

THE INFLUENCE OF BEHAVIORAL LOYALTY AND ATTITUDINAL LOYALTY ON PURCHASE BEHAVIOR

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ABSTRACT

Creative, innovative, work effectively, and efficiently are demand for the company to show its competitive advantage in the competitive business world. Every product and service that produced must surely attract the attention of customers so the products or services that produced will become customers' choice to use, and aims to be a loyal. Customer will be loyal if the products or services that provided make them satisfied. The research objectives are to analyze the influence of behavioral loyalty and attitudinal loyalty to purchase behavior of Bentenan Fabric in North Sulawesi. Theories supporting this research are customer loyalty and purchase behavior. The population observed is people that buy and wear Bentenan Fabric of north Sulawesi with sample as many as 100 respondents. Results and conclusions are behavioral loyalty has negative correlation with purchase behavior and attitudinal loyalty is the most influencing variable.

Keywords: customer loyalty, purchase behavior

INTRODUCTION

Research Background

Creative, innovative, work effectively, and efficiently are demand for the company to show its competitive advantage in the competitive business world. Every product and service that produced must surely attract the attention of customers so the products or services that produced will become customers' choice to use, and aims to be a loyal. Customer will be loyal if the products or services that provided make them satisfied. Currently customers become more competitive, customers are facing more options than the previous available options, and cutomers have the claim to try new brands. In the history, development of brands and branding become things that play an important role in the world of business. Branding itself is the process of identifying the specific products or services from one company to another company by name, design, symbol, or a feature or a combination, so it can be profitable.

When it leads to customer satisfaction, branding itself aims to build the image of the product, so with the image can affect the rising value of the products that can lead to customer loyalty. Things such as skills, knowledge, behavior, attitudes, and facility providers can increase the value of a product where customers can assess satisfaction as measured by the performance results based on the product being offered, then by sticking to these customers feel satisfied. Every company should know the importance of maintaining every loyal customer and with a variety of ways to bring in new customers that also consider several factors age, occupation, income, education, gender, social status, cultural. Also in maintaining a loyal customer company should reward customers with good products.

Many questions that arise about the loyal customers, whether customers that loyal can influence purchase decisions, or can increase the value of the brand or product? In fact, many studies have adopted a market focus to conduct research in this area.

Research Problem

Based on the background explained above, there are two main problems that will be discussed in this research, they are as follows:

1. Does the Behavioral Loyalty influence the purchase behavior of Bentenan Fabric?
2. Does the Attitudinal Loyalty influence the purchase behavior of Bentenan Fabric?
3. How significant Behavioral Loyalty influences the Purchase Behavior of Bentenan Fabric?
4. How significant Attitudinal Loyalty influences the Purchase Behavior of Bentenan Fabric?

Research Objectives

Regarding to the problems which have been formulated and identified that mentioned in the previous section, the research objectives are:

1. To analyze behavioral loyalty that influence purchase behavior of Bentenan Fabric in North Sulawesi.
2. To analyze attitudinal loyalty that influence purchase behavior of Bentenan Fabric in North Sulawesi.
3. To analyze how significant behavioral loyalty influences purchase behavior of Bentenan Fabric.
4. To analyze how significant attitudinal loyalty influences purchase behavior of Bentenan Fabric.

Research Usefulness

1. Academically researchers can contribute through scientific thought in order to increase their repertoire of knowledge and development. Also, this research can become an important analysis about the implementation of Analysis to Measure the Influence of Behavioral Loyalty and Attitudinal Loyalty on Purchase Behavior and as a reference for future studies.
2. As consideration for the company engaged in the traditional cloth industry in the preparation of its marketing efforts and through this research company could get knowledge about how the customer loyalty which is Behavioral Loyalty and Attitudinal Loyalty influence Purchase Decision.
3. In practical research can enhance the development of knowledge that gained during lectures and researchers gain additional knowledge in general and practically, as a result of direct observation and research.

THEORETICAL FRAMEWORK

Theoretical Framework

Customer Loyalty

According to Jeong and Lee (2010) in Leong (2012), customer loyalty means the property of customer to repeatedly purchasing specific subject (brand, product, service, shop, etc.) with affection regardless of the change in the circumstance. Kumar and Shah (2004) noted that the main goal of every company is profitability and one method to achieve this for a company is to gain and maintain loyal customers that if a company invests resources to build customer loyalty without focusing on profitability it may lead to failure in the long run. In simple terms, customer loyalty based on Czepiel's (1990) perspective is a notion to describe the end result of a relationship between the company and the customer. Kumar and Shah (2004) further stated there are two types of loyalty; behavioral and attitudinal loyalty.

