company's success is greatly influenced by its customer loyalty, which is also seen by many as a major source of competitive advantage. Consistently having a high level of customer loyalty not only provides you a competitive advantage but also increases staff morale and productivity. Customers who are loyal to a service or product provider will benefit from less price sensitivity, less money spent on acquisition, and more profitability for the organization.

In order to create jobs for the unemployed and produce income, the Addis Ababa bureau encourages the formation of micro and small businesses in line with the national strategy. To encourage and facilitate the establishment of MSEs and enable them to make a positive economic contribution, the Kolfe Keraniyo sub-city Worda 08 small and micro-enterprises development office was founded in 1995 (Woreda Document).

1.2 Statement of the Problem

The degree to which a customer is devoted to a business can be determined by their willingness to make additional purchases from the business, their preference for the business, or their recommendation of the business to others (Palmatier et al., 2006).

For the bulk of the urban labor force in Ethiopia, micro and small enterprises (MSEs) have enormous potential to create jobs (GFDRE 2011). By establishing a national plan framework and coordinating initiatives at the federal, regional, and local levels, the government-revised strategy aims to foster an environment that is supportive to MSEs. The Ethiopian government currently

provides MSEs with direct funding. Along with encouraging subcontracting and business connections between smaller and larger businesses, the government is dedicated to supporting cooperative ventures and the growth of MSE clusters (GFDRE, 2011).

Numerous investigations have been carried out to uncover the elements influencing client loyalty across various industries. Sunk Amol (2017), found that beer characteristics, branding, beer types, situation appropriateness statements, packaging, social media, country of origin, and convenient and practical functions were the factors that positively influenced customers' preference for beer brands in Bangkok.

Mulugeta et al. (2017), conducted a study on the degrees and variables influencing brand loyalty towards beer brands in the context of three Ethiopian cities. As to the study's results, out of the 13 factors that were discovered in the model to influence brand loyalty, the factors that had the greatest impact on consumer loyalty were brand trust, breweries' marketing activities, culture, repeat purchase, and the combination of brand relevance and brand performance.

There is no empirical study conducted about influencing factors for customer loyalty in small and micro enterprises that producing office and home furniture products. This circumstance was the reason behind for this study. The study's focus was on how perceived product quality, switching costs, corporate image, commitment, customer satisfaction, and trust affect the customer loyalty of small and micro enterprises that produce office and home furniture in Kolfe-Keraniyo sub-city Woreda 08.

1.3 Research Question

The research was conducted to address the following fundamental questions:

1. How customer loyalty increases with trust in the context of micro and small-scale enterprises producing office and home furniture in Kolfe Keraniyo sub-city Woreda 08?
2. How customer loyalty increases with customer satisfaction in the context of Kolfe Keraniyo sub-city Woreda 08 small and micro enterprises producing office and home furniture?
3. How the switching cost increase a customer's loyalty in the context of Woreda 08 Kolfe Keraniyo sub-city, micro and small enterprises that make furniture for homes and offices?

4. How customer commitment increases the loyalty of customers in the context of Woreda 08 Kolfe Keraniyo sub-city small and micro enterprises that make furniture for homes and offices?

1.4 Research Objective

1.4.1 General Objective

This study's primary goal was to determine the factors that influence customer loyalty in Kolfe Keraniyo sub-city, Woreda 08 small and micro enterprises that produce office and home furniture.

1.4.2 Specific Objectives

1. To examine the effects of trust on customer loyalty in Kolfe Keraniyo sub-city Woreda 08 small and micro enterprises that produce office and home furniture.
2. To investigate how customer loyalty is affected by satisfaction in Kolfe Keraniyo sub-city Woreda 08 small and micro enterprises that produce office and home furniture.
3. To determine if switching costs affects customer loyalty in Kolfe Keraniyo sub-city Woreda 08 small and micro enterprises that produce office and home furniture.
4. To test if customer commitment affects customer loyalty in Kolfe Keraniyo sub-city Woreda 08 small and micro enterprises that produce office and home furniture.

1.5 Significance of the Study

The study's result was helping researchers by providing a deeper understanding of the critical factors influencing MSE customer loyalty. Additionally, Kolfe Keraniyo sub-city Woreda 08 small and micro companies are using the study's findings to address significant issues affecting MSE consumer loyalty.

Small and micro enterprises (SMEs) are crucial for the economic development of many regions, including Kolfe Keraniyo sub-city. Understanding customer loyalty in these businesses can lead to strategies that enhance their sustainability and growth, thereby contributing to the overall economic health of the area.

Customer acquisition can be costly, while retaining existing customers is generally more cost-effective. By understanding the factors that affect loyalty, businesses can implement effective customer retention strategies, reducing the need for extensive marketing and outreach efforts.

The study can highlight best practices in customer service, product quality, pricing strategies, and other areas critical to customer satisfaction and loyalty. SMEs can use this information to improve their operations and service offerings, leading to better customer experiences and increased loyalty. For policymakers and development agencies, the study provides insights into the challenges and opportunities faced by SMEs in the furniture sector. This can inform the design of support programs, training initiatives, and policies aimed at fostering a favorable business environment for these enterprises.

1.6 Scope of the Study

The study can be delimited in terms of the major issue under investigation (conceptual scope), geographical area and the methodology adopted. Conceptually, the study is delimited to investigate the factors affecting customer loyalty in the case of small and micro businesses that manufacture furniture for homes and offices. In this study, the factors presumed to affect customer loyalty are trust, perceived product quality, customer satisfaction, customer commitment, and switching cost. Geographically, the study is delimited to Addis Ababa city, particularly Kolfe Keraniyo sub-city, Woreda 08. To do this, researcher was only discuss about six concepts; perceived product quality, corporate image, trust, satisfaction, commitment, and switching cost and how this affect consumer loyalty. Methodologically, the study used questionnaire to gather data, and applied a combination of descriptive and inferential statistics to meet the research objectives.

1.7 Limitation of the Study

The study only included one Woreda small and micro enterprises, which resulted in a small sample size. This may limit how broadly the results may be applied to other businesses or sectors. In addition, the study used a cross-sectional design, gathering data at a specific moment in time. This may make it more difficult to determine a link between time setting customer attitudes. The study ignores outside variables that might affect customer loyalty, such as changes in the market, organizational structures or technology developments.

1.8 Organization of the Study

The study consists five chapters. The initial issues of the research are covered in the first chapter and are categorized into numerous areas including background of the study, problem description, objectives, importance, study organization and definition of key terms. The second chapter contains the study's examination of the literature, which includes a theoretical analysis as well as

a review of prior studies in the area. The third chapter will address study design and methodology, including the selection, assessment, and presentation of data sources using different approaches. The fourth chapter provided, reviewed, and assessed data and statistics data sources. Based on the data in the fourth chapter, the fifth chapter will provide a conclusion and a suggestion.

1.9 Definition of Key terms

- **Customer commitment-** commitment can be defined as a mental attitude that shapes one's perspective on maintaining a business relationship with a partner (Rauyruen et al., 2007).
- **Customer Loyalty-** is a connection based on mutual respect, trust, and the value that each party gets from the other in the business-customer relationship. The partnership will endure over time if both parties get the most out of it (Daniel Javor Founder and CEO · Deep Blue Ventures).
- **Customer satisfaction:** is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals(Farris et al., 2010).
- **Corporate Image:** refers to how a company is perceived by its stakeholders, including customers, investors, employees, and the general public. This perception is shaped by the company's actions, communications, and reputation in the market (Hemsley-Brown, J. V., & Oplatka, G., 2015).
- **Trust-** is an essential component of the buyer's actions when making a purchase. It is the culmination of all of the consumer encounters with the brand, the product, and the tangible and intangible qualities of the end (Moreira & Silva, 2015).
- **Switching Cost-** According to Porter, M. (1998), customers can avoid the expense of moving to a new service provider if they stick with their current one.
- **Perceived product quality:** refers to the consumer's judgment about a product's overall excellence or superiority, based on their direct experiences with the product as well as their indirect interactions such as marketing communications, brand reputation, and word-of-mouth.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Conceptual Review

Customer loyalty refers to the likelihood of customers to continue purchasing from a specific company over time, reflecting their commitment and positive emotional connection to the brand (Dick & Basu, 1994). The importance of customer loyalty lies in its ability to drive sustainable revenue, reduce marketing costs, and enhance brand reputation (Reichheld, 2003).

Customer loyalty holds significant importance for businesses across various industries. Here are some key reasons why customer loyalty is crucial, supported by citations:

Revenue Stability: Loyal customers contribute to a steady revenue stream for businesses. Studies have shown that retaining existing customers is often more profitable than acquiring new ones (Reichheld & Sasser, 1990).

Cost Efficiency: Acquiring new customers can be up to five times more expensive than retaining existing ones (Reichheld & Sasser, 1990). Therefore, fostering loyalty among existing customers can lead to cost savings in marketing and sales efforts.

Positive Word-of-Mouth and Brand Advocacy: Loyal customers are more likely to recommend a brand to others, leading to positive word-of-mouth marketing. Research indicates that satisfied customers are more likely to spread positive recommendations, thereby attracting new customers (Srinivasan et al., 2002).

Competitive Advantage: High levels of customer loyalty can create a competitive advantage for businesses. Loyal customers are less likely to switch to competitors, thus establishing a barrier to entry for other brands (Oliver, 1999).

Increased Lifetime Value: Loyal customers tend to make repeat purchases over an extended period, resulting in higher customer lifetime value (Blattberg et al., 2009). This means that each loyal customer generates more revenue over their lifetime relationship with the brand.

2.1.1. Customer Loyalty

Loyalty-derived from the English term loyal, which means "faithful, loyal" is an optimistic outlook toward the company's buyer. Even when there are alternative, more financially advantageous offerings available, customers still feel loyal to you. The primary distinction between loyalty and satisfaction is that the former is the outcome of certain, frequently subconsciously felt elements, while the latter is determined by reason.

Two main categories can be identified in customer loyalty study. There are two types of consumer loyalty: brand loyalty, which refers to the loyalty consumers show towards physical things, and service loyalty, which refers to the devotion consumers show towards intangible products (services).

Jacoby and Kyner (1973), provided the definition of brand loyalty, which is utilized by numerous academics: "the biased (i.e., nonrandom) behavioral reaction (i.e., purchase) expressed over time by some decision-making unit in relation to one or more alternative brands from a group of similar brands, and is a result of the psychological process involved in decision-making and evaluation.

Scholars argue that by showcasing a service's uniqueness, they might develop concepts beyond brand loyalty that apply to service firms. Gremler and Brown (1996) define service loyalty as a customer's willingness to make repeat purchases from a service provider, have a favorable attitude toward the provider, and take into consideration if the necessity for this service ever arises, exclusively use this supplier. According to J Rowley (2005), customers can show their devotion to a provider by sticking with them, making more purchases, making them more frequently, or even doing both.

According to Beerli et al. (2004), loyalty is defined as the frequency with which a client makes repeat purchases or the proportion of purchases made under the same brand. Huseyin et al. (2018), clarify that customers who occasionally utilize the company's products or services are deemed loyal.

Consumer loyalty can be defined as the desire and willingness of a consumer to purchase and use products from selected companies for an extended period of time, as well as the recommendation of these companies to friends and colleagues (Išoraitė, 2016).

2.2. Theoretical Reviews

Numerous studies have been done on loyalty, and researchers attempt to understand loyalty by concentrating on various angles. Five distinct viewpoints on loyalty were covered in this section.

2.2.1 Behavioral Perspective

2.2.2 Attitudinal Perspective

Positive attitudes about a favored product are reflected in a customer's attitude of loyalty (Kaura et al., 2015). "A personal attitude which is psychological and sensation oriented" is another term for attitude loyalty (Kursunluoglu, 2014).

Attitudinal loyalty acts as a mediator in the relationship between behavioral loyalty and service quality aspects. Hedonic attitudes impact attitudinal loyalty, which in turn influences behavioral loyalty, according to research by Lee and Goudeau (2014). These results demonstrate how crucial attitude loyalty is to consumers' decisions to repurchase particular goods.

According to Kassim and Abdullah (2010), a customer's purchasing intentions may increase when their attitude improves. However, behavioral loyalty—or the act of repurchasing—does not always follow from attitudinal loyalty (Bowen and McCain, 2015; Lee and Goudeau, 2014).

2.2.3 Factors Affecting Customer Loyalty

2.2.3.1 Customer Satisfaction

Customer satisfaction is another aspect that affects customer loyalty. It's a complex process with lots of moving pieces that interact and are impacted by how customers view the furniture business. Customer satisfaction refers to an individual's thoughts regarding a product or service after they have eaten or utilized it (Belas, 2014).

Consumer behavior is just one of many elements that impact the state of the economy, attitudes, and customer satisfaction. customer satisfaction has a major role in determining customer retention. By contrasting the consumer's expectations with their perceptions following the purchase, customer satisfaction is determined (Kotler & Keller, 2013).

According to Kundu and Datta (2015), contentment is a positive, feeling state that arises from all the elements of a couple's relationship functioning together. However, there are two ways to quantify the effect of pleasure on corporate performance: behavioral and psychological.

The premise of the first section is that customer satisfaction influences a variety of behaviors, including repeat business (Trasorras et al., 2009), customer loyalty (Bowen & Chen, 2015), and word-of-mouth recommendations (Ulaga & Eggert, 2006). Negative speech advertising, complaints, and purchase discontinuance, however, may be used when total unhappiness is not as high as desired.

The second psychological component of customer satisfaction emphasizes a component of satisfaction that is more closely related to the customer's inner experience than to his or her future conduct, as in "by consuming, the consumer meets some need, wish, goal, etc., which provides satisfaction." Therefore, it is necessary to consider satisfaction in the relationship-building process as a predictor of consistency and coordination (Ulaga & Eggert, 2006).

Therefore, it is necessary for both parties to develop desirability via consistent quality time and mutual enjoyment in their relationship. Total satisfaction, a required but insufficient precondition for customer loyalty, is determined by the presence of both traits.

2.2.3.2 Trust

customer trust is another aspect that is thought to have an impact on client loyalty. If a customer genuinely believes in the business with which they are transacting, loyalty will result. The desire to accept an exchange partner in whom one has faith is known as trust (Moorman et al.1993).

In the purchasing process, trust plays a significant role in influencing the behavior of the customer. It results from the whole consumer experience with the firm and the product, as well as from both its tangible and intangible qualities. Development of trust leads to favorable sentiments and devoted customers (Moreira & Silva, 2015).

When a consumer has faith in a business, they become an invaluable information resource in the value generation process. The development of a long-lasting, mutually beneficial connection and the exchange of critical information are made possible by mutual trust between the buyer and the business. Thus, it is believed that confidence is a crucial component that results in long-term client retention (Anderson & Mittal, 2016).

Trust is a hard concept to comprehend and predict as a driver of loyalty. The majority of writers start with the partner's assumption that they will behave in a relationship and act in mutual interest

in order to describe the concept of trust. These qualities of such relationships include self-orientation, intimacy, credibility, and dependability (Peppers & Rogers, 2004).

2.2.3.3 Customer Commitment

A crucial determinant of client loyalty is their dedication to maintaining significant, enduring connections with the company. As stated by Morgan et al. (1994), commitment stems from shared ideals, trust, and the conviction that finding a partner who can provide the same value will be challenging. According to Morgan and Hunt (1994), commitment motivates partners to work together in order to protect their relationship investments.

According to Rauyruen et al. (2007), commitment can also be defined as "a mental attitude that shapes one's perspective on maintaining a business relationship with a partner." The rationale is that customer loyalty cannot be achieved without a high level of commitment from the customers. Besides, customer commitment mediates the influence of customer satisfaction and customer loyalty, (Zafar, 2012).

According to Ndubisi (2007), highly committed customers should be willing to reciprocate effort on behalf of a firm because they have previously benefited from the relationship, and highly committed firms will continue to benefit from such reciprocity. This is because commitment is higher among people who believe they receive more value from a relationship.

2.2.3.4 Switching Costs

In microeconomics, strategic management, and marketing, the terms "switching costs" or "switching barriers" refer to the perceived costs or drawbacks that consumers incur in addition to the financial and psychological costs associated with moving from one option to another (Jones et al., 2002).

When customers move from one supplier or marketplace to another, they have one-time fees. We refer to these expenses as switching costs. Another element that contributes to the difficulty or expense of switching providers for customers is switching costs. Switching cost, which may be defined as the technical, financial, or psychological aspects that make it costly or difficult for a customer to shift brands, is another factor that determines brand loyalty. In addition to directly observable monetary expenses, switching costs may also apply to the time and psychological effort involved in facing the uncertainty of dealing with a new service provider (Aydin & Ozer, 2005).

2.2.3.5 Corporate Image

A brand becomes more appealing when customers perceive it as having high service quality. Customer loyalty is influenced by brand image, which is also thought to be essential for establishing, fostering, and preserving connections (Das, 2014).

The customer's pleasure with the product's features is largely dependent on its image. The brand's image matters for a variety of reasons, such as enhancing one's own reputation, fulfilling one's own aesthetic desires, or achieving a specific level of comfort connected to the brand (Akhter et al., 2011).

According to branding theory, a brand's image needs to match the perception that its customers have of themselves. Chen and Myagmarsuren (2011), conducted a study that examined the significance of brand image and concluded that a customer's purchase of a product causes them to become loyal to it. Positive brand image, then, aids in a business's ability to communicate its brand value to consumers. Additionally, a positive company reputation, marketing communication, and positive word-of-mouth from clients are all facilitated by a strong brand image. Conversely, a bad reputation.

2.3 Empirical Review

In recent times, there has been an increasing curiosity about examining the factors that influence client loyalty. Consequently, a plethora of marketing literature has endeavored to elucidate the correlation between client loyalty and other elements commonly referred to as experiences.

According to Nardos (2018), the goal of the research is to examine the factors that influence customer loyalty and the connections that exist between them. These factors include customer satisfaction, switching costs, service quality, complaint resolution, commitment, and trust in Ethiopian commercial enterprises. The results indicate an extremely strong and affirmative correlation between customer loyalty and all of its factors.

The elements influencing customer loyalty in online entrepreneurship are explained by Bahareh et al. (2013). Their findings indicate that each customer value, switching cost, reputation, habitat, trust, service quality, and satisfaction with loyalty have a significant and positive link with each other.

The goal of Magasi's (2016), study was to look into the variables influencing customer loyalty in the Sub-Saharan African enterprise sector. Perceived quality, customer satisfaction, switching cost, trust, and commitment were the aspects that were thoroughly discussed. An extensive assessment of the literature covering fourteen current studies from 2009 to 2015 was conducted in order to identify the degree to which each element influences customer loyalty in the enterprising sector. The results indicate that in the Sub-Saharan African Enterprising Industry, perceived quality, customer happiness, and trust are the main factors influencing customer loyalty.