Behavioral Loyalty

Russell-Bennett et al. (2007) in Shih (2011) said that behavioral loyalty means consumers' repurchase behavioral or intension of specific brand. Uncles et al. (2003) in Leong (2012) defined loyalty from behavioral perspective as an ongoing propensity to buy the brand, usually as one of several, and that behavioral loyalty can lead only to weak commitment as loyalty to a brand is a result of repeated satisfaction.

Attitudinal Loyalty

According to Kumar and Shah (2004), attitudinal loyalty is important for a company, because it helps the company to build up an exit barrier for their customers. Further, Kumar and Reinartz (2006) in Shih-I (2011) said that attitudinal loyalty means consumers' sense of specific products or service

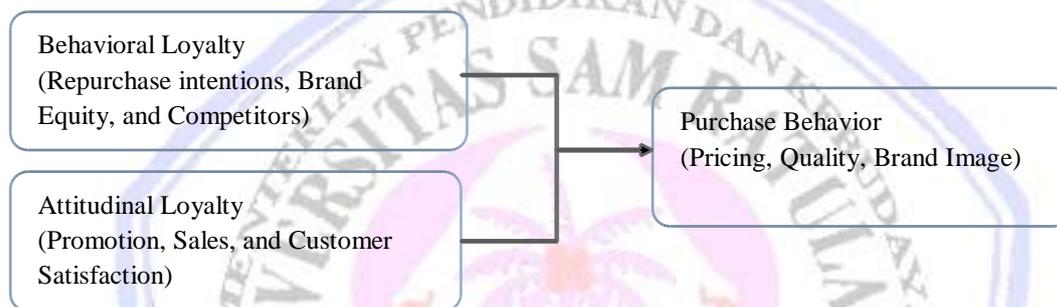
Purchase Behavior

Erkmen and Yüksel (2005) in Alagöz and Ekici (2011) said that consumers purchase goods/services to meet their needs, but it is not the only reason that shopping habits also affect the consumers' purchasing behaviour.

Previous Research

Leong, et al. (2012) found the relationship between brand equity, customer satisfaction and customer loyalty were established and the findings show that customer satisfaction is the antecedents of customer loyalty. Although influence of brand equity was less significant as compare to customer satisfaction, the result still show a positive score for brand equity. Boora and Singh (2011) indicated that customer loyalty is an action outcome of many factors drive synthetically. Alagöz and Ekici (2011) indicated that consumers generally prefer shopping malls, markets and supermarkets because of product and price variety, they rarely prefer traditional shopping spots like groceries and public markets.

Figure 1 Conceptual Framework



Research Hypothesis

There are two hypothesis concept that will be particularly evaluated, which are:

1. H₁: Behavioral Loyalty influence purchase behavior of Bentenan Fabric
2. H₂: Attitudinal Loyalty influence purchase behavior of Bentenan Fabric
3. H₃: Behavioral Loyalty significant influence Purchase Behavior of Bentenan Fabric
4. H₄: Attitudinal Loyalty significant influence Purchase Behavior of Bentenan Fabric

RESEARCH METHOD

Sources of Data

The sources of data for research work will come from the two main sources of statistical data collection methods, which are often used by the researcher. These are primary and secondary sources of data. Primary data is data originated by the researcher specifically to address the research problem. Primary data got from field study. Secondary data is data collected for some purpose other than the problem at hand. The secondary data is taken from books, journals, and relevant literature from library and internet.

Population and Sample

According to Sekaran and Bougie (2010), population is the entire group of people, events, of things of interest that the researcher wishes to investigate. The population that is mainly observed in this current research is the people that buy and wear Bentenan Fabric of north Sulawesi.

According to Kotler et al. (2005), sample is a segment of the population selected for marketing research to represent the population as a whole. The sample in this research is people that buy and wear Bentenan Fabric of north Sulawesi. The sample size is 100 respondents. The sampling method is random sampling. The random

sampling was applied in this research regarding to obtain information quickly and efficiently. This sampling method also is the best way to collect data due to time and resources constrain.