The purpose of Efrem's (2013), study was to investigate the variables influencing Oromia's corporate enterprise's customers' loyalty. The study's conclusion demonstrates the strong positive effects that dedication, contentment, and trust have on customer loyalty. Furthermore, dedication is the most important component influencing client loyalty, followed by trust and satisfaction. Switching costs are the least significant elements influencing a customer's loyalty.

Alemayehu (2020), states that the goal of this study is to investigate the level of customer brand loyalty and the factors that influence it in Ethiopia's company sector. The relationship between consumer brand loyalty and the variables that determine it—distribution, reputation, tangible benefits, culture, promotion, and customer satisfaction—will be reflected in the conceptual framework that is constructed. As antecedents of brand loyalty, the results showed that distribution, promotion, consumer satisfaction, and tangible benefits were looked at. Yet, there was no correlation between culture and the development of brand loyalty among consumers. Lastly, advertising campaigns and distribution (service convenience) have a significant impact on brand loyalty.

2.4 Conceptual Framework of the Study

Based on the results of the aforementioned literature research, the following model has been modified to investigate customer loyalty determinants in small and micro firms producing home and office furniture in Kolfe Keraniyo sub-city Werda 8. Customer loyalty is significantly impacted by satisfaction, trust, image, and commitment (Kuusik, 2007). In a similar vein, Aydin and Ozer (2005) note that the main antecedents of customer loyalty are corporate image, perceived service quality, trust, and customer switching cost. Customer loyalty is the dependent variable in this model, which has five independent variables: commitment, trust, image, customer satisfaction, and switching cost.

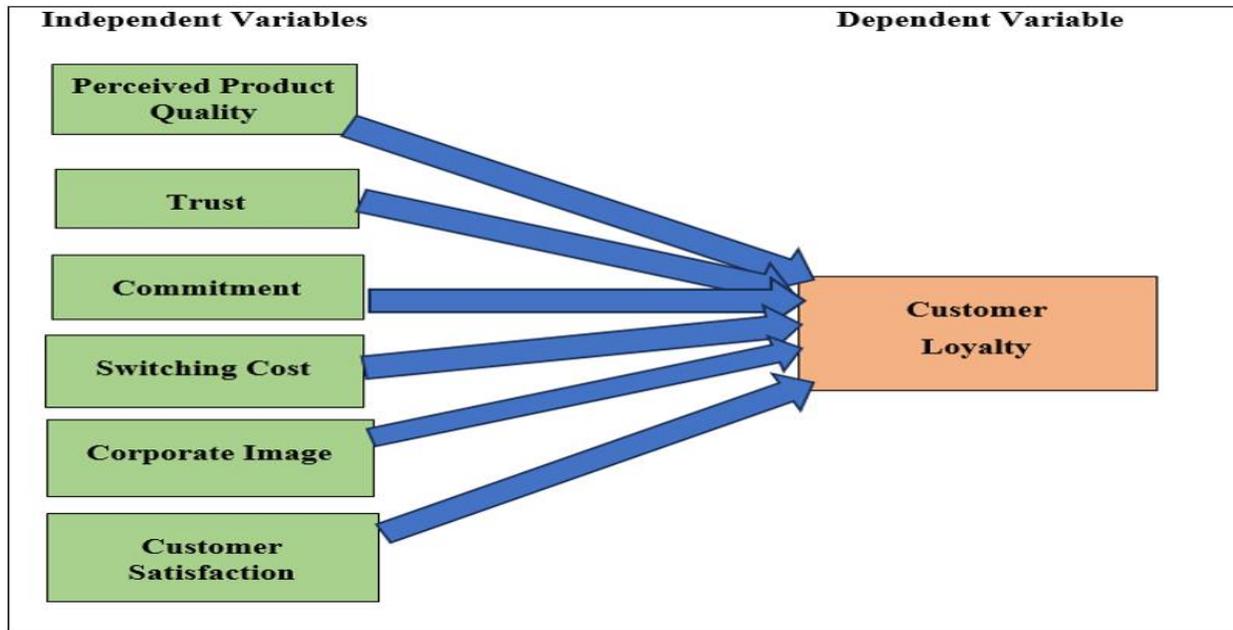


Figure-1: - Conceptual framework of the study adopted from (Kuusik, 2007), (Aydin and Ozer ,2005)

2.6 Research Hypothesis

2.6.1. The effect of Customer Satisfaction on Customer Loyalty

Customer satisfaction is presumed to have a positive effect on customer loyalty. A study conducted by Anderson, Fornell, and Lehmann (1994) discovered that consumer satisfaction was positively connected to customer loyalty in a variety of industries, including retail, banking, and telecommunications. Studies consistently show a positive relationship between customer satisfaction and customer loyalty. Higher levels of satisfaction lead to greater customer loyalty, as satisfied customers are more inclined to continue doing business with a company (Anderson & Sullivan, 1993). Customer satisfaction fosters positive word-of-mouth and customer advocacy. Satisfied customers are more likely to share their positive experiences with others, which can lead to new customer acquisition through referrals. According to Srinivasan et al. (2002), satisfied customers are important sources of positive word-of-mouth communication, which can significantly impact customer loyalty. Based on the above discussion, the first hypothesis is stated as follows:

H1: Customer satisfaction has a positive effect on customer loyalty in the micro and small-scale office and home furniture producing enterprises in Kolfe Keranyo sub-city Woreda 8.

2.6.2. The Effect of Brand Image on Customer Loyalty

Brand image is assumed to have a positive effect on customer loyalty. According to a research done by Mohamad & Awang (2009), university image has a direct impact on student loyalty, while student satisfaction serves as a mediator in the link between university image and student loyalty. Study by Yoo, Donthu, and Lee (2000), the authors investigate various marketing mix elements and their impact on brand equity, which includes components such as brand image and customer loyalty. While the study does not focus solely on the relationship between brand image and customer loyalty, it provides valuable insights into how brand image, along with other marketing mix elements, contributes to overall brand equity, which in turn influences customer loyalty. Based on the above discussion, the second hypothesis is stated as follows:

H2: Brand image has a positive effect on customer loyalty in the micro and small-scale office and home furniture producing enterprises in Kolfe Keranyo sub-city Woreda 8.

2.6.3. The effect of Trust on Customer Loyalty

Customer trust is said to have a positive effect on customer loyalty. Oliver (1997) discovered that brand trust was positively connected with consumer loyalty in the automotive sector. The study also discovered that brand trust was a better predictor of loyalty than other characteristics like perceived quality and value. examines the relationship between customer satisfaction, trust, and loyalty. Fornell, C. et al., (1996), While the focus is primarily on customer satisfaction, it also discusses how trust plays a significant role in influencing customer loyalty. Trust is considered a crucial component in building and maintaining strong relationships with customers, leading to increased loyalty and positive word-of-mouth recommendations. A study by Aaker (1996) found that trust and credibility are essential components of brand image that significantly influence customer loyalty. Based on the above discussion, the third hypothesis is stated as follows:

H3: Customer trust has a positively effect on customer loyalty in the micro and small-scale office and home furniture producing enterprises in Kolfe Keranyo sub-city Woreda 8.

2.6.4. The effect of Switching Cost on Customer Loyalty

Switching cost is presumed to have a positive effect on customer loyalty. Prior empirical studies have discovered that switching cost is positively associated with customer loyalty. Markus B. et al. (2015) have found that both customer satisfaction and switching cost had a substantial

beneficial impact on customer loyalty. Study by Jones et al. (2007), the authors investigate the effects of switching costs on relational outcomes, including customer loyalty. The study examines both positive and negative aspects of switching costs, highlighting how they can impact customer relationships with firms. Based on the above discussion, the fourth hypothesis is stated as follows:

H4: Switching cost has a positive significant influence on customer loyalty in the micro and small-scale office and home furniture producing enterprises in Kolfe Keranyo sub-city Woreda 8.

2.6.5. The effect of Customer Commitment on Customer Loyalty

Customer commitment is assumed to have a positive effect on customer loyalty. It was proposed that loyalty be defined as a commitment to the producer fueled by specific positive attitudes, because commitment signals a desire to sustain a connection, and customer turnover among devoted consumers diminishes (Gounaris, 2005). Ulaga et al. (2006) found a strong and positive relationship between dedication and client loyalty. In seminal paper by Morgan and Hunt (1994), the authors introduce the commitment-trust theory of relationship marketing, which explores the dynamics of customer relationships, including the role of commitment in fostering loyalty. The theory posits that customer commitment is a key driver of relationship quality and long-term loyalty. Based on the above discussion, the fifth hypothesis is stated as follows:

H5: Customer commitment has a positive significant influence on customer loyalty in the micro and small-scale office and home furniture producing enterprises in Kolfe Keranyo sub-city Woreda 8.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

The techniques that were employed to gather the data needed for the study are covered in detail in this section. It covers the target population and sampling strategy, the research design, the data source and type, the data presentation, analysis, and interpretation process, as well as any ethical considerations for the study.

3.2 Research Approach

Research approach refers to the overarching strategy or plan that guides the researcher's methodology in conducting a study. It encompasses the principles, methods, and procedures used to collect and analyze data to address research questions or hypotheses effectively. The choice of research approach largely depends on the nature of the research questions and the type of data needed to answer them. To achieve this, the study employed quantitative approach it focuses on quantifying relationships, variables, and phenomena through numerical data.

3.3 Research Design

The study was applied a descriptive research design. Descriptive research design is a type of research design that aims to describe the characteristics of a population or phenomenon being studied. It focuses on answering questions such as "what," "who," "where," and "how" Unlike experimental designs which seek to establish cause-and-effect relationships, descriptive designs are primarily concerned with providing a snapshot or portrayal of a situation as it naturally occurs.

3.4 Source and Type of Data

Primary and secondary sources were the sources of the data acquired. Customers of the enterprises provide primary data via survey questionnaires. Enterprise internal materials, including but not limited to strategy documents, will serve as secondary sources.

3.5 Target Population and Sampling

3.5.1 Target Population

Population refers to the individuals, goods, businesses and markets that the research is interested in. A population needs to be precisely described in terms of its components, units, and duration (Dillon, 1993). According to this the study target population was the customers of Kolfe Keraniyo sub-city Woreda 8 small and micro enterprises that produce home and office furniture.

3.5.2 Sample Size

This is a reference to how many objects must be chosen at random from the universe in order to create a sample. The sample size shouldn't be either too big or too little. There are various methods for figuring out the sample size (Kothari, 2004).

As the population's entire size is unknown, p and q estimates must be determined. In order to calculate the sample size, I followed Corbetta's (2003) advice for the standard deviation, 95% confidence interval, and 5% sampling error. The formula shown below is used to determine the sample size for this study (Dillon, 1993).

The number of customers that consume the product of enterprises product not exactly known. In other words, the total population size of the study is unknown so researcher was forced to apply the following formula to calculate the sample size for this study.

$$n = \frac{z^2 \cdot p \cdot q}{e^2}$$

Where: n = required sample size

Z = Degree of confidence (i.e. 1.96)²

P = Probability of positive response (0.5)

Q = Probability of negative response (0.5)

E = Tolerable error (0.05)²

$$n = (1.96)^2 \cdot 0.5 \cdot 0.5 / (0.05)^2$$

$$n = 384.16384$$

Therefore, the total sample size will be 384

3.6 Data Analysis

Both descriptive and inferential statistics were used to assess the information obtained from respondents via a questionnaire. The respondent's history and the variables influencing customer loyalty are both described by the descriptive and inferential statistical analysis. The statistical analysis of the relationship between elements referred to as autonomous and dependent variables is done through the use of regression and correlation analysis. The researcher utilized the statistical package for social science (SPSS) version 22 program to conduct these types of analyses.

3.7 Ethical Consideration

According to Saunders, Lewis, and Thornhill (2003), ethics in the context of research is the appropriateness of the researcher's behavior with regard to the rights of the subjects or participants in the study. Information will only be requested voluntarily from respondents, with previous notification of the study's goal and a guarantee of information confidentiality. Additionally, the questionnaire's introduction will reveal the goal of the study. Moreover, remarks that are false or misleading but are left out of the questionnaires

3.8 Validity and Reliability

Reasonableness determines if the measurement instrument truly reflects the intended quantity or the veracity of the research findings. The questionnaires were developed based on a survey of pertinent literature and the foundation of previous research questionnaires to assure validity.

Reliability measures are internal consistency metrics that highlight item responses that are consistent across components and demonstrate scores that remain constant over time when the test is taken (Creswell, 2009). Using a Cronbach's coefficient alpha of 0.70, the consistency of the instrument was evaluated along the route in order to evaluate its reliability. Additionally, as the Cronbach's alpha number gets closer to 1.0, the measure's item internal dependability gets more reliable.

Table-3.1: Reliability Statistics

Variables	No. items or statements or Likert scale items	Reliability coefficient Cronbach alpha
Perceived Product Quality	3	0.837
Customer Satisfaction	4	0.849
Corporate Image	5	0.848
Switching Cost	3	0.839
Trust	6	0.836
Commitment	5	0.829
Customer Loyalty	8	0.832

The Cronbach's alpha coefficient was discovered in order to evaluate the internal consistency of the variables in this research instrument. The Cronbach's alpha coefficient for a questionnaire that was adapted and produced from research was determined to be 0.838 on average when it was evaluated using SPSS version 22. This implies that there is possibility for more examination of the data.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1 Introduction

This chapter discusses the analysis and findings of the study in order to give an explanation for the data gathered. 384 questionnaires were distributed of which 342 (89.0%) were returned and used for further analysis. Initially, a summary of the respondents' demographics was given. Additionally, Likert Scale items and factors pertaining to customer loyalty were evaluated using descriptive statistics. Furthermore, the study used inferential statistics (correlation and regression analysis) to determine the extent to which the determining factors affect customer loyalty. The hypothesis was tested using multiple linear regression analysis, which also helped the study achieve its objective of identifying the variables that affect customer loyalty.

4.2 Profile of survey respondents

4.2.1 Respondents Demographic Profile

Table-4.1: Age of respondents

		Male		Female	
		Count	%	Count	Table N %
Age	18-29 years	28	8.2%	40	11.7%
	30-49 years	46	13.5%	99	28.9%
	50-70 years	67	19.6%	62	18.1%
	Above 70 years	0	0.0%	0	0.0%
	Total	144	41.3	201	58.7

(Source: - Survey result, 2024)

The study's respondents fall into several age groups. Respondents were requested to provide their age. Out of all respondents, the age group of 30 to 49 years old accounted for 42.4% of the total, followed by the age group of 50 to 70 years old, which accounted for 37.7%, and the age group of 18 to 29 years old, which accounted for 19.9%. This indicates that the majority of responders are middle-aged.

Table-4.2: Marital Status of Respondents

		Male		Female	
		Count	%	Count	Table N %
Marital Status	Divorced	16	4.7%	88	25.7%
	Married	50	14.6%	80	23.4%
	Single	75	21.9%	33	9.6%
	Widowed	0	0.0%	0	0.0%
	Total	141	41.3	201	58.7

(Source: - Survey result, 2024)

As seen in Table 4.2 above, respondents were asked to disclose their marital status. Of the total of respondents, 31.5% were single, 30.4% were divorced, and 38% were married.

Table-4.3: Educational Status of Respondents

		Male		Female	
		Count	%	Count	Table N %
Education Status	No formal education	23	6.7%	0	0.0%
	Primary school	47	13.7%	56	16.4%
	Secondary school	31	9.1%	64	18.7%
	Vocational	34	9.9%	58	17.0%
	University Degree	6	1.8%	23	6.7%
	Total	141	41.3	201	58.7

(Source: - Survey result, 2024)

Respondents were requested to state their educational level, as can be seen in Table 4.3 above. 30.1% of the respondents had completed their elementary education, 27.8% had completed their secondary education, 26.9% had completed their vocational education, 8.5% had graduated from university and the remaining 6.7% had never attended any kind of formal education. We can observe from the above table that in comparison female respondents had higher levels of education.

Table-4.4: Occupation of Respondents

		Male		Female	
		Count	%	Count	Table N %
Occupation	Private Sector	0	0.0%	104	30.4%
	Government Sector	34	9.9%	77	22.5%
	Own Business	107	31.4%	20	5.8%
	Student	0	0.0%	0	0.0%
	Total	141	41.3%	201	58.7%

(Source: - Survey result, 2024)

As demonstrated in the above Table 4.4, the majority of female respondents (30.4%) were employed in the private sector, while 32.4% were employed in the public sector, and 37.1% of the respondents were involved in their own business.

Table-4.5: Monthly Household Income of Respondents

		Male		Female	
		Count	%	Count	Table N %
Monthly Household Income	Less than Birr 1000	0	0.0%	0	0.0%
	Birr 1001–5000	11	3.2%	14	4.1%
	Birr 5001-10,000	64	18.7%	187	54.7%
	Birr 10,001-20,000	66	19.3%	0	0.0%
	Above Birr 20,000	0	0.0%	0	0.0%
	Total	141	41.3	201	58.7

(Source: - Survey result, 2024)

When respondents were asked to disclose their monthly income, as shown in Table 4.5 above, 73.4% of respondents said their income fall between Birr 5,000 and 10,000, 19.3% said it dropped between Birr 10,000 and 20,000, and only 7.3% said it dropped between Birr 1,000 and 5,000.

4.2.2 Descriptive Analysis for study variables

Table-4.6: Perceived Product Quality

	N	Mean	Std. Deviation
The enterprise's product quality can meet our standards	342	4.28	1.014
The enterprise's product has high quality	342	4.05	.981
The enterprise's product is of better quality than other suppliers	342	4.70	.458
Overall average of Perceived Product Quality	342	4.34	0.818

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As shown in table 4.6, the overall average mean and standard deviation score for perceived product quality was 4.34 and 0.818, respectively. The individual mean values vary between the lowest 4.05 and the highest is 4.70. This illustrates enterprise's product quality can meet standards of customers, enterprises product has better quality than other suppliers it helps to get customer loyalty to the brand.

Table-4.7: Customer Satisfaction

	N	Mean	Std. Deviation
This enterprise has met my expectations	342	3.82	.479
The product of the enterprise is very different from what I had in mind.	342	3.47	.545
Based on my personal experiences, I am happy with this product.	342	3.25	.433
Compared to other product, I think this one and enterprise services are successful.	342	3.04	.774
Overall Average of Customer Satisfaction	342	3.39	0.558

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As indicated in Table 4.7, the total average mean score for customer satisfaction was $X = 3.39$, with a standard deviation of 0.558. This implies that customers are relatively satisfied with the services offered by furniture manufacturing enterprises. The individual mean values vary between the lowest 3.04 and the highest is 3.82.