Operational Definition and Measurement of Research Variables

1. Behavioral loyalty (X_1) reflects the customer actions and involves the measurement of past purchases of the same brand or the same brand-set and/or the measurement of probabilities of future purchase given past purchase behavior.
2. Attitudinal loyalty (X_2) refers to customer loyalty from psychological involvement, favoritism, and a sense of goodwill towards a particular products or service.
3. Purchase Behavior (Y) can be viewed as a signal of retention or defection towards the products.

Research variables are measured with likert Scale as suggested by Sekaran and Bougie (2010) who define that the Likert Scale is designed to examine how strongly subjects agree or disagree with statements on a five-point scale with the following anchors: strongly disagree, disagree, neutral, agree, and strongly agree. In this kind of scale, variables will be measured on five points of scale (1, 2, 3, 4, 5).

Data Analysis Technique

Reliability and Validity Test

Validity test is the ability of a test to measure what is purport to measure. while Reliability test is established by testing for both consistency and stability of the answer of questions. According to Sekaran and Bougie (2010) defined that Alpha Cronbach can be considered a perfectly adequate index of the consistency reliability. The higher of the coefficient prove the better of measuring instrument.

Multiple Regression Analysis Model

Regression Analysis is the process of constructing a mathematical model or functions that can be use predict or determine one variable by another variable or other variables (Black, 2007). Cooper and Schindler (2001) stated that multiple regression analysis is a technique to observed value of more than one X to estimate or predict corresponding Y value.

The formula of multiple regression models in this research is shown as bellow:

$$Y = a + b_1X_1 + b_2X_2$$

where:

- Y = Purchase Decisions
 a = The regression constant
 b = Coefficient regression
 X_1 = Behavioral Loyalty
 X_2 = Attitudinal Loyalty

RESULT AND DISCUSSION

Result

The reliability test of this research is 0.862 which mean it >0.6 that also mean the data gained is up to standard and reliable. The validity test shows that all variables are good because they are above 0.30 which means the instruments used for this research are valid.

Table 1 Output of Multiple Regression Analysis

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.973	1.589		3.760	.000
Behavioural Loyalty	-.142	.126	-.143	-1.132	.260
Attitudinal Loyalty	.817	.127	.809	6.406	.000

a. Dependent Variable: Purchase Behaviour

Source: Data Processed 2012

Table 1 is the output of multiple regression analysis. This model is used to determine the effect of independent variables on dependent variables. The equation of multiple regression models is as follow:

$$Y = 5.973 - 0.142X_1 + 0.817X_2$$

The interpretation is:

- Constant 5.973 shows that if all independent variables are at a constant state (zero) then purchase behaviour or Y is predict to be 5.973.
- -0.142 is the slope of behavioural loyalty (X_1) which means if there is one unit increasing in X_1 while other independent variables are constant then Y will decrease by 0.142.
- 0.817 is the slope of attitudinal loyalty (X_2) that means if there is one unit increasing in X_2 while other independent variables are constant, then Y is predicted to increase by 0.217.

Table 2 Coefficient of determination and coefficient of correlation

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.486	.476	1.606

a. Predictors: (Constant), Attitudinal Loyalty, Behavioural Loyalty
b. Dependent Variable: Purchase Behaviour

Source: Data Processed 2012

Based on table 2, the value of R square is 0.486 which means behavioral loyalty and attitudinal loyalty are able to influence purchase behaviour for 48.6% while the rest are explained by other factors that are not included in this research.

Classical assumptions testing show that tolerance value of behavioural loyalty is 0.332 and attitudinal loyalty is 0.332 while Variance Inflation Factor (VIF) of behavioural loyalty is 3.014 and attitudinal loyalty is 3.014, therefore, this research is free from multicollinearity. Further, this research is free from heteroscedasticity and pass normality test since the pattern of dots is spreading and not making clear pattern, above and below 0 (zero) in ordinate, and the data is spreading near the diagonal line and it follows the direction of the diagonal line. This research also free from autocorrelation as the value of Durbin-Watson is 1.797.

Table 3 F-test

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	236.685	2	118.343	45.905	.000 ^a
	Residual	250.065	97	2.578		
	Total	486.750	99			

a. Predictors: (Constant), Attitudinal Loyalty, Behavioural Loyalty
b. Dependent Variable: Purchase Behaviour

Source: Data Processed, 2012

Table 3 shows the value of F_{count} is 45.905 and F_{table} is 3.09 or $F_{count} > F_{table} = 45.905 > 3.09$. Since F_{count} is greater than F_{table} then H_0 is rejected and H_1 is accepted. It means independent variables simultaneously influence dependent variable. Therefore, hypothesis 1 is accepted.