Table-4.8: Corporate Image

	N	Mean	Std. Deviation
The enterprise brand last longer than other enterprise brands	342	3.89	.447
The enterprise provides wide variety of design	342	4.50	.753
The Brand name and image attract me to purchase	342	3.86	.512
The enterprise (brand) has good store location	342	3.42	.606
Salesperson of the store is well-trained	342	3.63	.986
Overall Average of Corporate Image	342	3.86	0.661

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As shown in table 4.8, the overall mean and standard deviation scores for corporate image are 3.86 and 0.61, respectively. This indicates that customers have good perception towards the image of furniture manufacturing enterprises. The individual mean values vary between the lowest 3.42 and the highest is 4.50. The mean value of “The enterprise provides wide variety of design” $X=4.50$ mean that respondents agree about the issue, The mean value of “The Brand name and image attract me to purchase” $X=3.86$ mean that respondents in with the issue, The mean value of “The enterprise (brand) has good store location” $X=3.42$ mean that respondents were agree about the

issue and Finally the mean value “Salesperson of the store is well-trained” $X= 3.63$ mean that respondents were agree about the issue raised. In general, the overall average result shows that ($X=3.86$) respondents’ attitude to corporate image is somewhat in agreement for the contribution of customer loyalty.

Table-4.9: Switching Cost

	N	Mean	Std. Deviation
It takes time to investigate potential new enterprise(producer) in order to switch to another one.	342	3.71	.708
There will be a significant loss of personal relationships with present enterprise employees and management if I decide to substitute the firm.	342	3.89	1.346
Switching to a new enterprise entail taking a chance on a different venture that might not meet my needs.	342	3.73	.679
Overall Average of Switching Cost	342	3.78	0.911

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As elucidated in table 4.9 above the aggregate mean and standard deviation values for switching cost are 3.78 and 0.911, respectively. This indicates that customers perceive that they will incur significant cost if they switch their present furniture supplier with other furniture suppliers. This also implies that customers are more likely to remain loyal to their current supplier. The individual mean values vary between the lowest 3.71 and the highest is 3.89. The mean value of “It takes time to investigate potential new enterprise (producer) in order to switch to another one” is $X=3.71$ means that there is respondents agreement about the issue, The mean result of “there will be a significant loss of personal relationships with present enterprise employees and management if I decide to substitute the firm” $X=3.89$ means that the respondents agree about the issue and finally the mean value of “Switching to a new enterprise entail taking a chance on a different venture that might not meet my needs” $X=3.73$ means that the respondents were agree about the issue. In general, the aggregate result shows that respondents were in agreement about switching from the structure of brand may cost and distort customer loyalty.

Table-4.10: Trust

	N	Mean	Std. Deviation
The enterprise delivers on its service commitments on schedule.	342	3.96	.192
I'm confident in the enterprise services(product).	342	4.65	.477
Based on my own experience, the enterprise is fully trustworthy.	342	4.29	.972
There are honest workers in this enterprise.	342	4.13	.970
The Enterprise service purely safe	342	4.25	1.032
The enterprise's policies and practices were ones that deserved respect and mutual trust from its clients.	342	4.29	1.043
Overall Average of Trust	342	4.26	0.781

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As elucidated in table 4.10 above the aggregate mean and standard deviation values for trust are 4.65 and 0.477 respectively. This shows that customers have established strong trust on furniture manufacturing enterprises. The individual mean values vary between the lowest 3.96 and the highest is 0.192. The mean value of “The enterprise delivers on its service commitments on schedule” is $X=3.96$ means that there is respondents’ agreement about the issue, The mean result of “I'm confident in the enterprise services(product)” $X=4.65$ means that the respondents agree about the issue means that the respondents were agree about the issue, The mean value of “There are honest workers in this enterprise” $X= 4.13$ means that the respondents agree about the issue, the mean value of “The Enterprise service purely safe” $X=4.25$ means that the respondents agree about the issue and finally the mean value of “The enterprise's policies and practices were ones that deserved respect and mutual trust from its clients” $X=4.29$ means that the respondents agree about the issue. In general, the aggregate result ($X=4.26$) shows that respondents were in consensus about the trust of enterprise very important to keep the customer.

Table-4.11: Customer commitment

	N	Mean	Std. Deviation
The enterprise is dedicated to providing consumers with services that meet the requirements for quality and standards.	342	3.93	1.401
The enterprise provides individualized service to address each client's demands uniquely.	342	3.54	1.316
Enterprise is dedicated to promptly and completely resolving any issues that customers may encounter.	342	4.46	.841
Enterprise is committed to provide service on time in response to customer and customer conditions	342	4.24	.801
The enterprise management system is committed to monitoring the methods used to support clients both before and after	342	4.03	1.263
Overall Average of customer commitment	342	4.04	1.124

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As clarified in table 4.11 above the aggregate mean and standard deviation values for commitment are 4.46 and 0.841 respectively. This indicates that customers are committed to continue establishing strong relationship with furniture manufacturing enterprises. The individual mean values vary between the lowest 3.54 and the highest is 1.316. The mean value of “The enterprise is dedicated to providing consumers with services that meet the requirements for quality and standards” is $X=3.93$ means that there is respondents’ agreement about the issue, The mean result of “The enterprise provides individualized service to address each client's demands uniquely” $X=3.54$ means that the respondents agree about the issue means that the respondents were agree about the issue, The mean value of “Enterprise is dedicated to promptly and completely resolving any issues that customers may encounter” $X= 4.46$ means that the respondents agree about the issue, the mean value of “The Enterprise service purely safe” $X=4.25$ means that the respondents agree about the issue, the mean value of “Enterprise is committed to provide service on time in response to customer and customer conditions” $X=4.24$ means that the respondents agree about the issue and finally the mean value of “The enterprise management system is committed to monitoring the methods used to support clients both before and after” $X=4.03$ means that the respondents agree about the issue. In general, the aggregate result ($X=4.04$) shows that respondents were in agreement about the commitment of enterprise very important to be customer is loyal.

Table-4.12: Customer Loyalty

	N	Mean	Std. Deviation
I consider this enterprise is my first choice	342	4.24	1.031
I would always recommend this enterprise to the others	342	4.04	1.136
It would be difficult to change my beliefs about this enterprise	342	4.29	1.043
I would always use this enterprise service	342	4.21	1.145
I am loyal customer to this enterprise	342	4.56	.839
I do not like to change to another enterprise because this enterprise sees my needs	342	3.84	1.218
Even if close friends recommend and other companies, my preference for this enterprise would not change	342	4.43	.839
No matter how other enterprises offers discounts. I will never consider switching to a other enterprises.	342	4.16	1.115
Overall Average of Customer Loyalty	342	4.22	1.046

(Source: - Survey result, 2024)

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly agree

As clarified in table 4.12 above the aggregate mean and standard deviation values for customer loyalty are 4.56 and 0.839 respectively. This implies that customers are more likely to remain loyal to the furniture manufacturing enterprises. The individual mean values vary between the lowest 3.84 and the highest is 1.218. The mean value of “I consider this enterprise is my first choice” is $X=4.24$ means that there is respondents’ agreement about the issue, The mean result of “ I would always recommend this enterprise to the others” $X=4.04$ means that the respondents agree about the issue means that the respondents were agree about the issue, The mean value of “It would be difficult to change my beliefs about this enterprise” $X= 4.29$ means that the respondents agree about the issue, the mean value of “I would always use this enterprise service” $X=4.21$ means that the respondents agree about the issue, the mean value of “I am loyal customer to this enterprise” $X=4.56$ means that the respondents agree about the issue and finally the mean value of “I do not like to change to another enterprise because this enterprise sees my needs” $X=3.84$ means that the respondents agree about the issue, the mean value of “Even if close friends recommend and other companies, my preference for this enterprise would not change” $X=4.43$ means that the respondents agree about the issue, finally the mean value of “No matter how other enterprises offers discounts, I will never consider switching to a other enterprises.” $X=4.16$ means that the respondents agree about the issue in general, the aggregate result ($X=4.22$) shows that respondents were in agreement about the items raised as customers loyalty.

Table 4.1.3: Aggregate mean and standard deviation of study variables

S.No	Variable	N	Mean	Std. Dev
1	Customer commitment	342	4.04	1.124
2	Trust	342	4.26	0.781
3	Switching Cost	342	3.78	0.911
4	Corporate Image	342	3.86	0.661
5	Customer Satisfaction	342	3.39	0.558
6	Perceived Product Quality	342	4.34	0.818
7	Customer Loyalty	342	4.22	1.046

4.3 Inferential Statistics /Analysis/

4.3.1. Correlation Analysis

The degree of the link between two variables is shown by their correlation. Due to their ease of use and ability to represent a large amount of information in a single number, correlation coefficients are often employed to explain data (Mooi & Sarstedt, 2011).

The correlation figure's estimated significance ranges from -1 to 1, where a value of -1 indicates a perfect negative link (also known as a perfectly linear relationship) and a value of 1 indicates a totally positive association. There is no association when the correlation coefficient is zero (Mooi & Sarstedt, 2011).

Table-4.13: Pearson Correlation

		Perceived_ P Q	Custo mer S	Coporate_ I	Switching C	Trust	Commitment	Customer L
Perceived	Pearson Correlation Sig. (2-tailed) N	1 342						
Customer	Pearson Correlation Sig. (2-tailed) N	-.300** .000 342	1 342					
Coporate	Pearson Correlation Sig. (2-tailed) N	-.294** .000 342	.107* .049 342	1 342				
Switching_	Pearson Correlation Sig. (2-tailed) N	.290** .000 342	-.134* .013 342	-.084 .120 342	1 342			
Trust	Pearson Correlation Sig. (2-tailed)	.643** .000	-.502** .000	-.167** .002	.316** .000	1		

	N	342	342	342	342	342		
Commitment	Pearson Correlation	.509**	-.365**	-.155**	.520**	.740*	1	
	Sig. (2-tailed)	.000	.000	.004	.000	.000		
	N	342	342	342	342	342	342	
Customer_L	Pearson Correlation	.679**	-.429**	-.358**	.332**	.773*	.695**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	342	342	342	342	342	342	342

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

(Source: - Survey result, 2024)

4.3.2.1 Relationship between Perceived product Quality and Customer Loyalty

With $r=.679^{**}$, the two variables have a modest degree of correlation. The significance of the relationship between customer loyalty and perceived product quality is demonstrated by the aforementioned Pearson correlation. This study indicates that there is a positive relationship between perceived product quality and customer loyalty.

4.3.2.2 Relationship between Customer Loyalty and Customer Satisfaction

The correlation coefficient ($r = -.429^{**}$) between the independent and dependent variables is shown in Table 4.13. This suggests that there is a negative correlation between customer loyalty and customer satisfaction. In the seminal paper by Oliver (1999), the author discusses the concept of consumer loyalty and its relationship with satisfaction. While Oliver primarily focuses on the factors influencing loyalty, he acknowledges that satisfaction is an essential component but suggests that satisfaction alone may not always lead to loyalty. He proposes that loyalty may be influenced by other factors beyond satisfaction, such as situational constraints or competitive forces.

4.3.2.3 Relationship between Corporate Image and Customer Loyalty

Table 4.13 displays the correlation coefficient ($r = -.358^{**}$) between the independent and dependent variables. This indicates a negative relationship between corporate image and customer loyalty. The study of Berens, van Riel, and van Bruggen (2005), the authors investigate the impact of corporate associations on consumer product responses. While the focus of the study is primarily on the moderating role of corporate brand dominance, it also touches upon the potential negative effects of certain corporate associations on consumer perceptions and behaviors.

4.3.2.4 Relationship between Switching Cost and Customer Loyalty

The correlation coefficient ($r = .332^{**}$) between the independent and dependent variables is shown in Table 4.13. This result suggests that switching costs and customer loyalty are positively correlated. This result is quite expected as loyalty is influenced by the switching cost.

4.3.2.5 Relationship between Trust and Customer Loyalty

The correlation coefficient ($r = .773^{**}$) between the independent and dependent variables is shown in Table 4.13. This suggests that customer loyalty and trust are positively correlated.

4.3.2.6 Relationship between Commitment and Customer Loyalty

The correlation coefficient ($r = .695^{**}$) between the independent and dependent variables is shown in Table 4.13. This suggests that commitment and customer loyalty are positively correlated.

4.3.2 Regression Analysis

The scientific assessment of the normal correlation between two or more variables with regard to the various data units is known as regression analysis. Regression provides an abundant amount of evidence on the cause and impact of the relationship between the variables. The independent variable in regression analysis is the one that has to do with the cause, while the dependent variable has to do with the outcome.

Before utilizing the data, the following steps were taken to make sure it complied with the assumptions of the regression analysis:

4.3.2.1. Multicollinearity Test

Once the regularity of the statistics in the regression pattern has been seen, a multicollinearity test is needed to determine whether or not the independent variables in a pattern are connected. There is a substantial link between the outcomes and the correlations between the independent variables. Furthermore, a multicollinearity investigation was conducted to look at how independent factors affect customer loyalty. Appropriate regression models should not exhibit multicollinearity or any kind of correlation with the independent variables.

Examining multicollinearity as the foundation for the VIF value of the results:

1. If the VIF values lies in between 1 and 2, then there is no multicollinearity.
2. If the VIF less than 1 or greater than 10, then there is multicollinearity.

Table 4.17 below shows that at both the top (1.098) and bottom (3.257) boundaries of the VIF results, the model either meets the principle or there is no multicollinearity problem.

4.3.2.3. Checking for normality

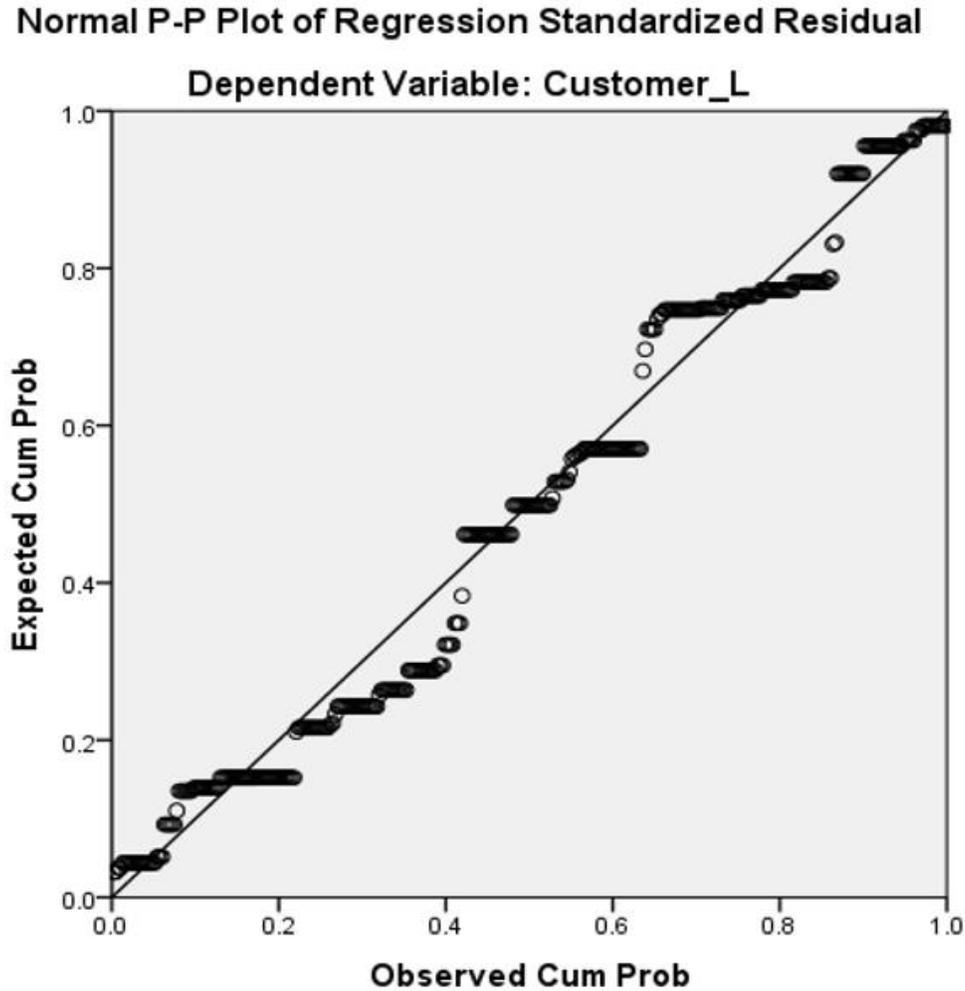


Figure 4.1: - Normality Test Result

The regression model can be used if the data distribution is regular or extremely close to normal. A typical P-P plot graph's regression normalized residual shows that the line is near the diagonal line and travels along its course.

4.3.2.4. Checking for autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.846 ^a	.716	.710	.377	1.320

a. Predictors: (Constant), Commitment, Coporate_I, Customer_S, Switching_C, Percived_P_Q, Trust

b. Dependent Variable: Customer_L

The Durbin-Watson value in above table 4.3.2.5 shows that 1.320 this implies that value below 2 and have no autocorrelation problem.

Regression Model Summary

The influence of independent factors on customer loyalty has been assessed through the use of multiple linear regression analysis. The primary variable in the study was the degree of customer loyalty, with the underlying causes of customers loyalty as secondary variables. The degree to which the customer loyalty determinant factors explained the variance in the innovative measure was shown by the R-squared summary of the regression model's findings (see table 4.14). This resulted in the model's coefficient of determination, or R^2 , which shows that 71.6% of the variation in the dependent (customer loyalty) explained by perceived product quality, customer satisfaction, corporate image, switching cost, trust and customer commitment altogether. 28.4% of the remaining influence on customer loyalty was due to other causes.

Table-4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.846 ^a	.716	.710	.377	.716	140.473	6	335	.000

a. Predictors: (Constant), Customer_S, Coporate_I, Switching_C, Perciveed_P_Q, Commitment, Trust

b. Dependent Variable: Customer_L

(Source: - Survey result, 2024)

F-test for Customer Loyalty

Each predictive variable's association to the fundamental causes of customer loyalty is compared to an alpha value of 0.05 in the ANOVA table, which displays the degree of significance. Table 4.15 illustrates the importance of an item's acceptance. However, the table's results showed that the independent variable had a substantial influence on customer loyalty, and this was acceptable at the 0.000 significance level, or less than 0.05. F has a value of 140.47, according to this table. Sum up the noteworthy 0.000. We may conclude that $\text{sig} < 0.05$ indicates both because the forecast's confidence level is more than 95% and the likelihood of this prediction mistake is less than 0.05, or sig 0.000.