Table 4 T-Test

Variables	t-count	t-table	Description
Behavioral Loyalty (X_1)	-1.132	1.984	Rejected
Attitudinal Loyalty (X_2)	6.406	1.984	Accepted

Source: Data Processed, 2012

Table 4 shows that t_{count} of behavioural loyalty is -1.132 and t_{table} is 1.984 or $t_{count} < t_{table} = -1.132 < 1.984$. It means behavioral loyalty (X_1) has no significant influence on purchase behaviour meanwhile t_{count} of attitudinal loyalty is 6.406 and t_{table} is 1.984 or $t_{count} \geq t_{table} = 6.406 \geq 1.984$. It means attitudinal loyalty is significantly influence purchase behavior.

Discussion

This research is conducted in Bentenan fabric of North Sulawesi at PT. Karema. The sample is 100 respondents who ever bought and used Bentenan fabric of North Sulawesi. From the result of multiple regression analysis, it can be seen that behavioral loyalty influences the dependent variable but not significantly and attitudinal loyalty significantly influence purchase behavior.

Behavioral loyalty

Behavioral loyalty in this research is important for a company or business to see how customers loyal in terms of behavior. How the customer have the right as a customer in purchasing a product or brand, to be loyal with the brand or products as long as they still use it or can move to another product or brand who will more satisfy the customer that can influence purchase behavior. Based on data gathered from questionnaires, the average score answer of respondents are 2 and 3 (not agree) which means behavioral loyalty does not have a significant influence toward purchase behavior because this study found that in some cases if the product or brand does not exist in marketplace then they do not prepare to buy any others brand or product as long as they have the good quality and good service from company or business. The customer will pretend the good one, while company or business not pretends well, so the customer will pick another one that they can found a better product or brand. It means so important for the company to be innovative and creative in business world to create new product with the same brand.

Attitudinal loyalty

Attitudinal loyalty in this research shown loyalty of customer to a product or brand, with also consider the value of a product or brand which is can give a positive influence for the customer commitment so that customer can be loyal. This shows the customer satisfy with the product and brand that be offer. Based on questionnaire, the average answers of this compensation variable are 4 and 5 which means most of buyers and users agree that they assume attitudinal loyalty is an important factor in influencing purchase behavior. Based on people who ever bought and uses this fabric, they feel satisfy and comfort with this product and do not prefer to change the product even though it comes from the biggest competitor from Java such as batik and they will prefer to buy Bentenan. The government also take a part in promoting Bentenan Fabric through international and national events to make Bentenan Fabric well known in not only North Sulawesi region but also international and national levels. It proves that the government have attention to this national treasure. Bentenan Fabric available on Bentenan centre also helps customers to get or buy Bentenan Fabric. Not only have that customers taken part to promote it through mouth to mouth or worth of mouth.

CONCLUSION AND RECOMMENDATION

Conclusion

1. t shows that behavioral loyalty has negative correlation with purchase behavior which means behavioral loyalty has an influence but not significant towards purchase behavior in Bentenan Fabric of North Sulawesi.
2. Attitudinal loyalty shows as the most influencing variable and significantly influence purchase behavior at Bentenan Fabric of North Sulawesi.

Recommendation

1. Based on the coefficient regression, attitudinal loyalty is the most influencing variable of purchase behavior Bentenan fabric of North Sulawesi at PT. Karema. Every customer has a level of loyalty to every product or brand also service that company offering, so company must pay attention for this one. Have a loyal customer is a benefit for the company in order to gain profit of course, but every customer has different characteristics, so it cannot be seen if the customer will be loyal or not to a product or brand that the company over. Based on that company must more innovative and creative in order to make a product to

- deliver the highest value to influence loyal and satisfaction of the customer so the last customer can have a characteristic as Attitudinal Loyalty. And this must to consider of PT. KAREMA in order to market the Bentenan fabric.
2. Meanwhile the result of T-test shows that behavioral loyalty has no significant effect to purchase behavior, that in some case that customers prefer to buy another product if Bentenan fabric does not exist in market place or there is some of customer do not attract with the fabric. However, through behavioral loyalty the company can know what are the strength and the weakness in company. It means that better for company to always rearrange the product so the customer will more have good impression of the product.
 3. In addition, company must engage to promotion and marketing of the product to let people recognize this Bentenan fabric which have good quality of clothing and as a traditional fabric that have a potential to be modern fashion without lost the culture and value of the Minahasan.

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