Table-4.15: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	119.709	6	19.952	140.473	.000 ^b
Residual	47.581	335	.142		
Total	167.290	341			

a. Dependent Variable: Customer_L

b. Predictors: (Constant), Customer_S, Coporate_I, Switching_C, Perciveed_P_Q, Commitment, Trust

(Source: - Survey result, 2024)

Regression Analysis

Based on their unstandardized beta coefficient values, which indicate that perceived product quality, corporate image, trust and commitment are the most important determinant factors of customer loyalty, we can see how much each independent variable influences the dependent variable in terms of influence for customer loyalty. A linear connection between the regression equation model and the data was also demonstrated by F-test table. Regression analysis of unstandardized coefficients of Beta and Sig values for the four independent variables, as shown in Table 4.17, had values of (0.335), (-0,396), (0.590), and (0.205) for perceived product quality, corporate image, trust, and customer commitment, respectively. Four elements had a substantial impact on the dependent variable (customer loyalty), with significance values of 0.000, 0.000, 0.000 and 0.000 respectively. A significance level of more than 0.05 is present in two items.

Table 4.17: Customer Loyalty Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.373	.504		2.724	.007		
Perciveed_P_Q	.335	.055	.242	6.125	.000	.542	1.844
Coporate_I	-.396	.067	-.180	-5.908	.000	.910	1.098
Switching_C	-.011	.038	-.010	-.284	.777	.711	1.406
Trust	.590	.082	.378	7.185	.000	.307	3.257
Commitment	.205	.040	.248	5.120	.000	.361	2.771
Customer_S	-.113	.066	-.058	-1.712	.088	.746	1.341

a. Dependent Variable: Customer_L

Source: - (Survey result, 2024)

To express the dependent variable (Customer loyalty) and independent variable (perceived product quality, corporate image, trust and commitment in mathematical equation)

Let:

Y= Customer Loyalty,

X1= Perceived product quality,

X2= Corporate image,

X3= Trust

X4= Commitment

Therefore, the general relationship is written mathematically as follow:

$$Y_i = 0.335 X_{1i} - 0.396 X_{2i} + 0.590 X_{3i} + 0.205 X_{4i}$$

4.4. Discussion

The purpose of this study is to learn more about the factors that propel customer loyalty and the effects of a select set of explanatory variables on it. The study determined that the explanatory variables of perceived product quality, corporate image, trust and commitment were critical for customer loyalty.

4.4.1. The effect of Perceived Product Quality on Customer Loyalty

According to the results of the regression study, customer loyalty is significantly positively impacted by perceived product quality ($\beta = 0.335$, $p < 0.05$). A one unit increased in perceived quality of the product will lead to a rise in customer loyalty, or 0.335 (with a positive beta value of 0.335). This finding is consistent with a study conducted by Prasad (2018), who reported that customer loyalty to e-banking service is strongly and favorably impacted by perceived product quality.

4.4.2. The effect of Corporate Image on Customer Loyalty

According to the results of the regression study, customer loyalty is significantly but negatively impacted by corporate image ($\beta = -0.396$, $p < 0.05$). This is against the proposed hypothesis. A one unit increased in corporate image will lead to a decrease in customer loyalty by 0.396 (with a negative beta value of 0.396). Reichheld (2003), in his Harvard Business Review article "The One Number You Need to Grow," Fred Reichheld introduces the Net Promoter Score (NPS) which focuses on actual customer experience rather than corporate image, suggesting that customer

loyalty is more directly influenced by customer experiences and satisfaction than by corporate image.

Regression research results indicate that corporate image has an adverse impact on consumer loyalty. This outcome runs counter to the findings of the study. According to Martin et al. (2009), customers' loyalty is affected by their opinion of pricing fairness, regardless of the level of service skill. The corporate image of mobile telecommunications service providers is crucial in reflecting their overall status and reputation, which in turn affects the loyalty of their customers.

4.4.3. The effect of Trust on Customer Loyalty

The regression study's findings indicate that trust has a considerable positive influence on customer loyalty ($\beta=0.596$, $p<0.05$). Customer loyalty will rise by 0.596 units for every unit of increased trust (with a positive beta value of 0.590). The study result indicates that trust has a positive effect on customer loyalty. The result supported by server researchers for instance: Maupa et al. (2023), which shows that via customer pleasure, trust has a positive and significant impact on customer loyalty. In a similar vein, studies by Kuswanto et al. (2020) and Caturani et al. (2019) demonstrate that loyalty is strongly influenced by customer satisfaction, but trust has a positive and substantial impact on loyalty.

4.4.4. The effect of Customer Commitment on Customer Loyalty

The regression study's findings indicate that customer commitment has a considerable positive influence on customer loyalty ($\beta=0.205$, $p<0.05$). Customer loyalty will rise by 0.205 units for every unit of increased trust (with a positive beta value of 0.205). The regression study's findings indicate that commitment has a considerable positive influence on customer loyalty this result supported by Du Plessis study. According to Du Plessis (2010), committed customers lead to a positive impression of the relationship, and these customers show strong intentions to stay in the relationship will be loyal.

4.4.5. The effect of Customer Satisfaction on Customer Loyalty

The regression mode result of the effect of customer satisfaction on customer loyalty was not significant ($\beta=0.088$, $p>0.05$). The value indicate that two variables have no relationship at a 95% confidence interval. Based on this, the fifth hypothesis is rejected.

4.4.6. The effect of switching cost on Customer Loyalty

The regression model result of the effect of switching cost on customer loyalty was not significant ($\beta=0.777$, $p>0.05$). The value indicates that two variables have no relationship at a 95% confidence interval. Based on this, the sixth hypothesis is rejected.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Introduction

The chapter provides an overview of the research's broad findings within the framework of the main concepts that guide the study's goals. This chapter discusses the findings on the elements influencing the customer loyalty of furniture manufacturing firms. The chapter includes summary of findings, conclusion and recommendation.

5.2 Summary of Finding

This section presents the analysis and findings from a research study aimed at explaining data obtained from customers of the small and micro enterprises that produce office and home furniture in the selected Woreda. The study involved 342 respondents who completed questionnaire forms. Both descriptive and inferential statistical techniques were employed to analyze the data.

- The individual mean values vary between the lowest 4.05 and the highest is 4.70. This illustrates enterprise's product quality can meet standards of customers, enterprises product has better quality than other suppliers it helps to get customer loyalty to the brand.
- The total average mean score for customer satisfaction was $X = 3.39$. This implies that customers are relatively satisfied with the services offered by furniture manufacturing enterprises.
- The overall mean score for corporate image is 3.86. This indicates that customers have good perception towards the image of furniture manufacturing enterprises.
- The aggregate mean value for switching cost is 3.78. This implies that customers are more likely to remain loyal to their current supplier.
- The overall mean value for trust is 4.65. This shows that customers have established strong trust on furniture manufacturing enterprises.
- The aggregate mean value for commitment is 4.46. This indicates that customers are committed to continue establishing strong relationship with furniture manufacturing enterprises

- According to the results of the regression study, customer loyalty is significantly positively impacted by perceived product quality ($\beta= 0.335$, $p<0.05$). A one unit increased in perceived quality of the product will lead to a rise in customer loyalty, or 0.335 (with a positive beta value of 0.335).
- According to the results of the regression study, customer loyalty is significantly but negatively impacted by corporate image ($\beta= -0.396$, $p<0.05$). This is against the proposed hypothesis. A one unit increased in corporate image will lead to a decrease in customer loyalty by 0.396 (with a negative beta value of 0.396).
- The regression study's findings indicate that trust has a considerable positive influence on customer loyalty ($\beta=0.596$, $p<0.05$). Customer loyalty will rise by 0.596 units for every unit of increased trust (with a positive beta value of 0.590). The study result indicates that trust has a positive effect on customer loyalty.
- The regression study's findings indicate that customer commitment has a considerable positive influence on customer loyalty ($\beta=0.205$, $p<0.05$). Customer loyalty will rise by 0.205 units for every unit of increased trust (with a positive beta value of 0.205).

5.3 Conclusion

Based on the regression study's findings, several key factors significantly influence customer loyalty: perceived product quality, corporate image, trust, and customer commitment. Here's a conclusion based on the provided information:

The result of descriptive statistics revealed that customers are loyal to organization ($x=4.22$), have good perception about product quality ($x=4.34$), satisfied with the products offered ($x=3.39$), positive perception about the company image ($x=3.83$), trust the company ($x=4.26$), and remain committed with the organization ($x=4.04$).

Moreover, regression analysis was used to investigate the determinants of customer loyalty. The first objective was to examine the effect of perceived product quality on customer loyalty. The regression analysis demonstrates a significant positive impact of perceived product quality on customer loyalty. This finding aligns with previous research, indicating that customers are more likely to exhibit loyalty to products or services they perceive as high quality (Prasadh, 2018). Thus,

investing in maintaining and improving product quality can be an effective strategy for enhancing customer loyalty.

The first objective was to determine the effect of corporate image on customer loyalty. Surprisingly, the regression study reveals a negative impact of corporate image on customer loyalty. This contradicts some prior literature suggesting that corporate image positively influences loyalty. However, Reichheld (2003) suggests that customer experiences and satisfaction are more influential factors than corporate image. Nonetheless, given the contradictory findings, further research may be warranted to explore the complex relationship between corporate image and customer loyalty, especially in the context of mobile telecommunications service providers (Martin et al., 2009).

The third objective was to determine the effect of trust on customer loyalty. The regression analysis highlights a significant positive influence of trust on customer loyalty. This result corroborates previous research indicating that trust fosters customer loyalty by enhancing satisfaction and commitment (Maupa et al., 2023; Kuswanto et al., 2020; Caturani et al., 2019). Therefore, building and maintaining trust with customers should be a priority for firms seeking to cultivate loyal customer relationships.

The fourth objective was to determine the effect of customer commitment on customer loyalty. The regression study also reveals a significant positive impact of customer commitment on customer loyalty. This finding is consistent with previous research suggesting that committed customers exhibit stronger intentions to remain loyal (Du Plessis, 2010). Fostering customer commitment through various strategies, such as personalized interactions and loyalty programs, can thus be instrumental in bolstering overall customer loyalty.

5.3 Recommendation

Based on the conclusion drawn from the regression study's findings, here are some recommendations for businesses seeking to improve customer loyalty:

- **Invest in Product Quality:** Given the significant positive impact of perceived product quality on customer loyalty, businesses should prioritize investments in maintaining and enhancing the quality of their products or services. This may involve conducting regular

quality assessments, gathering customer feedback to identify areas for improvement, and implementing measures to ensure consistency in product quality across all touchpoints.

- **Build Trust:** Since trust emerged as a critical driver of customer loyalty, businesses should focus on building and nurturing trust-based relationships with their customers. This can be achieved through transparent communication, reliable service delivery, and demonstrating a commitment to customer satisfaction. Establishing trust can help mitigate concerns about switching costs and foster long-term loyalty.
- **Cultivate Customer Commitment:** Customer commitment was identified as another significant predictor of loyalty. To enhance customer commitment, businesses should strive to create value-added experiences that deepen the customer's emotional connection with the brand. This could involve personalized interactions, loyalty programs, and initiatives that demonstrate appreciation for customer loyalty.
- **Reevaluate Corporate Image Strategies:** While the regression analysis revealed a negative impact of corporate image on customer loyalty, the relationship between these factors appears complex. Businesses should conduct further research to better understand how corporate image influences customer perceptions and behaviors, particularly within the mobile telecommunications industry. It may be beneficial to reassess corporate branding and communication strategies to align them more closely with customer preferences and expectations.
- **Continuously Monitor and Adapt:** Customer loyalty is dynamic and influenced by various factors, including market trends, competitor actions, and evolving customer preferences. Therefore, businesses should continuously monitor customer feedback, market dynamics, and competitive landscape to identify emerging opportunities and threats. By staying agile and responsive, businesses can adapt their strategies to maintain and strengthen customer loyalty over time.

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APPENDIX-1: Questionnaire

Dear Respondents,

Directions

The main purpose of this study is to determine the factors that influence customer loyalty in small and micro enterprises in Kolfe Keraiyo sub-city, Worda 08, that produce office and home furniture. Thus, your responses will have much contribution to the success of the intended research. Therefore, the outcome of this study depends on your honest response.

The Questionnaire has two parts. The first part touches Questions to your Demographic characteristics. The second part is Questions regarding the the variables that influence customer loyalty in small and micro enterprises in Kolfe Keraiyo sub-city, Worda 08, that produce office and home furniture.

Remember:

- Please make sure that you have answered all the questions.
- When you fill in the questionnaire, there is no need to consult others please fill it by yourself
- You do not need to write your name

If you have any comment you can contact:

Telephone: 0923500432

Email: getacheworku@gmail.com

Thank you for your cooperation in advance!

PART ONE: Demographic Information of Respondents Instruction: Please read each question carefully and mark or circle the letter of choice for the statements estimated appropriate

1. Sex: A) Male B) Female

2. Age: A) 18-29 years B) 30-49 years C) 50-69 years D) Above 70 years

3. Marital status A) Single B) Married C) Divorced/separated D) Widow

4. Education level

A) No formal education B) Primary education C) Secondary education

D) Vocational or technical training E) University or higher-level education

5.Occuption: A) Private sector B) Government sector C) Own business D) Student

6. Monthly household income:

A) Less than Birr 1000 B) Birr 1000–5000 C) Birr 5001-10,000

D) Birr 10,001-20,000 E) Above Birr 20,000

PART TWO: Please, indicate your opinion on factors affecting customer loyalty on small and micro enterprises engaged on the production of home and office furniture by marking the appropriate box on the five-point scale. were, tick (x) in the box given for each question

1= Strongly disagree 2=Disagree 3=Neutral 4= Agree 5=Strongly Agree

S.No	Perceived product quality	1	2	3	4	5
1	The enterprise’s product quality can meet our standards					
2	The enterprise’s product has high quality					
3	The enterprise’s product is of better quality than other suppliers					
	Customer Satisfaction					
1	This enterprise has met my expectations					
2	The product of the enterprise is very different from what I had in mind.					
3	Based on my personal experiences, I am happy with this product.					
4	Compared to other product, I think this one and enterprise services are successful.					
	Corporate Image					
1	The enterprise brand last longer than other enterprise brands					
2	The enterprise provides wide variety of design					
3	The Brand name and image attract me to purchase					
4	The enterprise (brand) has good store location					

5	Salesperson of the store is well-trained					
	Switching Cost					
1	It takes time to investigate potential new enterprise(producer) in order to switch to another one.					
2	There will be a significant loss of personal relationships with present enterprise employees and management if I decide to substitute the firm.					
3	Switching to a new enterprise entail taking a chance on a different venture that might not meet my needs.					
	Trust					
1	The enterprise delivers on its service commitments on schedule.					
2	I'm confident in the enterprise services(product).					
3	Based on my own experience, the enterprise is fully trustworthy.					
4	There are honest workers in this enterprise.					
5	The Enterprise service purely safe					
6	The enterprise's policies and practices were ones that deserved respect and mutual trust from its clients.					
	Commitment					
1	The enterprise is dedicated to providing consumers with services that meet the requirements for quality and standards.					
2	The enterprise provides individualized service to address each client's demands uniquely.					
3	Enterprise is dedicated to promptly and completely resolving any issues that customers may encounter.					
4	Enterprise is committed to provide service on time in response to customer and customer conditions					
5	The enterprise management system is committed to monitoring the methods used to support clients both before and after					
	Customer Loyalty					
1	I consider this enterprise is my first choice					
2	I would always recommend this enterprise to the others					
3	It would be difficult to change my beliefs about this enterprise					
4	I would always use this enterprise service					

5	I am loyal customer to this enterprise					
6	I do not like to change to another enterprise because this enterprise sees my needs					
7	Even if close friends recommend and other companies, my preference for this enterprise would not change					
8	No matter how other enterprises offers discounts. I will never consider switching to a other enterprises.					

APPENDIX-2: Reliability

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The enterprise's product quality can meet our standards	132.50	141.248	.566	.831
The enterprise's product has high quality	132.73	146.539	.354	.838
The enterprise's product is of better quality than other suppliers	132.08	155.220	.043	.843
This enterprise has met my expectations	132.96	156.505	-.068	.845
The product of the enterprise is very different from what I had in mind.	133.31	161.041	-.392	.851
Based on my personal experiences, I am happy with this product.	133.53	158.326	-.239	.847
Compared to other product, I think this one and enterprise services are successful.	133.74	161.753	-.327	.853
The enterprise brand last longer than other enterprise brands	132.88	152.772	.266	.840
The enterprise provides wide variety of design	132.28	148.267	.386	.837
The Brand name and image attract me to purchase	132.92	159.219	-.276	.848
The enterprise (brand) has good store location	133.36	162.648	-.460	.853
Salesperson of the store is well-trained	133.15	165.339	-.410	.860
It takes time to investigate potential new enterprise(producer) in order to switch to another one.	133.07	144.804	.623	.832
There will be a significant loss of personal relationships with present enterprise employees and management if I decide to substitute the firm.	132.89	148.609	.167	.846
Switching to a new enterprise entail taking a chance on a different venture that might not meet my needs.	133.05	150.303	.309	.839
The enterprise delivers on its service commitments on schedule.	132.82	156.033	-.032	.843
I'm confident in the enterprise services(product).	132.13	159.447	-.312	.848
Based on my own experience, the enterprise is fully trustworthy.	132.49	144.837	.433	.835
There are honest workers in this enterprise.	132.65	141.191	.598	.830
The Enterprise service purely safe	132.53	137.129	.733	.825
The enterprise's policies and practices were ones that deserved respect and mutual trust from its clients.	132.49	143.271	.463	.834
The enterprise is dedicated to providing consumers with services that meet the requirements for quality and standards.	132.85	135.764	.557	.830
The enterprise provides individualized service to address each client's demands uniquely.	133.24	136.136	.587	.829

Enterprise is dedicated to promptly and completely resolving any issues that customers may encounter.	132.32	141.338	.694	.829
Enterprise is committed to provide service on time in response to customer and customer conditions	132.54	141.745	.709	.829
The enterprise management system is committed to monitoring the methods used to support clients both before and after	132.75	136.670	.598	.828
I consider this enterprise is my first choice	132.54	140.472	.589	.830
I would always recommend this enterprise to the others	132.73	138.243	.613	.828
It would be difficult to change my beliefs about this enterprise	132.49	138.843	.651	.828
I would always use this enterprise service	132.56	138.159	.611	.828
I am loyal customer to this enterprise	132.22	139.718	.781	.826
I do not like to change to another enterprise because this enterprise sees my needs	132.94	144.064	.354	.838
Even if close friends recommend and other companies, my preference for this enterprise would not change	132.35	142.867	.616	.831
No matter how other enterprises offers discounts. I will never consider switching to a other enterprises.	132.62	149.252	.199	.843